

**STATE OF NEW YORK**  
**PUBLIC HEALTH AND HEALTH PLANNING COUNCIL**

**COMMITTEE DAY**

**AGENDA**

*June 4, 2025*

*10:00 a.m.*

*90 Church Street, 4<sup>th</sup> 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**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	251025 C	Stony Brook University Hospital (Suffolk County)
2.	251044 C	Delaware Valley Hospital Inc (Delaware County)
3.	251096 C	New York-Presbyterian Hospital - Columbia Presbyterian Center (New York County)
4.	251126 C	NYU Langone Hospitals (Richmond County)

**Cardiac Services – Construction**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	242313 C	Samaritan Medical Center (Jefferson County)
2.	251001 C	Mount Sinai South Nassau (Nassau County)

**Ambulatory Surgery Centers – Construction**

	<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1.	242332 C	OrthoNY Surgical Suites (Saratoga County)
2.	251136 C	Specialists' One-Day Surgery Center, LLC (Onondaga County)

### **Residential Healthcare Facility – Construction**

1. 242314 C Van Rensselaer Manor  
(Rensselaer County)

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

#### **Acute Care Services – Establishment**

- | <u>Number</u> | <u>Applicant/Facility</u>                   |
|---------------|---|
| 1. 241015 E   | Centralus Health, Inc.<br>(Tompkins County) |

#### **Ambulatory Surgery Centers – Establish/Construct**

- | <u>Number</u> | <u>Applicant/Facility</u>                                     |
|---------------|---|
| 1. 251101 B   | Bronx Endovascular Center LLC<br>(Bronx County)               |
| 2. 251137 B   | Wellness Way ASC, LLC<br>(Albany County)                      |
| 3. 251118 E   | OrthoNY Ambulatory Surgery Center - Albany<br>(Albany County) |
| 4. 251131 E   | OrthoNY Surgical Suites<br>(Saratoga County)                  |
| 5. 251147 E   | Everett Road Surgery Center<br>(Albany County)                |

#### **Diagnostic and Treatment Centers – Establish/Construct**

- | <u>Number</u> | <u>Applicant/Facility</u>                   |
|---------------|---|
| 1. 241290 E   | Elmira Community Health<br>(Chemung County) |
| 2. 251068 B   | Tri-Med Health Pavilion<br>(Queens County)  |
| 3. 251106 B   | Accelerated Care Inc.<br>(New York County)  |

## **Dialysis Services – Establishment**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1. 251114 E	Bronx Renal Services LLC (Bronx County)

### **C. Certificates**

#### **Certificate of Amendment of the Certificate of Incorporation**

##### **Applicant**

Finger Lakes Migrant Health Care Project, Inc.

#### **Certificate of Assumed Name**

##### **Applicant**

Community Health Center of Buffalo, Inc.

#### **Amended and Restated Certificate of Incorporation**

##### **Applicant**

Finger Lakes Health Foundation, Inc.

#### **Restated Certificate of Incorporation**

##### **Applicant**

Geneva General Hospital



Project # 251025-C  
Stony Brook University Hospital

**Program:** Hospital  
**Purpose:** Construction

**County:** Suffolk  
**Acknowledged:** January 24, 2025

Executive Summary

Description

Stony Brook Medicine, under Stony Brook University Hospital (SBUH), an existing Article 28, Public 628-bed Hospital, requests approval to certify and construct a new Multi-Specialty Ambulatory Surgery Hospital Extension Clinic within leased space at 500 Commack Road, Commack, New York (Suffolk County). The extension clinic will consist of four (4) operating rooms (ORs), with the first phase equipping two (2) ORs and preparing two (2) additional rooms for future use. In addition to the proposed OR space, the facility will have a shared recovery area for sixteen (16) patients, comprised of fourteen (14) bays and two (2) private rooms.

The extension clinic will provide orthopedic, ophthalmology, urology, pain management, anesthesia, neurosurgery surgical services to patients currently being treated at Stony Brook University Hospital and their physician practices already at the proposed site. The extension clinic will ensure consistent convenience for patients, allowing the patients to attend pre- & post-procedure appointments in the same location as their procedures.

Syed Y A Shah, MD will serve as the Medical Director. The ASC will implement a policy for patient transfers to ensure backup and emergency services are accessible through SBUH, approximately 14.5 miles / 28 minutes from the proposed extension clinic. This new ASC will be known as Stony Brook Ambulatory Surgery Center at Commack.

OPCHSM Recommendation  
Contingent Approval

Need Summary

Approval of this project allows SBUH to redistribute its ambulatory surgery procedures to the most appropriate setting and provide better continuity of care.

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 \$19,405,375 will be met with \$108,135 in equity from operations, a loan of \$9,469,045 at an interest rate of 3.25% for a twenty-year term via the State University Construction Fund, a bank loan of \$6,093,448 at an interest rate of 8% for a twenty-year term, and landlord concessions of \$3,734,750.

Budget:	<u>Year One</u>	<u>Year Three</u>
Revenues	\$8,242,101	\$10,171,343
Expenses	<u>7,318,563</u>	<u>9,220,097</u>
Excess Revenues	\$923,538	\$951,246

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. Acceptance by the Bureau of the Applicants response to the remaining open Engineering RFAI comments during Schematic Design/Design Development review phase. [AER]
3. Submission of a loan commitment via the State University Construction Fund loan that is acceptable to the Department of Health. [BFA]
4. Submission of a bank loan commitment that is acceptable to the Department of Health. [BFA]
5. Submission of an executed sublease agreement that is acceptable to the Department of Health. [BFA]

**Approval conditional upon:**

1. This project must be completed by **March 1, 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 **January 1, 2026**, and construction must be completed by **December 1, 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. Reimbursable TPC shall be limited to \$15,670,625 reflecting the approved TPC less the landlord contribution of \$3,734,750. [CCC]
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](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](mailto:hospinfo@health.ny.gov). [HSP]

Council Action Date

June 18, 2025

## Need Analysis

### Project Description

Stony Brook Medicine (SBM), under Stony Brook University Hospital (SBUH), submitted a Full Review CON application to seek approval for the construction of a multispecialty ambulatory surgical center extension clinic. The ASC will be within an existing building at 500 Commack Road, Commack, New York 11725 (Suffolk County). The Ambulatory Surgery Center will be situated within the Advanced Specialty Care Center in Commack, which also includes the Stony Brook Medicine Advanced Specialty Care Center, an existing multi-specialty practice that is currently non-Article 28. This new ASC will be known as "Stony Brook Ambulatory Surgery Center at Commack".

### Background and Analysis

The service area consists of Suffolk County. The population of Suffolk County is projected to decrease to 1,488,885 by 2030 based on Cornell Program on Applied Demographics estimates. Demographics for the primary service area are noted below, including a comparison with New York State.

Demographics	Suffolk County	New York State
Total Population-2023 Estimate	1,525,680	19,872,319
Hispanic or Latino (of any race)	22.2%	19.6%
White (non-Hispanic)	63.2%	53.4%
Black or African American (non-Hispanic)	6.8%	13.6%
Asian(non-Hispanic)	4.2%	8.8%
Other (non-Hispanic)	3.6%	4.6%

Source: 2023 American Community Survey (5-year Estimates Data Profiles)

In 2023, 95.4% of the population of Suffolk County had health coverage as follows:

<b>Employer Plans</b>	56.5%
<b>Medicaid</b>	12.1%
<b>Medicare</b>	13.1%
<b>Non-Group Plans</b>	13.2%
<b>Military or VA</b>	0.461%

Source: Data USA

According to the applicant, the proposed extension clinic is strategically located near the Long Island Expressway and the Northern State Parkway, in the same building as the Stony Brook Medicine Advanced Specialty Care Center in Commack, an existing multi-specialty practice that is currently non-Article 28. The Center will implement a policy for patient transfers to ensure backup and emergency services are accessible through SBUH, which is approximately 14.5 miles/28 minutes from the proposed center. The proposed center plans to offer ambulatory surgery services to patients currently receiving care at Stony Brook University Hospital and the Advanced Specialty Center at Commack. A small number of employees are expected to join the ASC staff, with some transferring from their existing on-campus ASC and others likely being recruited from accredited schools and training programs, such as the Health Sciences program at Stony Brook University. Additionally, the existing operating rooms at the main hospital will continue to serve patients with more complex cases.

### Ambulatory Surgery within a 10-Mile Radius of Proposed Center

Facility Name	Type	Patient Visits		
		2021	2022	2023
St Catherine of Siena Hospital	Hospital	9,655	8,866	9,712
North Shore Surgi-Center	ASC	6,215	5,841	5,521
Good Samaritan Hospital Medical Center	Hospital	20,689	21,751	21,478
Long Island Ambulatory Surgery Center	ASC	12,057	14,555	16,891
Melville Surgery Center	ASC	4,273	4,223	4,330
South Shore Surgery Center	ASC	3,856	3,458	3,748
South Shore University Hospital	Hospital	4,242	5,580	6,482
The Center for Advanced Spine and Joint Surgery	ASC	Unavailable	835	147
Long Island Hand and Orthopedic Surgery Center, LLC	ASC	659	603	588
<b>Total Visits</b>		<b>61,646</b>	<b>65,712</b>	<b>68,897</b>

Source: HFIS and SPARCS

All of the facilities listed above provide multi-specialty ambulatory surgical services or at least one of the specialties proposed by the applicant in this project.

CON 231348 (Long Island Community Hospital at NYU Langone Health) was approved to establish a hospital extension clinic in Suffolk County and is located 20.5 miles/29 minutes away from this proposed site. Additionally, CON 212260 (SurgiCore Suffolk) received contingent approval to establish a multi-specialty ambulatory surgery center in Suffolk County and is located 8.5 miles/13 minutes away from this proposed site.

The number of projected visits is 2,798 in Year One and 3,626 in Year Three with Medicaid at 4.9% by the third year. The table below shows the applicant's projected payor source utilization for Years One and Three.

Payor	Year One		Year Three	
	Volume	%	Volume	%
Comm Ins FFS	0	0.0%	0	0.0%
Comm Ins MC	1,315	47.0%	1,635	45.1%
Medicare FFS	953	34.1%	1,355	37.4%
Medicare MC	190	6.8%	266	7.3%
Medicaid FFS	7	0.3%	8	0.2%
Medicaid MC	169	6.0%	171	4.7%
Private Pay	19	0.7%	26	0.7%
Charity Care	56	2.0%	73	2.0%
Other (W/C, NF, Govt)	89	3.2%	92	2.5%

The hours of operation will be Monday through Thursday, 5:30 AM to 7:00 PM, and Friday 5:30 AM to 5:00 PM. The center will be licensed as a hospital extension clinic and will operate according to current hospital policy and procedures for providing service to the underinsured.

#### Conclusion

Approval of this project allows SBUH to redistribute its ambulatory surgery procedures to the most appropriate setting and provide better continuity of care.

## Program Analysis

### Project Proposal

Proposed Operator	State University of New York
To Be Known As	Ambulatory Surgery Center (*Stony Brook Ambulatory Surgery Center at Commack)
Site Address	500 Commack Road, Commack, New York 11725 (Suffolk County)
Specialties	Ambulatory Surgery - Multi Specialty
Hours of Operation	Monday through Thursday, 5:30 AM to 7:00 PM; and Friday 5:30 AM to 5:00 PM.
Staffing (1 <sup>st</sup> Year / 3 <sup>rd</sup> Year)	20.0 / 21.5
Medical Director	Syed Y A Shah, MD
Emergency, In-Patient and Backup Support Services Agreement and Distance	Stony Brook University Hospital (SBUH) Located 14.5 miles / 28 minutes away

The proposed Ambulatory Surgery Center will be hospital-based and integrated into Stony Brook University Hospital. The ASC will implement a policy for patient transfers to ensure backup and emergency services are accessible through SBUH, which is located approximately 14.5 miles / 28 minutes from the proposed center. The proposed ASC will offer ambulatory surgery services to patients currently receiving care at Stony Brook University Hospital and from the Advanced Specialty Center at Commack.

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

Position	Year One	Year Three
Management and Supervision	1.5	1.5
Technician and Specialist	3.5	4.0
Registered Nurses	8.0	8.0
Aides, Orderlies & Attendants	2.0	2.0
Clerical and Other Administrative	3.0	4.0
Housekeeping Aides	2.0	2.0
<b>Totals</b>	<b>20.0</b>	<b>21.5</b>

There will be no transfer of any office-based procedures to this Ambulatory Surgery Center, with cases shifting from the existing hospital-based ASC.

The Ambulatory Surgery Center submitted five (5) commitment letters from Ophthalmology physicians committed to providing the projected 850 procedures at the ASC.

**Syed Y A Shah, MD** will serve as the Medical Director for the Ambulatory Surgery Center. Currently, Dr. Shah serves as the Interim Chair of Anesthesiology and as the Director of the Stony Brook on-campus Ambulatory Surgery Center. Dr. Shah is also an Associate Medical Director of the Operating Room and is a Medical Director of the Pre- and Post Anesthesia Care Unit at SBUH.

In 2002, Dr. Shah joined the Stony Brook faculty as a Clinical Assistant Professor of Anesthesiology, and in 2013 Dr. Shah was promoted to Clinical Associate Professor.

Dr. Shah graduated from the Dow Medical College located in Karachi, Pakistan; completed a residency in Anesthesiology at NY Medical College in New York, and completed a fellowship in Cardiac Anesthesiology at SBUH in New York.

### Integration with Community Resources

The Ambulatory Surgery Center will benefit community residents by reducing waiting times and enhancing quality of care through a specialized and highly trained staff and a state-of-the-art freestanding ambulatory surgery center. The medical staff will ensure that procedures performed at the facility conform with generally accepted standards of practice and that privileges granted are within the surgeon's scope of practice and expertise

### 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.

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.

- The Department issued a Stipulation and Order dated October 9, 2017, and fined University Hospital (Stony Brook) \$2,000.00 based on deficiencies found during an inspection completed on November 9, 2016. Deficient practice was found in the area of Patient Rights.

### Prevention Agenda

Stony Brook Medicine under Stony Brook University Hospital, a public hospital located in Suffolk County, is requesting approval for construction of a multi-specialty ambulatory surgery extension clinic in Commack, New York (Suffolk County), allowing patients to receive pre- and post-procedure appointments in the same location as their ambulatory surgery procedure. The proposed center, by providing surgical procedures locally, can reduce the need for residents to travel to distant hospitals, thereby improving access and reducing wait times for surgeries. This can lead to earlier interventions and better management of health conditions by enhancing patient convenience.

By expanding capacity for ambulatory, high-quality, and cost-effective care in a location convenient to the community, the project directly advances several local Prevention Agenda priorities, as identified through collaborative planning processes:

- **Chronic Disease Prevention and Management:** The ASC will support timely interventions and surgery for chronic and complex conditions (such as kidney disease, diabetes complications, and cancer), which are leading contributors to morbidity in the region. The hospital offers educational programs focusing on prevalent health concerns such as diabetes, cardiovascular disease, vaccines, and mental health awareness to educate and empower the community.

Stony Brook University Hospital is implementing a variety of interventions to enhance local public health priorities and elevate community well-being. Initiatives include conducting regular health screenings and vaccination drives to assist in the management of chronic diseases and increase immunization rates. Healthcare professionals participate in health fairs and community events across Suffolk County, providing screenings for blood pressure, cholesterol, and glucose, which often detect early warning signs of heart disease, stroke, and diabetes. Community clinics offer primary care and gynecological care for uninsured patients and offer periodic or regular screenings for prostate cancer, breast cancer, glaucoma, vascular disease, memory loss, anxiety, and osteoporosis, among others.

- **Mental Wellbeing and Patient Experience:** The new ASC is designed to be patient- and family-friendly, reducing the stress associated with travel and hospitalization, and offering support services as needed, aligning with Prevention Agenda objectives for mental wellbeing.

### 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, which is for renovations and the acquisition of moveable equipment, is estimated at \$19,405,375, further broken down as follows:

Renovation and Demolition	\$7,222,615
Design Contingency	361,131
Construction Contingency	722,262
Architect/Engineering Fees	150,000
Other Fees	1,372,188
Moveable Equipment	8,307,558
Telecommunications	1,161,486
CON Fee	2,000
Additional Processing Fee	<u>106,135</u>
Total Project Cost	\$19,405,375

The applicant's financing plan appears as follows:

Equity	\$108,135
Loan from the State University Construction Fund (SUCF) (3.25% for a twenty-year term)	\$9,469,045
Bank Loan (3.25% for a twenty-year term)	\$6,093,445
Landlord concessions (Equity)	<u>\$3,734,750</u>
Total	\$19,405,375

### Operating Budget

The applicant has submitted an operating budget, in 2025 dollars, for the first and third years, summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Proc</u>	<u>Total</u>	<u>Per Proc</u>	<u>Total</u>
Commercial MC	\$4,179	\$5,495,106	\$4,058	\$6,634,740
Medicare FFS	\$1,807	1,721,668	\$1,744	2,362,612
Medicare MC	\$1,635	310,598	\$1,612	428,734
Medicaid FFS	\$1,411	9,874	\$1,398	11,182
Medicaid MC	\$1,509	254,941	\$1,479	252,829
Private Pay	\$4,105	77,986	\$3,903	101,490
Other	\$4,177	<u>371,298</u>	\$4,106	<u>379,756</u>
Total Revenues		\$8,242,101		\$10,171,343
Expenses:				
Operating	\$1,892.08	\$5,294,040	\$1,800.67	\$6,529,227
Capital	<u>\$723.56</u>	<u>\$2,024,523</u>	<u>\$742.10</u>	<u>\$2,690,870</u>
Total Expenses	\$2,615.64	\$7,318,563	\$2,542.77	\$9,220,097
Excess Revenues		\$923,538		\$951,246
Utilization: (Proc)		2,798		3,626

The following is noted with respect to the submitted operating budget:

- The decrease of \$140/case in weighted average reimbursement from Year One to Year Three is attributable to greater growth in Medicare patient volume in ophthalmology, which is reimbursed at a lower per case rate than the weighted averages.
- The applicant has submitted physician referral letters in support of utilization projections.
- Expenses were based on the current Stony Brook University Hospital ambulatory surgery patient experience. Procedures currently being performed at the Hospital ASC were evaluated with the

Clinical Chair and Department Administrator to determine the volume and type of patients who could safely be seen at the new facility. A very conservative approach was taken to show only a portion of the current ambulatory volume to the new facility.

- Revenues were based on current reimbursement methodologies for ambulatory surgery services.

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

	<u>Year One</u>	<u>Year Three</u>
Commercial MC	47.00%	45.09%
Medicare FFS	34.06%	37.37%
Medicare MC	6.79%	7.34%
Medicaid FFS	0.25%	0.22%
Medicaid MC	6.04%	4.72%
Private Pay	0.68%	0.72%
Other	3.18%	2.55%
Charity Care	<u>2.00%</u>	<u>2.00%</u>
Total	100.00%	100.00%

#### Lease Rental Agreement

The applicant has provided a copy of the lease rental agreement and the sublease agreement, which is summarized below:

#### Lease Agreement

<b>Date</b>	December 26, 2024
<b>Premises</b>	243,288 square feet located at 500 Commack Road, Commack, New York.
<b>Landlord</b>	Steel Forest, LLC
<b>Tenant</b>	SB Clinical Practice Management Plan, Inc.
<b>Term</b>	20 years and three months after the landlord has substantially completed the Fifth Additional Space.
<b>Rental</b>	\$8.92 per sq. ft. (\$2,170,128 annually) in Year 1. Year 2 = \$13.92 per sq. ft (\$3,386,568 annually), each year thereafter the rent shall increase by 2%.
<b>Provisions</b>	The tenant shall pay for the real estate taxes, maintenance and utilities.

#### Sublease Agreement (Draft)

<b>Date</b>	February 28, 2025
<b>Premises</b>	19,500 square feet located at 500 Commack Road, Commack, NY.
<b>Sublessor</b>	SB Clinical Practice Management Plan, Inc.
<b>Sublessee</b>	Stony Brook University Hospital
<b>Term</b>	20 years and 3 months
<b>Rental</b>	\$487,500 annually with a 2% per annum increase.
<b>Provisions</b>	The sublessee shall be responsible for real estate taxes, utilities and maintenance.

The applicant has submitted an affidavit indicating that the sublease agreement will be an arm's length lease arrangement.

#### Capability and Feasibility

Total project cost of \$19,405,375, will be funded with equity from operations of \$108,135, a loan of \$9,469,045 at an interest rate of 3.25% for a twenty-year term from the State University Construction Fund, a bank loan of \$6,093,448 at an interest rate of 3.25% for a twenty-year term and landlord concessions of \$3,734,750, which will be in the form of equity. The applicant provided documentation indicating the landlord has the necessary funds for their equity contribution. The applicant has submitted a letter of interest in regard to the financing.

The working capital requirements for this application are estimated at \$1,536,682, which is equivalent to two months of third-year expenses. The applicant has sufficient funds to provide equity to meet the



working capital requirements. BFA Attachment A, 2023 Certified Financial Statements of Stony Brook University Hospital, indicates the availability of sufficient funds for the equity contributions.

The submitted budget indicates an excess of revenues over expenses of \$923,538 and \$951,246 during Year One and Year Three, respectively. Revenues are based on current reimbursement methodologies for ambulatory surgery services. The submitted budget appears reasonable.

As shown on Attachment A, the entity had a positive working capital position and a positive net asset position in 2023. The entity had an excess of revenues over expenses of (\$54,433,000) in 2023. Losses were due to a change in the Federal Disproportionate Share (DSH) reimbursement regulations, which resulted in the federal legislation disallowing DSH reimbursement for patients who had Medicaid as secondary insurance coverage. This change resulted in a \$53 million reduction in DSH revenue for 2023. The applicant has implemented the steps to improve operations. They include improving billing and collections by addressing issues like billing errors and denial management, increasing patient volume, increasing marketing efforts to attract more patients, ongoing contract renegotiations with payers including revisiting contracts with insurance providers to secure better reimbursement rates or terms, process improvements including streamlining operations, and reducing the utilization of expensive temporary labor.

#### Conclusion

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

Attachments	
BHFP Attachment	Map
BFA Attachment A	Financial Summary - 2023 Certified Financial Statements of Stony Brook University Hospital



Project # 251044-C  
Delaware Valley Hospital Inc

**Program:** Hospital  
**Purpose:** Construction

**County:** Delaware  
**Acknowledged:** February 6, 2025

Executive Summary

Description

Delaware Valley Hospital (DVH), a 25-bed Critical Access Hospital (CAH) at 1 Titus Place, Walton, New York 13856 (Delaware County), is seeking approval to construct a new, four-story building (plus penthouse and basement) connected to the existing main hospital building.

DVH will move all 25 inpatient beds and services from their current locations to the new building.

The vacated space in the main hospital will be used by public agencies and private community-based organizations such as the Delaware County Public Health Service, the Delaware County Office for the Aging and the Delaware County Mental Health service, to implement a Medical Neighborhood model of care.

DVH will also add Outpatient Occupational Therapy and Outpatient Speech Language Pathology to its operating certificate. There will be no change to the number of licensed beds.

OPCHSM Recommendation  
Contingent Approval

Need Summary

The applicant projects 516 inpatient discharges in Year One and 547 discharges in Year Three, with Medicaid at 15.70%. The applicant is also projecting 186,091 outpatient visits in Year One and 197,256 visits in Year Three with Medicaid at 21.18%.

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 \$85,127,723 includes shell space of \$6,432,507. The project costs will be funded with a \$60,000,000 bank loan with a 30-year term at 6.5% interest. The remaining \$25,127,723 will be funded with equity.

	<u>Current</u> <u>Year</u>	<u>Year</u> <u>One</u>	<u>Year</u> <u>Three</u>
Budget:			
Revenue	\$43,253,771	\$69,640,692	\$73,693,251
Expense	<u>\$33,421,675</u>	<u>\$59,231,308</u>	<u>\$60,825,196</u>
Net Income	\$9,832,096	\$10,409,384	\$12,868,055

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. Architectural Design Development Drawings: Submission of architectural and life safety drawings, acceptable to the Department, as described in the Bureau of Architecture and Engineering Review Drawing Submission Guidelines DSG-1.0. [AER]
3. Engineering Design Development Drawings: Submission of mechanical, electrical, plumbing and fire protection drawings, acceptable to the Department, as described in the Bureau of Architecture and Engineering Review Drawing Submission Guidelines DSG-1.0. [AER]
4. Submission of an executed bank loan acceptable to the Department of Health. [BFA]

**Approval conditional upon:**

1. This project must be completed by **April 1, 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 **January 1, 2026**, and construction must be completed by **January 1, 2028**, 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]

Council Action Date

June 18, 2025

## Need Analysis

### Project Description

Delaware Valley Hospital (DVH), a 25-bed Critical Access Hospital (CAH) at 1 Titus Place, Walton, New York 13856 (Delaware County), is seeking approval to construct a new, four-story building (plus penthouse and basement) on the hospital's campus. This new building will be connected to the main hospital building, creating a "Medical Neighborhood" model of care. DVH is a part of the United Health Services (UHS) health system. At the end of this project, DVH will also certify Therapy – Occupational O/P and Therapy – Speech Language Pathology O/P to its operating certificate. There will be no change to the total number of licensed beds.

DVH will relocate all 25 inpatient beds and services, including primary medical care, medical specialty services, physical therapy, laboratory, blood draw, and other support functions, from the current locations to the new building. The vacated space within the main hospital building will be used by public agencies and private community-based organizations such as the Delaware County Public Health Service, the Delaware County Office for the Aging, and the Delaware County Mental Health service, to support the Medical Neighborhood model of care.

A Medical Neighborhood is a comprehensive model designed to enhance the coordination and delivery of health care and social services by fostering a collaborative network of health care and social services in a single location. This project will also provide community space for health and wellness activities such as EMT/CPR training and other professional development activities, and support groups. Other clinical services currently located on the DVH campus, such as the emergency department, ambulatory surgery, imaging services, and pharmacy, will remain in place. Several non-clinical functions, including administration, dietary, housekeeping, and human resources, will also remain at their current location within the main hospital building. This project is part of DVH's Facility Master Plan and represents a significant commitment of the hospital to transform the delivery of health and social services, as well as a major modernization of the hospital's campus for years to come.

### Background & Analysis

The primary service area (PSA) for this project includes the following zip codes: 13753, 13755, 13756, 13782, 13783, 12776, 13839, and 13856. The general service area is comprised of Delaware County. DVH is located within a Health Professional Shortage Area (HPSA) for dental, primary care, and mental health.

The population of Delaware County is estimated at 44,551 based on 2023 American Community Survey data and is projected to decrease to 42,076 by 2030 per projection data from the Cornell Program on Applied Demographics (PAD), a decrease of 5.6%. Demographics for the PSA and Delaware County are noted below, including a comparison with New York State:

Demographics	Primary Service Area	Delaware County	New York State
Total Population – 2023 Estimate	19,351	44,551	19,872,319
White (non-Hispanic)	90.0%	89.7%	53.4%
Hispanic or Latino (of any race)	4.0%	4.7%	19.6%
Black or African American (non-Hispanic)	2.2%	1.5%	13.6%
Asian (non-Hispanic)	1.2%	0.8%	8.8%
Other (non-Hispanic)	2.6%	3.3%	4.6%

Source: 2023 American Community Survey (5-year Estimates Data Profiles)

In 2023, 95.5% of the population of Delaware County had health coverage as follows:

Employer Plans	37.8%
Medicaid	25.4%
Medicare	20.9%
Non-Group Plans	10.6%
Military or VA	0.731%

Source: Data USA

The table below shows the applicant's projected payor mix for inpatient and outpatient services for Years One and Three.

Applicant Projected Payor Mix				
Payor	Inpatient		Outpatient	
	Year One	Year Three	Year One	Year Three
Commercial	8.53%	8.59%	34.04%	34.04%
Medicare	75.00%	74.96%	43.44%	43.44%
Medicaid	15.70%	15.72%	21.18%	21.18%
Private Pay	0.77%	0.73%	1.34%	1.34%

Source: Applicant

Per the applicant, DVH provides charity care but does not pursue collection of amounts determined to qualify as charity care, and they are not reported as net patient service revenue. During the years ending December 31, 2023, and 2022, charity care was approximately \$195,000 and \$148,000, respectively.

DVH had 389 discharges in the current year and is projecting 516 discharges in Year One and 547 discharges in Year Three. On the outpatient side, DVH had 119,468 visits in the current year and is expecting 186,091 visits in Year One and 197,256 visits in Year Three.

Currently, DVH has 14 beds in double-bedded rooms (7 rooms) due to space limitations. This project will allow DVH to create 25 private rooms with en-suite bathrooms. Per the applicant, private rooms have been found to reduce hospital-acquired infections, enhance privacy, dignity, and interaction, and reduce patient falls. This project will also allow DVH to expand and offer specialty medical services by bringing more medical specialists to DVH by integrating primary care and specialty care services in one location, providing more coordinated and comprehensive care for area residents.

The table below shows the current and proposed services for DVH at the end of the project:

Current and Projected Services for Delaware Valley Hospital			
Current Services	Remove	Keep	Proposed
Ambulatory Surgery – Multi Specialty		X	
Clinic Part Time Services		X	
Emergency Department		X	
Medical Services – Other Medical Specialties		X	
Medical Services – Primary Care		X	
Medical Social Services		X	
Radiology – Diagnostic		X	
Swing Bed Program		X	
Therapy – Occupational O/P			X
Therapy – Physical O/P		X	
Therapy – Speech Language Pathology O/P			X

Source: HFIS, Applicant

DVH is licensed for 25 Special Use beds. The Special Use beds along with the Swing Bed Program, allow DVH to transition its beds from acute inpatient care to Skilled Nursing Facility care without the patient

leaving the hospital. There will be no changes to the number of licensed beds, and maintaining the 25 special use beds will be particularly useful, especially in a rural area like Delaware County.

#### Conclusion

Approval of this project will improve access to multiple health care and social services in a single location for area residents.

## Program Analysis

### Program Description

This project will enable DVH to implement the “Medical Neighborhood” model of care, which is the driving force behind the implementation of this project. A Medical Neighborhood is a comprehensive model designed to enhance the coordination and delivery of health care and social services by fostering a collaborative network of health care and social services in a single location. The Hospital has decided to share some office space within the new building on a temporal basis (once per week or once per month). No clinical services will be provided in the shared space. Instead, the Hospital will share the space as a community benefit offering (i.e., for education, resource referral, etc.) to address the social determinants of health of area residents. Delaware Valley Hospital has indicated they will meet all shared space requirements promulgated by the New York State Department of Health.

A total of 107,114 square feet of space will be constructed for the new building addition. In addition, a total of 3,657 square feet of existing space at the Hospital will be renovated to accommodate the new building addition.

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

Position	Year One	Year Three
Management and Supervision	18.9	18.9
Technician and Specialist	24.7	24.7
Registered Nurses	38.1	38.1
Licensed Practical Nurses	19.8	19.8
Aides, Orderlies & Attendants	10.1	10.1
Physicians	7.2	7.2
Nurse Practitioners	20.8	20.8
Social Workers and Psychologist	2.0	2.0
Physical Therapists and PT Assistants	8.2	8.2
Speech Therapists and Speech Assistants	1.0	1.0
Occupational Therapists and OT Assistants	1.8	1.8
Other Therapists and Assistants	1.3	1.3
Clerical and Other Administrative	38.5	38.5
Infection Control, Environment and Food Service	20.3	20.3
Other: Facilities/Courier/Procurement/Security	13.9	13.9
Other: Medical Records/ Health Information Management	5.0	5.0
Other: Pharmacist	4.1	4.1
<b>Totals</b>	<b>235.7</b>	<b>235.7</b>

**Dr. Jeffrey Gray, MD**, will continue to serve as the Medical Director at Delaware Valley Hospital. Dr. Gray has been the Chief Medical Officer for Delaware Valley Hospital since 2022, as well as the Vice President of Hospital Based Services for United Health Services Hospital. Dr. Gray has also been the Chair of the Department of Medicine since 2021, as well as the Chair of the Utilization Review Committee since 2018. Dr. Gray has also been the Medical Director for United Health Services since 2017 and works as a Clinical Assistant Professor at Upstate Medical Center, Binghamton Campus since 2013. Previously, Dr. Gray worked as a nocturnist at Wilson Hospital United Health Services from 2016-2017 and was a primary care physician from 2012-2016. Dr. Gray graduated from the University of California with a bachelor's degree in 1992 and went on to obtain a Special Masters in Physiology in 1993. Dr. Gray received a Medical Degree from New York Medical College in 1997 and completed an Internal Medicine Residency at the University of Arizona in 2000.

A relocation plan was signed on 03/07/2025.

### 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

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

- Prevent Chronic Diseases
- Promote Well-Being and Preventing Mental and Substance Use Disorders
- Promote a Healthy and Safe Environment
- Promote Healthy Women, Infants, and Children

The proposed project will advance the Prevention Agenda priorities of Preventing Chronic Diseases, Promoting Well-Being and Preventing Mental and Substance Use Disorders, Promoting a Healthy and Safe Environment, and Promoting Healthy Women, Infants and Children by allowing DVH to advance chronic disease prevention through community collaboration, improve healthcare delivery of mental health and substance use services, enhance community access to cooling centers, and build a collaborative network of care for the health of their patient populations, including women, infants, and children.

As per the latest available report, DVH spent \$420,333 on community health improvement services in 2022, representing 1.40 % 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

The Total Project costs for construction, and acquisition of moveable equipment is estimated at \$85,127,723 and broken down between two subprojects as follows:

	<u>Subproject 1</u> <u>Article 28 Space</u>	<u>Subproject 2</u> <u>Shell Space</u>	<u>Total Project</u> <u>Cost</u>
New Construction	\$55,309,287	\$5,042,485	\$60,351,772
Renovation & Demolition	\$574,378		\$574,378
Site Development	\$1,278,513	\$115,362	\$1,393,875
Temporary Utilities	\$98,493	\$8,887	\$107,380
Design Contingency	\$5,311,820	\$479,037	\$5,790,857
Construction Contingency	\$1,716,716	\$151,275	\$1,867,991
Architect/Engineering Fees	\$4,020,093	\$362,740	\$4,382,833
Construction Manager Fees	\$2,548,918	\$229,994	\$2,778,912
Other Fees Consultant	\$473,523	\$42,727	\$516,250
Moveable Equipment	\$2,431,030		\$2,431,030
Total Basic Cost of Construction	\$73,762,771	\$6,432,507	\$80,195,278
Financing Cost	\$600,000		\$600,000
Interim Interest Expense	\$3,900,000		\$3,900,000
Total Project Cost w/o CON Fees	78,262,771	\$6,432,507	\$84,695,278
Application Fee	\$2,000		\$2,000
Processing Fee (0.0055 %)	<u>\$432,445</u>		<u>\$432,445</u>
Total Project Cost	\$78,695,216	\$6,432,507	\$85,127,723

### Operating Budget

The applicant has submitted their Year One and Year Three operating budget, in 2025 dollars, summarized below:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
<u>Inpatient Revenue</u>	<u>Per Visit</u>	<u>Total Revenue</u>	<u>Per Visit</u>	<u>Total Revenue</u>	<u>Per Visit</u>	<u>Total Revenue</u>
Commercial FFS	\$20,658	\$681,721	\$19,049	\$838,157	\$19,049	\$895,304
Medicare FFS	\$19,275	\$2,679,285	\$17,903	\$3,294,110	\$17,903	\$3,491,040
Medicare MC	\$20,876	\$3,193,952	\$19,344	\$3,926,879	\$19,344	\$4,159,009
Medicaid FFS	\$16,089	\$193,066	\$14,836	\$237,370	\$14,836	\$252,205
Medicaid MC	\$6,735	\$330,003	\$6,242	\$405,729	\$6,242	\$430,697
Private/Other	\$8,431	<u>\$25,293</u>	\$7,774	<u>\$31,097</u>	\$7,774	<u>\$31,097</u>
Inpatient Total Revenue		\$7,103,320		\$8,733,342		\$9,259,352
Inpatient Expenses						
Operating Expenses	\$12,562	\$4,886,655	\$15,037	\$7,759,167	\$14,656	\$8,016,754
Capital Expense	\$556	\$216,107	\$2,489	\$1,284,162	\$2,322	\$1,269,927
Total Expense:	\$13,118	<u>\$5,102,762</u>	\$17,526	<u>\$9,043,329</u>	\$16,978	<u>\$9,286,681</u>
Inpatient Net Income/(Loss)		\$2,000,558		(\$309,987)		(\$27,329)

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
<u>Outpatient Revenue</u>	<u>Per Visit</u>	<u>Total Revenue</u>	<u>Per Visit</u>	<u>Revenue</u>	<u>Per Visit</u>	<u>Revenue</u>
Commercial FFS	\$314.75	\$12,801,328	\$362.08	\$22,938,130	\$362.08	\$24,314,034
Medicare FFS	\$248.61	\$5,053,928	\$288.64	\$9,140,074	\$288.64	\$9,688,490
Medicare MC	\$244.25	\$7,708,907	\$283.80	\$13,952,743	\$283.80	\$14,789,953
Medicaid FFS	\$69.07	\$134,609	\$89.32	\$271,086	\$89.32	\$287,342
Medicaid MC	\$280.03	\$6,540,187	\$323.53	\$11,770,021	\$323.53	\$12,476,287
Private Pay/Other	\$243.80	\$390,568	\$283.31	\$706,858	\$283.31	\$749,355
All Other*		\$816,395				
Other Operating Revenues		\$763,591		\$187,500		\$187,500
Non-Operating Revenues		\$1,940,938		\$1,940,938		\$1,940,938
Outpatient Total Revenue		\$36,150,451		\$60,907,350		\$64,433,899
Expenses						
Operating Expenses	\$227.00	\$27,119,575	\$231.40	\$43,061,231	\$225.55	\$44,490,771
Capital Expense	\$10.04	\$1,199,338	\$38.30	\$7,126,748	\$35.73	\$7,047,744
Total Expense	\$237.04	\$28,318,913	\$269.70	\$50,187,979	\$261.28	\$51,538,515
Outpatient Net Income		<u>\$7,831,538</u>		<u>\$10,719,371</u>		<u>\$12,895,384</u>
Total Net Income		<u>\$9,832,096</u>		<u>\$10,409,384</u>		<u>\$12,868,055</u>

\*All other revenues include \$816,395 in third-party adjustments and contracted pharmacy revenues in the current year.

The following is noted with respect to the budget:

- Utilization is expected to increase due to the number of medical specialists who will be brought into DVH from other facilities of United Health Services Hospitals, as well as the organic growth in volume experienced by DVH.
- The operating expenses and operating revenues for this project are based on historical experience of DHV in providing inpatient and outpatient health care services. This modernization effort will also allow the Hospital to expand its reach and continue its mission to improve the health of its communities.

Utilization for payor sources is projected below:

<u>Inpatient:</u>	<u>Current Year</u>	<u>Year 1</u>	<u>Year 3</u>
Commercial FFS	8.48%	8.53%	8.59%
Medicare FFS	35.73%	35.66%	35.65%
Medicare MC	39.33%	39.34%	39.31%
Medicaid FFS	3.08%	3.10%	3.11%
Medicaid MC	12.60%	12.60%	12.61%
Private Pay	<u>.78%</u>	<u>.77%</u>	<u>.73%</u>
Total	100.00%	100.00%	100.00%

<u>Outpatient:</u>	<u>Current Year</u>
	<u>Years 1&amp;3</u>
Commercial FFS	34.04%
Medicare FFS	17.02%
Medicare MC	26.42%
Medicaid FFS	1.63%
Medicaid MC	19.55%
Private Pay	<u>1.34%</u>
Total	100.00%

### Capability and Feasibility

The total project cost of \$85,127,723 includes shell space of \$6,432,507. The project costs will be funded with a \$60,000,000 bank loan from Kaufman, Hall, and Associates, LLC with a 30-year term at 6.5% interest. The remaining \$25,127,723 will be funded with equity.

The working capital requirement of \$4,567,254, based on two months of the third year's incremental expenses, will be satisfied through existing equity from ongoing operations. BFA Attachments A and B, 2022-2023 Certified Financial Statement of Delaware Valley Hospital, Inc. and the 1/1/2024-12/31/2024 Internal Financial Statements of Delaware Valley Hospital, Inc., shows sufficient liquid assets to meet the equity requirement for construction and the working capital requirements.

BFA Attachment A, 2022-2023 Certified Financial Statement of Delaware Valley Hospital, Inc. shows an average positive working capital position, average positive net asset position and average net income of \$5,998,092 for the period.

BFA Attachment B, 1/1/2024-12/31/2024 Internal Financial Statements of Delaware Valley Hospital, Inc., shows a positive working capital position, positive net asset position and a net income of \$11,637,174 for the period.

The budget projects a net income of \$10,409,384 and \$12,868,055 in Year One and Year Three, respectively. Revenues are based on the current Medicare fee schedule, the Medicaid APG rates and Commercial Rate experience of the Hospital. 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 impacts of this project are entirely beneficial. While positive impacts exist for all medically underserved groups, the groups most affected are low-income people, LGBTQIA+ or other-than-cisgender people, people with disabilities, older adults, persons living with a prevalent infectious disease or condition, and persons living in rural areas. 94% of the Applicant's patients live in a rural zip code and the service area has larger ratios of older adults, low-income families, and people with disabilities than surrounding communities. Most of these groups will benefit from reduced travel and transportation barriers, and increased access to community space and social service organizations, such as the Delaware County Mental Health Service.

The new facility will house all inpatient and specialty services and support functions, improving access to care for people with disabilities who may have ambulatory difficulties. The private rooms with en-suite bathrooms will provide equitable and safe access to private spaces and provides the opportunity for gender-confirming room assignments, which impacts transgendered and gender non-conforming people. The new rooms will also improve care for those with a prevalent infectious disease or condition by reducing or eliminating cross-infection between patients. For older adults, increased access to preventative screening can improve early detection and health outcomes. No unintended impacts were identified.

### Conclusion

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.

## Attachments

BFA Attachment A	2022-2023 Certified Financial Statements of Delaware Valley Hospital, Inc.
BFA Attachment B	1/1/2024-12/31/2024 Internal Financial Statements of Delaware Valley Hospital, Inc.
OHEHR Attachment	Health Equity Impact Assessment



Project # 251096-C

New York-Presbyterian Hospital - Columbia Presbyterian  
Center

**Program:** Hospital  
**Purpose:** Construction

**County:** New York  
**Acknowledged:** March 13, 2025

Executive Summary

Description

New York Presbyterian Hospital - Columbia Presbyterian Center (The Hospital), d/b/a NewYork-Presbyterian/Columbia University Irving Medical Center (NYP/CUIMC), requests approval to construct a new building to consolidate oncology and multi-specialty services on the campus at 622 West 168<sup>th</sup> Street, New York, NY (New York County). The building will be at the former site of the Harkness Eye Institute complex and connect to NYP's Morgan Stanley Children's Hospital through a service building. The building will be known as the Beacon Building.

The Beacon Building will be 16 stories with Article 28 and non-Article 28 space, as well as shell space to be fitted out at a later date. There will be no changes to the operating certificate.

OPCHSM Recommendation  
Contingent Approval

Need Summary

The Beacon Building will consolidate and cancer care at the New York Presbyterian Columbia Campus, allowing the facility to address an increase in outpatient cancer visits. The applicant projects 128,052 visits in Year One and 130,618 in Year.

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 \$1,247,529,143 will be met through an equipment lease of \$21,199,694, equity of \$354,329,449 from operations, and a bond financing of \$872,000,000 at an interest rate of 5% for a thirty-year term.

<u>Incremental Budget:</u>	<u>Year One</u>	<u>Year Three</u>
Incremental Revenues	\$143,187,304	\$154,191,816
Incremental Expenses	<u>\$233,995,770</u>	<u>\$233,845,170</u>
Incremental	(\$90,808,466)	(\$79,653,354)

<u>Enterprise Budget:</u>	<u>Year One</u>	<u>Year Three</u>
(in thousands)		
Revenues	\$13,426,976,304	\$13,437,980,816
Expenses	<u>\$12,331,726,770</u>	<u>\$12,331,576,170</u>
Excess Revenues	\$1,095,249,534	\$1,106,404,646

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 equipment lease that is acceptable to the Department of Health. [BFA]
3. Submission of bond financing that is acceptable to the Department of Health. [BFA]
4. Provide acceptable responses to all open BAER Schematic Design submission review comments. [AER]
5. Architectural Design Development Drawings: Submission of architectural and life safety drawings, acceptable to the Department, as described in the Bureau of Architecture and Engineering Review Drawing Submission Guidelines DSG-1.0. [AER]
6. Engineering Design Development Drawings: Submission of mechanical, electrical, plumbing and fire protection drawings, acceptable to the Department, as described in the Bureau of Architecture and Engineering Review Drawing Submission Guidelines DSG-1.0. [AER]

**Approval conditional upon:**

1. This project must be completed by **August 1, 2029**, 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 **January 1, 2026**, and construction must be completed by **May 1, 2029**, 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. Reimbursable TPC shall be limited to Article 28 program areas totaling \$851,859,584. [CCC]
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]

Council Action Date

June 18, 2025

## Need Analysis

### Project Description

New York-Presbyterian Hospital – Columbia Presbyterian Center (the Hospital), d/b/a New York-Presbyterian/Columbia University Irving Medical Center (NYP/CUIMC), at 622 West 168<sup>th</sup> Street, New York, NY 10032 (New York County), is seeking approval to construct the Beacon Building on its campus and consolidate oncology and multispecialty services within the building. The new Beacon Building will be at the former site of the Harkness Eye Institute complex, which was recently demolished. The Beacon Building will have a physical connection to NYP's Morgan Stanley Children's Hospital via the Service Building. Through the approval of this project, there will be no changes to the Operating Certificate.

### Background and Analysis

The applicant reports 66% of its patients coming from the primary service area of New York, Bronx, and Westchester counties, and 25% of patients coming from Queens, Brooklyn, and Rockland counties. The remaining patients come from the counties of Nassau, Suffolk, Orange, and Putnam.

The population of New York County is expected to increase to 1,727,631 by 2030, per projection data from the Cornell Program on Applied Demographics, an increase of 6.1%. Demographics for New York County are noted below, including a comparison with New York State.

Demographics	New York County	New York State
Total Population – 2023 Estimate	1,627,788	19,872,319
Hispanic or Latino (of any race)	24.3%	19.6%
White (non-Hispanic)	46.3%	53.4%
Black or African American (non-Hispanic)	12.5%	13.6%
Asian (non-Hispanic)	12.3%	8.8%
Other (non-Hispanic)	4.6%	4.6%

Source: 2023 American Community Survey (5-Year Estimates Data Profiles)

In 2023, 95.7% of the population of New York County had health coverage as follows:

<b>Employer plans</b>	52.4%
<b>Medicaid</b>	19.3%
<b>Medicare</b>	11.0%
<b>Non-group plans</b>	12.8%
<b>Military or VA plans</b>	0.284%

Source: Data USA

The table below provides current and projected payor mix data for outpatient services.

Applicant Projected Payor Mix			
Payor	Current	Year One	Year Three
	Outpatient		
Commercial	31.46%	31.63%	31.60%
Medicare	49.00%	47.57%	47.64%
Medicaid	18.48%	19.51%	19.47%
Charity Care	1.00%	1.00%	0.99%
Other	0.06%	0.29%	0.29%
Total Visits	70,305	128,052	130,618

Since 2021, NYP/CUIMC has added nearly 30 medical oncologists across multiple specialties, including breast, endocrine, colorectal, hematologic malignancy, and neuro-oncology. More patients are transitioning to an outpatient setting due to advances in screening guidelines, technology, and treatment approaches.

According to the New York State Cancer Registry, the highest incidence cancer sites are for breast, prostate, lung, and colon. The table below shows the cancer incidence rate for these sites, as well as the pancreas and liver. Shaded areas below show boroughs/counties where the incidence is above the Statewide rate and within the applicant service area.

	Cancer Incidence rate per 100,000 population (2017-2021)					
	Breast	Prostate	Lung and Bronchus	Colon and Rectum	Pancreas	Liver and Intrahepatic Bile Duct
Bronx	112.4	144	41.7	34.6	13.1	12.9
Brooklyn	122.9	128.3	40.2	35.6	13.2	8.7
Manhattan	136.9	127.6	41.5	30.2	12.9	8.9
Queens	124.6	108.9	39.8	34.3	12.6	9.2
Staten Island	138.9	120.4	61.4	40.4	15.6	10.5
New York City	125.4	124.1	42	34.3	13.1	9.6
Westchester	144.2	138.8	43	32.2	15	7.5
Rockland	132	135.1	46.5	36.8	15	6.1
New York State	134.1	131.2	53.5	35.7	14.3	8.3

Source: Applicant and New York State Cancer Registry: Cancer Incidence and Mortality by County

Below is an overview of the Beacon Building, which will house radiation oncology, infusion services, ambulatory surgery, and diagnostic services. This consolidation of cancer services into the Beacon Building will enhance access, coordination, and continuity of care.

- Radiation Oncology:** NYP/CUIMC currently operates five linear accelerators (LINACs) for radiation therapy. The Hospital will replace three (3) of the five (5) machines with new machines that have improved technology. There will be no change to the total number of LINACs for the hospital at the completion of this project.
  - According to the applicant current utilization of radiation oncology services is at 75%, with 80-85 external beam treatments daily. The table below shows total radiation oncology treatments at NYP/CUIMC from 2019 to 2023. Treatment volumes decreased in 2022 and 2023 due to upgraded technology that enabled the Hospital to treat patients with fewer fractions (proportion of cancerous cells in a tumor containing a single-nucleotide variant) than previously. The number of unique patients continues to grow and is expected to increase further as additional oncologists and surgeons are recruited to the Hospital.

	2019	2021	2022	2023
Radiation/Oncology treatments	16,528	28,888	21,286	20,571

\*Source: Applicant, 2020 volume not included due to the impact of the COVID-19 public health emergency.

- Infusion Services:** NYP/CUIMC currently operates 57 infusion chairs with 90% utilization, delivering more than 56,000 treatments in 2023. NYP/CUIMC provides an average of 200 treatments at three turns per chair per day. They have seen a 13.2% increase from 2019 to 2023.



The slowed volume increase is due partially to a lack of available capacity. The new building will allow the applicant to expand and modernize the current Infusion Center.

	2019	2021	2022	2023
Infusion Treatments	49,567	53,545	55,458	56,121

*\*Source Applicant: 2020 volume not included due to the impact of the COVID-19 public health emergency.*

- **Ambulatory Surgery Program:** The Beacon Building will house a dedicated ambulatory surgery center, modernizing surgical, endoscopy, and interventional services. The Hospital's 12 ambulatory surgery operating rooms (ORs) and four (4) endoscopy/bronchoscopy procedure rooms will relocate from the Milstein Building to the sixth and seventh floors of the new facility, which will also include 24 pre- and post-operative recovery rooms.
- **Outpatient Rehabilitation Services:** The Beacon Building will include physical, occupational, and speech therapy services, located near the clinic and infusion space.
- **Clinical Laboratory:** A dedicated clinical laboratory will serve Infusion and Oncology Services, providing rapid blood specimen-processing, analysis, and same-day results to support treatment decisions and office visits.
- **Ophthalmology:** A new and modernized space for the Harkness Eye Institute will be constructed on the 10th floor of the building.
- **Diagnostic Imaging Expansion:** The fourth floor and part of the fifth floor will house an extension clinic of Columbia/NewYork-Presbyterian Advanced Imaging, Inc. (CNYP AI), a diagnostic and treatment center (D&TC) that provides imaging services and is a related entity of the Hospital. A separate CON application will be submitted to certify this extension clinic of CNYP AI. The extension clinic will offer a comprehensive suite of imaging modalities, including MRI, PET/CT Scanners, CT Scanners, ultrasounds, breast ultrasounds, mammography machines, and Radiographic Fluoroscopy (R/F) machines.

#### Conclusion

The Beacon Building will consolidate and streamline cancer care at the New York Presbyterian Columbia Campus, allowing the facility to address an increase in outpatient cancer visits.

## Program Analysis

### Project Proposal

<b>Operator</b>	The New York and Presbyterian Hospital
<b>Site</b>	622 West 168th Street, New York, NY 10032 (New York County)
<b>Site Address</b>	622 West 168th Street, New York, NY 10032 (New York County)
<b>Shift / Hours / Schedule</b>	The proposed hours of operation will be Monday through Friday with staffing from 7AM to 10PM.
<b>Current Services</b>	Ambulatory Surgery – Multi Specialty Audiology O/P Cardiac Catheterization – Adult Diagnostic Cardiac Catheterization – Electrophysiology (EP) Cardiac Catheterization – Pediatric Diagnostic Cardiac Catheterization – Percutaneous Coronary Intervention (PCI) Cardiac Surgery – Adult Cardiac Surgery – Pediatric Certified Mental Health Services O/P, Comprehensive Psychiatric Emergency Program Dental O/P Emergency Department Epilepsy Comprehensive Services Lithotripsy Medical Services – Other Medical Specialties, Medical Services - Primary Care, Radiology – Therapeutic Renal Dialysis – Acute Renal Dialysis – Chronic - 10 Therapy-Occupational O/P, Therapy-Physical O/P Transplant – Heart – Adult Transplant – Heart - Pediatric Transplant – Kidney, and Transplant - Liver
<b>Staffing (1<sup>st</sup> Year / 3<sup>rd</sup> Year)</b>	851.2 FTEs for 1 <sup>st</sup> and 856.9 3 <sup>rd</sup> year

The following table shows the projected FTEs in Year One and Year Three following completion of this project.

<b>Staffing Categories</b>	<b>Current Year</b>	<b>First Year</b>	<b>Third Year</b>
Management & Supervision	7.0	55.7	55.7
Registered Nurses	87.6	188.0	189.3
Physician's Assistants	0	42.7	42.9
Nurse Practitioners	15.4	31.8	32.0
Social Workers and Psychologist	1.0	3.0	3.0
Technician & Specialist	63.5	205.1	206.0
Aides, Orderlies & Attendants	21.8	44.4	45.5
Physical Therapists and PT Assistants	0	7.0	7.0
Occupational Therapists and OT Assistants	0	4.0	4.0
Speech Therapist and Speech Assistants	0	3.0	3.0
Other Therapists and Assistants	0	4.0	4.0
Infection Control, Environmental and Food Service	6.2	63.4	63.4
Clerical and Administrative	40.0	133.1	135.2
Other - Facilities	0	17.0	17.0
Other – Supply Chain	3.0	27.0	27.0
Other - Security	0	22.0	22.0
<b>Totals</b>	<b>245.5</b>	<b>851.2</b>	<b>857</b>

The Medical Director of the Beacon Building will be Dr. Frank Volpicelli, M.D.

#### Enforcement History

The Department issued a Stipulation and Order (S&O) dated 11/06/2017, and fined New York-Presbyterian/Queens \$2,000.00 based on deficiencies found during a validation survey completed on 05/10/2016. Deficient practices were found in the area(s) of patient rights.

#### 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.

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

New York - Presbyterian/Columbia University Irving Medical Center (NYP/CUIMC), located in New York County, is requesting approval for the construction of the Beacon Building to help consolidate oncology services for enhanced patient access and coordination of care in a single facility. The project aims to streamline healthcare access and delivery through a multidisciplinary approach to cancer care, improving health outcomes for their patient population.

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

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

The proposed project will advance the Prevention Agenda priority of Preventing Chronic Diseases by allowing NYP/CUIMC to engage with their community and faith-based partners, addressing cancer and chronic disease prevention and management through numerous interventions, such food insecurity screening and smoking cessation services, to support their patient populations and populations with health disparities.

As per the latest available report, NYP/CUIMC spent \$40,987,445 on community health improvement services in 2022, representing 0.48% 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 cost, which is for new construction and the acquisition of moveable equipment for Article 28 space and non-article 28 space, is estimated at \$1,247,529,143, broken down as follows:

	<u>Article 28</u>	<u>Non-Article 28</u>	<u>Total</u>
New Construction	\$559,064,935	\$259,702,980	\$818,767,915
Site Development	1,322,721	0	\$1,322,721
Design Contingency	36,100,037	45,776,754	\$81,876,791
Construction Contingency	18,050,019	22,888,377	\$40,938,396
Architect/Engineering Fees	26,454,410	33,545,589	\$59,999,999
Construction Manager Fees	1,143,314	533,966	\$1,677,280
Other Fees (Consultant)	8,752,001	7,543,608	\$16,295,609
Moveable Equipment	99,163,136	0	\$99,163,136
Telecommunications	42,165,707	0	\$42,165,707
Financing Costs	5,943,969	2,776,031	\$8,720,000
Interim Interest Expense	49,037,746	22,902,254	\$71,940,000
CON Fee	2,000	0	\$2,000
Additional Processing Fee	<u>4,659,589</u>	<u>0</u>	<u>\$4,659,589</u>
Total Project Cost	\$851,859,584	\$395,669,559	\$1,247,529,143

The Department has determined that allowable reimbursable project cost is \$851,859,584.

The applicant's financing plan appears as follows:

Equipment Lease	\$21,199,694
Equity (Operations)	\$354,329,449
Bond Financing (5% interest rate for a thirty-year term)	<u>\$872,000</u>
Total	\$1,247,529,143

### Operating Budget

The applicant has submitted an operating budget, in 2025 dollars, for the current year, Year One and Year Three operations reflecting expenses and revenues as a result of the move to the Beacon Building, summarized below:

	<u>Current Year</u> <u>(2023)</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
Commercial MC	\$6,112	\$135,188,140	\$5,177	\$209,671,643	\$5,206	\$214,892,284
Medicare FFS	\$2,945	\$101,459,321	\$2,514	\$153,170,045	\$2,534	\$157,702,393
Medicaid MC	\$2,088	\$27,122,768	\$1,694	\$42,311,917	\$1,708	\$43,440,324
Charity Care	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$8,341	\$375,329	\$1,560	\$588,250	\$1,578	\$598,047
Other Revenues		<u>\$0</u>		<u>\$1,591,007</u>		<u>\$1,704,326</u>
Total Revenues		\$264,145,558		\$407,332,862		\$418,337,374
Expenses:						
Operating	\$2,285	\$160,647,573	\$2,428.52	\$310,979,910	\$2,432.87	\$317,776,460
Capital	<u>\$46</u>	<u>\$3,212,952</u>	<u>\$678.44</u>	<u>\$86,876,385</u>	<u>\$611.93</u>	<u>\$79,929,235</u>
Total Expenses	\$2,331	\$163,860,525	\$3,106.97	\$397,856,295	\$3,044.80	\$397,705,695
Excess Revenues		\$100,285,033		\$9,476,567		\$20,631,679
Visits		70,305		128,053		130,618

The following is noted with respect to the submitted operating budget:

- The budget includes 245.4 FTEs for the Current Year, which reflects the Hospital's actual current staffing for services that will relocate to the Beacon Building. Year One (851.2 FTEs) and Year Three (856.9 FTEs) represent the projected staffing in the Beacon Building only for the proposed services, increased based on projected utilization.
- Current Year reflects the Hospital's actual revenue for services that will relocate to the Beacon Building. Year One and Year Three projections reflect revenue for the services in the Beacon Building only.
- Revenues are based on current reimbursement methodologies.

Utilization broken down by payor source for the Current Year, Year One and Year Three after project completion for the visits being relocated to the Beacon Building, are summarized as follows:

	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
Commercial MC	31.46%	31.63%	31.60%
Medicare FFS	49.00%	47.57%	47.64%
Medicare MC	18.48%	19.51%	19.47%
Charity Care	1.00%	1.00%	0.99%
Other	<u>0.06%</u>	<u>0.29%</u>	<u>0.29%</u>
Total	100.00%	100.00%	100.00%

#### Capability and Feasibility

The total project cost of \$1,247,529,143 will be met through an equipment lease of \$21,199,694, bond financing of \$872,000,000 at an interest rate of 5% for a thirty-year term, and \$354,329,449 in equity from operations. The applicant submitted a letter of interest regarding the equipment lease and the bond financing.

The working capital requirements estimated at \$38,999,295, which is equivalent to two months of incremental Year One expenses, will be met with equity from operations. BFA Attachment A, 2022-2023 Certified Financial Statements of The New York Presbyterian Hospital, indicate the availability of sufficient funds to meet the equity contributions for the working capital and total project cost equity contributions. As shown on BFA Attachment A, the entity had a positive working capital position and a positive net asset position from 2023 through September 30, 2024. Additionally, the entity achieved an excess of revenues over expenses of \$757,053,000 in 2023 and \$1,138,673,000 on September 30, 2024.

The submitted budget indicates an excess of revenues over expenses of \$9,476,567 and \$20,631,679 in the Year One and Year Three, respectively. The submitted budget appears reasonable.

#### Conclusion

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

## Attachments

BFA Attachment A	Financial Summary- 2023 Certified Financial Statements and the September 30, 2024 Internal Financial Statements of New York Presbyterian Hospital
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Project # 251126-C  
NYU Langone Hospitals

**Program:** Hospital  
**Purpose:** Construction

**County:** Richmond  
**Acknowledged:** March 19, 2025

Executive Summary

Description

NYU Langone Hospitals (NYULH), an existing Article 28, voluntary not-for-profit corporation, is seeking approval to certify a Perlmutter Cancer Center hospital extension clinic at 2801 Richmond Hill Avenue, Staten Island, New York (Richmond County). Upon certification, the extension clinic will provide NCI-designated cancer care in Staten Island including office visits with medical and radiation oncologists, treatments for cancer infusion, radiation oncology, and imaging such as MRI, CT, PET/CT, Mammography, Ultrasound, and X-Ray.

The existing space at 2801 Richmond Avenue will contain a Medical Oncology unit with fourteen (14) exam rooms, two (2) treatment rooms, one (1) ultrasound, a shot room with six (6) positions, and required support space. The infusion area will have twenty-two (22) bays. The Women's Health area has two (2) ultrasounds and two (2) mammography rooms. Within the Radiology and Radiation Oncology area there is an MRI Scanner, CT Scanner, X-ray Scanner, Pet/CT Scanner, Linear Accelerator, (2) Exam Rooms, and all other required support space.

Abhirami Vivekanandarajah, M.D., who is Board Certified in Internal Medicine with Sub-Certifications in Medical Oncology and Hematology, will serve as the Medical Director.

OPCHSM Recommendation  
Contingent Approval

Need Summary

Approval of this project will improve local access to cancer services for those patients who would otherwise need to travel outside of Richmond County for an equivalent level of care. The applicant projects 14,329 visits in Year One and 29,815 in Year.

Program Summary

A favorable recommendation can be made regarding the facility's current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

Financial Summary

There is no project cost for this project.

Budget:	<u>Year One</u>	<u>Year Three</u>
Revenues	\$23,287,536	\$42,764,348
Expenses	<u>\$21,587,422</u>	<u>\$38,878,649</u>
Net Income / (Loss)	\$1,700,114	\$3,885,708

Health Equity Impact Assessment

This project does not require a Health Equity Impact Assessment as per stipulations in 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 administrative services agreement, acceptable to the Department. [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 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]
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](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](mailto:hospinfo@health.ny.gov) [HSP]

Council Action Date

June 18, 2025



## Need Analysis

### Project Description

NYU Langone Hospitals (NYULH), an existing Article 28, voluntary not-for-profit corporation, is seeking approval to build a new hospital extension clinic at 2801 Richmond Hill Avenue, Staten Island, New York (Richmond County). Upon certification, the extension clinic will provide NCI-designated cancer care in Staten Island. These include office visits with medical and radiation oncologists, treatments for cancer infusion and radiation oncology, and imaging such as MRI, CT, PET/CT, Mammography, Ultrasound, and X-Ray.

### Background and Analysis

The primary service area for this project is Richmond County. The population of Richmond County is estimated to decrease to 488,119 by 2030 per projection data from the Cornell Program on Applied Demographics (PAD), a decrease of 0.9%. The demographics for the service area are noted below, including a comparison with New York State:

Demographics	Richmond County	New York State
Total Population – 2023 Estimate	492,734	19,872,319
Hispanic or Latino (of any race)	19.5%	19.6%
White (non-Hispanic)	56.6%	53.4%
Black or African American (non-Hispanic)	9.00%	13.6%
Asian (non-Hispanic)	12.0%	8.8%
Other (non-Hispanic)	2.9%	4.6%

Source: 2023 American Community Survey (5-Year Estimates Data Profiles)

In 2023, 96.1% population of Richmond County had health coverage as follows.

<b>Employer Plans</b>	53.4%
<b>Medicaid</b>	19.7%
<b>Medicare</b>	12.5%
<b>Non-Group Plans</b>	10.2%
<b>Military or VA</b>	0.375%

Source: Data USA

The applicant projects 14,329 visits in Year One and 29,816 in Year Three. The projected payor mix is shown below,

Applicant Projected Payor Mix		
Payor	Year One	Year Three
Commercial	32.0%	32.0%
Medicare	39.0%	39.0%
Medicaid	23.0%	23.0%
Charity Care	3.0%	3.0%
Bad Debt	3.0%	3.0%

Source: Applicant

This project will enable Richmond County residents to obtain needed cancer-related services closer to home instead of traveling to Manhattan or Brooklyn for their care. They expect to sustain and grow their volume by maintaining a high-quality delivery of care, using best-in-class clinical equipment and technologies, offering care by an evolving multispecialty team, and allowing patients to navigate their diagnosis and treatment plans within one location.

This application includes one new LINAC for provision of therapeutic radiology. Below is data from the NYS Cancer Registry that is used to calculate the need for LINAC machines. The table below shows the need for LINAC machines in the New York City Region.

	<b>LINAC Need in NYC Region</b>	<b>Total</b>
1	Number of Cancer Cases per Year	42,112
2	60% will be Candidates for Radiation Therapy	25,268
3	50% of (2) will be Curative Patients	12,634
4	50% of (2) will be Palliative Patients	12,634
5	Course of Treatment for Curative Patients is 35 Treatments	442,176
6	Course of Treatment for Palliative Patients is 15 Treatments	189,504
7	The Total Number of Treatments [(5)+(6)]	631,680
8	Need for LINAC Machines <sup>1</sup> [(7)/6,500]	98
9	Existing/Approved Resources	81
10	Remaining Need for LINAC Machines [(8)-(9)]	17

<sup>1</sup>Each LINAC Machine has capacity for 6,500 Treatments

#### Conclusion

Approval of this project will improve local access to cancer services for those patients who would otherwise need to travel outside of Richmond County for an equivalent level of care.

## Program Analysis

### Project Description

NYU Langone Hospitals (NYULH) submits this Certificate of Need application to certify and implement a Perlmutter Cancer Center hospital extension clinic at 2801 Richmond Avenue, Staten Island, NY 10314

The following tables shows the projected FTEs in Year One and Year Three following completion of this project:

Staffing	Year One	Year Three
Management and Supervision	6.0	7.0
Technician and Specialist	21.0	32.0
Registered Nurses	6.0	10.0
Physician	4.0	5.0
Nurse Practitioners	5.0	10.0
Clerical and Other Administrative	6.0	7.0
Medical Assistants	7.0	9.0
<b>Total</b>	<b>55.0</b>	<b>80.0</b>

**Abhirami Vivekanandarajah, MD** will be the medical director of the facility. Dr. Vivekanandarajah graduated with a medical degree from Saba University in 2006 and is Board Certified in Internal Medicine with Sub-certifications in Medical Oncology and Hematology.

### 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

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

NYU Langone Hospitals (NYULH), in New York County, is requesting approval for the certification and implementation of a Perlmutter Cancer Center extension clinic in Richmond County. The project aims to provide high-quality, patient-centered cancer care and services that are currently available in Brooklyn and Manhattan and extend them to their patient population residing in Staten Island, NY.

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

- Prevent Chronic Diseases
- Promote Healthy Women, Infants, and Children

The proposed project will advance the Prevention Agenda priorities of Preventing Chronic Diseases, Promoting Healthy Women, Infants and Children, and Promoting a Healthy and Safe Environment by allowing NYULH to provide comprehensive cancer care to their patient population in Richmond County, offering smoking cessation services and educational programs to address tobacco use and cancer prevention.

As per the latest available report, NYULH spent \$36,293,694 on community health improvement services in 2022, representing 0.48 % 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

### Operating Budget

The applicant has submitted an operating budget, in 2025 dollars, for Year One and Year Three, summarized below:

<u>Outpatient Rev.</u>	<u>Per Visit</u>	<u>Year One</u>	<u>Per Visit</u>	<u>Year Three</u>
Commercial FFS	\$3,936.28	\$18,047,841	\$3,473.68	\$33,142,370
Medicare FFS	\$632.08	\$3,260,255	\$557.76	\$5,987,009
Medicare MC	\$541.57	\$232,875	\$478.35	\$427,643
Medicaid MC	\$529.90	\$1,746,565	\$467.68	\$3,207,326
Total Operating Rev.		\$23,287,536		\$42,764,348

### Expenses:

Operating	\$1,434.67	\$20,557,422	\$1268.44	\$37,818,640
Capital	<u>71.88</u>	\$1,030,000	<u>35.55</u>	\$1,060,000
Total Operating Exp.	\$1,506.55	\$21,587,422	\$1,304.00	\$38,878,640

Net Income / (Loss)	<u>\$1,700.114</u>	<u>\$3,885.708</u>
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Total Visits	14,329	29,815
Cost Per Visit	\$1,506.55	\$1,304.00

The following is noted with respect to the submitted budget:

- Revenue rates by payor source are based on current reimbursement rates received.
- Expenses are based on medical and surgical supplies needed, and staffing costs from related to the 55 FTEs in Year One and 80 FTEs in Year Three.
- Visits are based on NYU's current experience with growth added in for the new service area.

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

<u>Utilization:</u>	<u>Year One</u>	<u>Year Three</u>
Commercial MC	32.00%	32.00%
Medicare FFS	36.00%	36.00%
Medicare MC	3.00%	3.00%
Medicaid MC	23.00%	23.00%
Charity Care	3.00%	3.00%
Bad Debt.	<u>3.00%</u>	<u>3.00%</u>
Total	100.00%	100.00%

The applicant indicated they are committed to serving all persons in need without regard to the patient's ability to pay or the source of payment. The hospital will develop, maintain, and update a sliding fee scale as well as policies and procedures for serving the uninsured and persons without the ability to pay.

### Administrative Service Agreement

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

<b>Operator:</b>	NYU Langone Hospitals
<b>Consultant:</b>	ONEHEALTH NY LLC
<b>Term:</b>	TBD
<b>Services:</b>	ONEHEALTH shall provide administrative support and support services, with respect to the Cancer Center to include Management and financial consultations; Accounting; Coding and billing services; Human Resources; Practice planning; Physician Licensure and Credentials and Clinical Trials.
<b>Fees:</b>	\$1,950,000 annually or \$162,500 monthly.

The operator does not delegate to the consultant any responsibilities nor give any independent authority over the reserved responsibilities in the agreement. The operator has sole discretion to all operations and independent control over all records' policies and procedures. All rights to approve or disapprove remain with the operator solely. ONEHEALTH NY LLC is affiliated with North Shore Hematology-Oncology, P.C. d/b/a New York Cancer & Blood Specialists.

#### Capability and Feasibility

There is no project cost related to this application. The working capital requirements are estimated at \$6,483,107, based on two months of third-year expenses, and will be funded through equity from NYULH. The submitted budget projects a net income of \$1,700,114 and \$3,885,708 during Year One and Year Three of operations, respectively.

BFA Attachment A, 2023-2024 Certified Financial Statements of NYU Langone Hospitals, shows average positive working capital, an average positive net asset positions and a net income of \$358,789,000 and \$431,436 in 2023 and 2025, respectively. BFA Attachment B, The September 1, 2024, thru January 31, 2025, show the entity had a positive working capital position, a positive net asset position, and net income of \$790,134,000 for the period shown.

#### Conclusion

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

### Attachments

BHFP Attachment	Map
BFA Attachment A	2023-2024 Certified Financial Statements – NYU Langone Hospitals
BFA Attachment B	Financial Summary- September 1, 2024 - January 31, 2025, Internal Financial Statements of NYU Langone Hospital



Project # 242313-C  
Samaritan Medical Center

**Program:** Hospital  
**Purpose:** Construction

**County:** Jefferson  
**Acknowledged:** January 22, 2025

Executive Summary

Description

Samaritan Medical Center (Samaritan), an existing, 290-bed acute care hospital at 830 Washington Street, Watertown (Jefferson County), New York, seeks approval for the certification of the "Cardiac Catheterization – Percutaneous Coronary Intervention" service, along with the requisite renovation of space to accommodate the service.

Samaritan will renovate 9,125 square feet of existing space on its campus and will construct a new building addition totaling 555 square feet on the first floor of the Medical Center. Samaritan will then equip the space for diagnostic cardiac catheterization and PCI services.

The proposed PCI lab will be operated under the "Clinical Sponsorship Model", whereby University Hospital SUNY Health Science Center (SUNY Upstate) will provide oversight of the proposed PCI program. SUNY Upstate is a full-service cardiac surgery and PCI provider at 750 East Adams Street, Syracuse (Onondaga County), New York.

Five interventional cardiologists have committed to providing services at Samaritan Medical Center through an agreement with VitalSolution, a national physician-led organization that delivers customized critical care services to hospitals. Of the committed physicians, only one currently practices in New York. The other physicians perform PCI procedures at various locations nationally. They will move to the region and perform PCI procedures at SMC, with one of them serving as Medical Director for the PCI service. VitalSolution will also provide technical staff, including cardiac catheterization laboratory

nurses and technicians, and administrative support, such as logistics and scheduling.

Jasdeep Dalawari, M.D will serve as the Medical Director for the PCI services. SUNY Upstate, approximately 69.8 miles/1 hour and 7 minutes from SMC, will provide oversight of the PCI program and serve as the cardiac surgery backup hospital.

OPCHSM Recommendation  
Contingent Approval

Need Summary

The applicant projects 107 total PCI procedures (43 emergency) in Year One and 274 total PCI (61 emergency) procedures by Year Three.

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 \$11,171,256 will be funded with cash equity from SMC.

<u>Budget:</u>	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$335,883,968	\$341,998,691	\$351,223,925
Expenses	<u>323,979,798</u>	<u>332,258,811</u>	<u>331,343,504</u>
Net Income	\$11,904,170	\$9,739,880	\$19,880,421

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 a commitment on the part of the facility to provide regular volumes and outcomes data summarizing cardiac catheterization laboratory activity in a format prescribed by the Department and the New York State Cardiac Advisory Committee. [HSP]
5. Submission of an agreement, acceptable to the Department, which indicates the applicant agrees to report the performance of any diagnostic or interventional cardiac catheterization conducted both on an in-patient or out-patient basis to SPARCS. The in-patient procedures are reported in the SPARCS in-patient master file while the out-patient procedures would be reported through the ambulatory surgery file of SPARCS. [HSP]
6. Submission of an executed Master Services Agreement acceptable to the Department of Health. [BFA]

**Approval conditional upon:**

1. This project must be completed by **April 1, 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 **January 1, 2026**, and construction must be completed by **January 1, 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. Conditional on performing a minimum of 36 emergency Percutaneous Coronary Interventions per year of operations in accordance with Regulation 405.29 (e)(2)(iv) minimum workload standards. [HSP]

Council Action Date

June 18, 2025



## Need Analysis

### Project Description

Samaritan Medical Center (SMC), a 295-bed hospital at 830 Washington Street, Watertown, New York 13601 (Jefferson County), is seeking approval to certify Cardiac Catheterization – Percutaneous Coronary Intervention (PCI) and perform requisite renovations to accommodate the service. There are currently no PCI providers in Jefferson County or the three neighboring counties of Oswego, Lewis, and St. Lawrence. The closest hospitals with PCI services to Samaritan are in Syracuse, New York (Onondaga County).

Through this project, SMC has entered into a “Clinical Sponsorship Model” with University Hospital SUNY Health Science Center (SUNY Upstate) that follows the regulatory requirements of NYCRR 10 Sections 709.14 and 405.29. SUNY Upstate will provide oversight for the proposed PCI program. SUNY Upstate is a full-service cardiac surgery and PCI provider in Syracuse (Onondaga County). It will also serve as the cardiac surgery backup provider to SMC. SUNY Upstate is located at 750 East Adams Street in Syracuse, approximately 69.6 miles and a 1 hour 7-minute drive from SMC.

### Background & Analysis

The primary service area for this project is Jefferson County, and the relevant service area also includes several zip codes in Oswego, Lewis, and St. Lawrence Counties. SMC is located within a Health Professional Shortage Area (HPSA) for dental, primary care, and mental health.

The population of Jefferson County is projected to decrease to 114,290 by 2030 per projection data from the Cornell Program on Applied Demographics (PAD), a decrease of 1.6%. The population aged 65 years and over was 14.6% of the total population in 2023. By 2030, Cornell PAD, estimates this cohort will be 15.6% of the total population, an increase of 1.0%. Demographics for the primary service area are noted below including a comparison with New York State:

Demographics	Jefferson County	New York State
Total Population – 2023 Estimate	116,130	19,872,319
White (non-Hispanic)	80.8%	53.4%
Hispanic or Latino (of any race)	7.3%	19.6%
Black or African American (non-Hispanic)	4.6%	13.6%
Asian (non-Hispanic)	1.8%	8.8%
Other (non-Hispanic)	5.5%	4.6%

Source: 2023 American Community Survey (5-year Estimates Data Profiles)

In 2023, 94.2% of the population of Jefferson County had health coverage as follows:

Employer Plans	33.2%
Medicaid	20.6%
Medicare	10.8%
Non-Group Plans	17.3%
Military or VA	12.3%

Source: Data USA

The table below shows the applicant's projected payor mix for inpatient and outpatient services for Years One and Three.

<b>Applicant Projected Payor Mix</b>				
	<b>Inpatient</b>		<b>Outpatient</b>	
<b>Payor</b>	<b>Year One</b>	<b>Year Three</b>	<b>Year One</b>	<b>Year Three</b>
Commercial FFS	13.7%	13.8%	27.3%	27.3%
Commercial MC	0.1%	0.1%	0.6%	0.6%
Medicare FFS	18.3%	18.5%	18.0%	18.0%
Medicare MC	16.6%	16.7%	16.1%	16.1%
Medicaid FFS	2.8%	2.8%	1.1%	1.1%
Medicaid MC	22.3%	22.2%	22.8%	22.8%
Private Pay	2.2%	2.1%	0.9%	0.9%
Charity Care	1.4%	1.4%	0.9%	0.9%
All Other	22.6%	22.3%	12.3%	12.3%

Source: Applicant

As background, Samaritan Medical Center began operating a diagnostic cardiac catheterization laboratory in December 2001. Initially, the program grew and had 400 cases at its peak. However, because the cardiac catheterization laboratory only performed diagnostic procedures, patients were forced to travel to Syracuse for interventional procedures. Patients and doctors typically prefer to perform diagnostic catheterization procedures in a facility that also offers PCI in the event the case requires it. These issues led to a significant reduction in volume at SMC with annual volume lower than the minimum of 200 diagnostic cases. In addition, at that time, the Department required a hospital to perform 500 annual diagnostic cardiac catheterization procedures before considering a CON review to add PCI services. Consequently, SMC was unable to add PCI service, and at the advice of the Department, ceased providing the diagnostic cardiac catheterization service. Since then, the Department revised its programmatic requirements for PCI providers as research indicated that outcomes for PCI providers with no cardiac surgery on-site were no different than outcomes for PCI providers with cardiac surgery on-site.

Five interventional cardiologists have committed to providing services at Samaritan Medical Center through an agreement with VitalSolution, a national physician-led organization that delivers customized critical care services to hospitals. Of the committed physicians, only one currently practices in New York. The other physicians perform PCI procedures at various locations nationally. They will move to the region and perform PCI procedures at SMC, with one of them serving as Medical Director for the PCI service. VitalSolution will also provide technical staff, including cardiac catheterization laboratory nurses and technicians, and administrative support, such as logistics and scheduling.

Samaritan projects 107 PCI procedures in Year One (43 emergency) and 274 PCI procedures in Year Three (61 emergency).

In 2023, Jefferson County residents received 202 total PCI treatments (141 emergency) as classified under New York Title 10 Cardiac Services Regulations 709.14. Of these, no PCI procedures were performed in Jefferson County, all residents were treated outside of the county.

The table below shows hospitals where PCI treatments were performed for Jefferson County residents:

<b>2023 Total/Emergency PCIs Performed on Jefferson County Residents</b>				
<b>Hospital Name</b>	<b>County</b>	<b>Distance/Time from Applicant</b>	<b>Total Cases</b>	<b>Emergency</b>
St. Joseph's Hospital Health Center	Onondaga	69 miles/1 hr 8 min	155	102
University Hospital SUNY Health Science Center	Onondaga	69.6 miles/1 hr 7 min	27	22
Crouse Hospital	Onondaga	69.8 miles/1 hr 8 min	9	7
St. Elizabeth Medical Center	Oneida	82 miles/1 hr 37 min	1	0
Cayuga Medical Center at Ithaca	Tompkins	128 miles/2 hr 28 min	1	1
Strong Memorial Hospital	Monroe	149 miles/2 hr 32 min	1	1
Albany Medical Center	Albany	171 miles/3 hr 1 min	7	7
Buffalo General Medical Center	Erie	210 miles/3 hr 22 min	1	1

Source: Cardiac Services; Google Maps 2025 (Travel times displayed assume average travel conditions)

#### Conclusion

Approval of this project will provide enhanced access to diagnostic cardiac catheterization and PCI procedures for local residents, improve cardiac health outcomes, and quality oversight of procedures performed in the new laboratory.

## Program Analysis

### Program Description

Samaritan Medical Center (Samaritan), an existing, 290-bed acute care hospital at 830 Washington Street, Watertown (Jefferson County), New York 13601, seeks approval for the certification of Cardiac Catheterization – Percutaneous Coronary Intervention (PCI) services, along with the requisite renovation of space to accommodate the service. The proposed PCI-capable cardiac catheterization laboratory at will serve only adults and will be an essential resource for the highly rural North Country region.

Through this project, SMC will enter a Master Services Agreement with Physician Medical Services of New York, P.C. d/b/a VitalSolution to provide Physician Services. VitalSolution will provide a minimum of three (3) interventional cardiology physicians who will perform PCI at SMC. Physicians from VitalSolution will meet all requirements related to PCI providers as per 10 NYCRR Sections 709.14 and 405.29. In addition to the provision for interventional cardiologists, VitalSolution will provide administrative services that include but are not limited to: (1) recruiting interventional cardiologists; (2) scheduling the interventional cardiologists at Samaritan; (3) logistics; (4) maintaining physician licensure and credentialing; and (5) all other administrative duties required for the physicians to perform physician services at SMC. For non-Physician Staff Services, VitalSolution will provide technical staff members that include cardiac catheterization laboratory nurses and technicians. These individuals will be on-site at SMC for 40 hours per week but will be on-call on a 24/7/365 basis. In addition, VitalSolution will provide a cardiac catheterization laboratory manager to assist with the development and implementation of policies, procedures, protocols and practices to ensure compliance with all applicable regulations, including 10 NYCRR Sections 709.14 and 405.29. The manager will be on-site for 40 hours per week and will have some level of on-call hours. VitalSolution will provide SMC staff of the proposed PCI-capable cardiac catheterization program with standardized orientation and training, and all protocols, policies and procedures that will be put in place at Samaritan Medical Center for these services will be standardized.

Five (5) interventional cardiologists, Nurilign (Nate) Bulcha, M.D. Jasdeep Dalawari, M.D. Khurram Liaqat, M.D. Ali Homayuni, M.D. and Rocco Grella, M.D. have committed to providing PCI procedures at the proposed PCI-capable cardiac catheterization laboratory. Of these five (5) interventional cardiologists, only Dr. Grella currently practices within New York State. The other interventional cardiologists perform PCI procedures at various locations throughout the United States. They will move to the region and perform PCI procedures at 12 SMC through an Agreement between SMC and VitalSolution. Dr. Dalawari will serve as the Medical Director for the PCI service at SMC.

Michael Briggs will serve as a Data Manager for the Cardiac Catheterization Laboratory. This individual will have special training in the clinical criteria used in the modules of the Cardiac Reporting System. Mr. Briggs will work with SMC's Medical Director for PCI services, Dr. Dalawari, to ensure accuracy and timely reporting of Cardiac Reporting System data to the NYSDOH.

SMC will meet the minimum volume standard within its PCI program, with 151 STEMI cases originating from the Emergency Department in 2023 (average of 135 per year over the past four years). SMC expects to meet the minimum standard of 36 emergency PCI cases, per Section 405.29 and Section 709.14 of 10 NYCRR.

SMC confirms that a heart disease program, consistent with the recommendations of the Cardiac Advisory Committee and the New York State Department of Health, as outlined in 10 NYCRR Section 709.14, will be put in place.

SMC commits to serving the medically indigent and patients regardless of the source of payment. In fact, the Medical Center has a strong history of serving the medically indigent and traditionally medically underserved populations. To this end, individuals covered by Medicaid at Samaritan comprised 25.4% of total inpatient discharges and 23.9% of total outpatient visits to the Samaritan Medical Center in 2023. The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates.

The following tables shows the projected FTEs in Year One and Year Three after completion of this project:

<b>Staffing</b>	<b>Year One</b>	<b>Year Three</b>
Management and Supervision	100.83	100.83
Technician and Specialist	175.62	175.87
Registered Nurses	356.68	356.93
Licensed Practical Nurses	74.70	74.70
Aides, Orderlies and Attendants	167.71	167.71
Physicians	42.09	42.09
PGY Physicians	13.52	13.52
Physicians' Assistants	16.52	16.52
Nurse Practitioner	17.12	17.12
Nurse Midwife	2.99	2.99
Social Workers and Psychologists	17.42	17.42
Physical Therapists and PT Assistants	10.62	10.62
Occupational Therapists and OT Assistants	5.63	5.63
Speech Therapists and Speech Assistants	2.80	2.80
Other Therapists and Assistants (Respiratory Therapists)	95.29	95.29
Infection Control, Environment and Food Service	133.83	133.83
Clerical and Other Administrative	337.42	337.42
Other: (Miscellaneous)	33.54	33.54
<b>Total</b>	<b>1604.33</b>	<b>1604.83</b>

**Jasdeep Dalawari, M.D.** will serve as the Medical Director for the proposed PCI service at SMC. Dr. Dalawari is Board-Certified in Internal Medicine and Emergency Medicine, with sub-certifications in interventional cardiology and cardiovascular disease. Dr. Dalawari has been an Interventional Cardiologist at Dalawari Medical Services, LLC, since 2017. Prior to this, Dr. Dalawari was an Interventional Cardiologist at James River Cardiology from 2014-2017. Dr. Dalawari graduated from Louisiana State University with a bachelor's degree in 1996 and a Doctor of Medicine in 2000. Dr. Dalawari graduated from Virginia Commonwealth University with a Master of Science in Health Administration in 2009. Dr. Dalawari completed an Internal Medicine/Emergency Medicine Residency at Christiana Care Health System in 2005 and went on to complete a Cardiology Fellowship at Medical College of Virginia in 2008. In 2009, Dr. Dalawari completed an Interventional Cardiology Fellowship at the Medical College of Virginia.

#### Compliance with Applicable Codes, Rules, and Regulations

Based on the most recent surveillance information this facility 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 results of routine Article 28 surveys as well as investigations of reported incidents and complaints.

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

Samaritan Medical Center (SMC), in Jefferson County, requests approval to certify the “Cardiac Catheterization – Percutaneous Coronary Intervention” service and supporting renovation efforts. The project will improve patient access to cardiac catheterization and percutaneous coronary intervention (PCI) services by reducing the travel time required to find nearby facilities.

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

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

The proposed project will advance the Prevention Agenda priority of Preventing Chronic Diseases and Promoting Well-Being and Preventing Mental and Substance Use Disorders by allowing SMC to increase local access to cardiac catheterization and PCI services for their community members.

As per the latest available report, in 2022, SMC spent \$231,430 on community health improvement services, representing 0.08 % 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 Costs and Financing

The project costs for renovation and moveable equipment are estimated at \$11,171,256. The costs are broken down as follows in 2025 dollars:

New Construction	\$415,208
Renovation & Demolition	4,610,417
Asbestos Abatement or Removal	134,375
Design Contingency	591,250
Construction Contingency	591,250
Architect/Engineering Fees	530,000
Construction Manager Fees	200,000
Other Fees	53,750
Moveable Equipment	3,981,910
Application Fee	2,000
Processing Fee	<u>61,095</u>
Total Project Cost with fees	\$11,171,256

Total project cost of \$11,171,256 will be funded with equity from SMC. BFA Attachments A and B show that SMC has sufficient funds to fund the equity contribution for this project.

### Operating Budget

The applicant has provided the Current Year (2023) results, and the First- and Third-year operating budget, in 2025 dollars. The budget is summarized below:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
Revenues						
<u>Inpatient:</u>	<u>Per Disch.</u>	<u>Total</u>	<u>Per Disch.</u>	<u>Total</u>	<u>Per Disch.</u>	<u>Total</u>
Commercial FFS	\$10,042.22	\$12,331,844	\$10,441.81	\$13,198,449	\$10,819.27	\$14,065,054
Commercial MC	\$14,128.83	169,546	\$14,128.83	169,546	\$14,128.83	169,546
Medicare FFS	\$17,464.16	28,833,326	\$17,589.55	29,831,880	\$17,711.04	30,852,624
Medicare MC	\$11,000.74	16,424,106	\$11,200.13	17,192,195	\$11,380.13	17,923,708
Medicaid FFS	\$1,235.99	317,649	\$1,352.22	350,224	\$1,466.66	382,799
Medicaid MC	\$5,355.41	10,983,951	\$5,437.16	11,244,047	5,522.26	11,519,443
Private Pay	\$737.53	143,819	\$780.81	153,819	\$802.12	158,819
All Other	\$6,467.36	13,503,845	\$6,486.89	13,570,573	\$6,506.35	13,637,301
Less: Bad Debt		<u>(3,344,266)</u>		<u>(3,691,774)</u>		<u>(3,513,211)</u>
Total IP Revenue		\$79,363,820		\$82,018,959		\$85,196,083
Revenues						
<u>Outpatient:</u>	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
Commercial FFS	\$1,169.53	\$112,860,911	\$1,172.58	\$114,041,456	\$1,177.78	\$116,098,040
Commercial MC	\$1,318.59	3,022,202	\$1,318.34	3,045,360	\$1,317.92	3,085,243
Medicare FFS	\$638.72	40,644,621	\$647.70	41,539,195	\$663.01	43,097,080
Medicare MC	\$478.65	27,191,022	\$482.90	27,647,213	\$490.15	28,442,728
Medicaid FFS	\$465.51	1,749,845	\$476.04	1,803,231	\$494.52	1,898,958
Medicaid MC	\$375.57	30,285,422	\$377.09	30,646,593	\$379.69	31,275,785
Private Pay	\$890.30	2,775,964	\$914.29	2,872,694	\$956.36	3,046,002
All Other	\$506.90	21,927,851	\$513.39	22,382,721	\$524.47	23,175,724
Less: Bad Debt		<u>(5,866,996)</u>		<u>(5,928,037)</u>		<u>(6,021,024)</u>
Total OP Revenue		\$234,590,842		\$238,050,426		\$244,098,536
Total Revenues:		\$313,954,662		<u>\$320,069,385</u>		<u>\$329,294,619</u>
Other Oper. Rev.		21,432,386		21,432,386		21,432,386

	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
Total Op. Rev.	\$335,387,048	\$341,501,771	\$350,727,005
Non-Oper. Rev.	496,918	496,918	496,918
Total Proj. Rev.	\$335,883,966	\$341,998,689	\$351,223,923
Expenses:			
Operating	\$306,500,058	\$313,503,399	\$312,588,092
Capital	<u>17,479,740</u>	<u>18,755,412</u>	<u>18,755,412</u>
Total Expenses	\$323,979,798	\$332,258,811	\$331,343,504
Net Income/(Loss)	<u>\$11,904,170</u>	<u>\$9,739,880</u>	<u>\$19,880,421</u>
Total IP Disc.	9,102	9,253	9,403
Cost per Disc.	\$16,102.23	\$16,215.26	\$15,947.93
Total OP Visits	353,158	355,925	360,747
Cost per Visit	\$502.37	\$511.96	\$502.80

The following is noted with respect to the operating budget:

- Revenues and rate assumption for inpatient and outpatient services is based on the current experience of the existing cardiac catheterization lab volume of SUNY Upstate, VitalSolution and SMC.
- Other operating revenue sources include: \$9,149,388 340B Program, \$6,674,631 in grants and other incentives, \$2,995,559 in sold services, \$790,456 in rental income, \$672,324 in cafeteria income, \$665,688 in miscellaneous income, and \$484,340 in other income/fees/rebates.
- The number and mix of staff were based upon the experience of SMC in providing services to its patients.
- The Year One incremental loss is the result of start-up costs attributable to the use of contracted staff for leadership support, RN support, and radiology tech support from VitalSolution. Contracted expenses are projected at \$1,831,040 in Year One and will be eliminated in Year Three of operations as SMC's own staff are expected to be able to work independently after 12 months.
- Payor mix is based upon the historical payor mix for SMC.
- The projected utilization and staffing for this project are based upon the experience of VitalSolution and SUNY Upstate in providing cardiac catheterization laboratory procedures, including PCI.
- SMC projects to perform 107 PCI procedures in Year One (43 emergency) and 274 PCI procedures in Year Three (61 emergency).



Utilization by payor source for inpatient and outpatient services is projected as follows:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
<u>Inpatient:</u>	<u>Disch</u>	<u>%</u>	<u>Disch</u>	<u>%</u>	<u>Disch</u>	<u>%</u>
Commercial-FFS	1,228	13.49%	1,264	13.66%	1,300	13.83%
Commercial-MC	12	0.13%	12	0.13%	12	0.13%
Medicare-FFS	1,651	18.14%	1,696	18.33%	1,742	18.53%
Medicare-MC	1,493	16.40%	1,535	16.59%	1,575	16.75%
Medicaid-FFS	257	2.82%	259	2.80%	261	2.78%
Medicaid-MC	2,051	22.53%	2,068	22.35%	2,068	22.18%
Private Pay	195	2.14%	197	2.13%	198	2.10%
Charity	127	1.39%	130	1.40%	133	1.41%
All Other	<u>2,088</u>	<u>22.94%</u>	<u>2,092</u>	<u>22.61%</u>	<u>2,096</u>	<u>22.29%</u>
Total	9,102	100.00%	9,253	100.00%	9,403	100.00%

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
<u>Outpatient:</u>	<u>Visits</u>	<u>%</u>	<u>Visits</u>	<u>%</u>	<u>Visits</u>	<u>%</u>
Commercial-FFS	96,501	27.33%	97,257	27.33%	98,574	27.33%
Commercial-MC	2,292	0.65%	2,310	0.65%	2,341	0.65%
Medicare-FFS	63,634	18.02%	64,133	18.02%	65,002	18.02%
Medicare-MC	56,808	16.09%	57,253	16.09%	58,029	16.09%
Medicaid-FFS	3,759	1.06%	3,788	1.06%	3,840	1.06%
Medicaid-MC	80,639	22.83%	81,271	22.83%	82,372	22.83%
Private Pay	3,118	0.88%	3,142	0.88%	3,185	0.88%
Charity	3,148	0.89%	3,173	0.89%	3,215	0.89%
All Other	<u>43,259</u>	<u>12.25%</u>	<u>43,598</u>	<u>12.25%</u>	<u>44,189</u>	<u>12.25%</u>
Total	353,158	100.00%	355,925	100.00%	360,747	100.00%

#### Clinical Sponsorship Agreement

The applicant has provided an executed cardiac catheterization laboratory clinical sponsorship agreement, the terms of which are summarized as follows:

Date:	April 26, 2024
Hospital (SMC):	Samaritan Medical Center
Hospital (UUH):	State University of New York (SUNY) acting through and on behalf of its Upstate University Hospital (UUH)
Term:	20-years from Commencement Date
Program:	Establish a percutaneous coronary intervention (PCI) capable cardiac catheterization laboratory at SMC and to offer a cardiac catheterization program primarily through the cardiac catheterization lab and whereas the SMC is not, but UUH is, a cardiac surgery center.
Purpose:	The parties (SMC, SUNY, and UUH) desire to collaborate in the operation of a high-quality cardiac catheterization laboratory and program at the SMC and to comply with all regulatory requirements, and specifically to have UUH provide their respective portions of the joint obligations of the parties in connection with the program.
Compensation:	None; if the hospital (SMC) desires to obtain additional services from UUH in conjunction with the operation of the cardiac catheterization laboratory or the program, the parties shall negotiate a mutually acceptable fair market value fee for such services.

The agreement provides that the facility operator will retain ultimate control in all the final decisions associated with the facility. 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.

# Master Services Agreement

The applicant has provided an executed consulting services agreement, the terms of which are summarized as follows:

<b>Company:</b>	Physician Medical Services of New York, P.C.
<b>Hospital:</b>	Samaritan Medical Center
<b>Term:</b>	3-years from Commencement Date, with an automatic renewal for an additional 3-years, unless a written notice of non-renewal is provided 150 days in advance of renewal date.
<b>Professional Services (Physician Services):</b>	<p>At the request of the Hospital, the company shall provide:</p> <p>(1) Physicians and Providers to provide the professional health care services on a regularly scheduled basis; and</p> <p>(2) certain support services</p> <p>Physician Services generally includes clinic and outpatient interventional cardiology services, diagnostic imaging services and reading of EKG and related imaging results, echocardiograms, nuclear imaging including CTA/MRA, and supervision of stress tests; hospital rounding and consultations; catheterization laboratory procedures specifically diagnostic and interventional cardiology services; and peripheral vascular procedures and device implantation and interrogation services within Physician's scope of practice and specifically includes: i) interventional cardiology coverage twenty-four (24) hours a day, seven (7) days a week and three hundred sixty-five (365) days per year for PCI and STEMI coverage and ii) outpatient cardiology services during regular business hours</p>
<b>Administrative Services:</b>	<p>The Company will also provide Administrative Services which shall include, but is not limited to:</p> <p>(1) recruiting physicians(s) to provide the physician services</p> <p>(2) scheduling physician(s) with Hospital</p> <p>(3) logistics</p> <p>(4) maintaining physician licensure and credentialing; and</p> <p>(5) all other administrative duties required for the physician(s) to provide physician services to Hospital.</p>
<b>Fee:</b>	<p>Physician Services Fee: \$3,048,606 per year</p> <p>Administration Fee: \$365,095 per year</p> <p>Productivity Compensation: \$75.00 per work relative value unit (WRVU) generated over the productivity threshold</p> <p>Additional Physician Coverage: \$5,361.36 per physician per day for additional interventional cardiology physician service</p> <p>\$4,861.44 per physician per day for additional general cardiology</p>
<b>Non-Physician Staff Services:</b>	<p>Technical Staff: Perform the technical duties necessary to operate a cath lab under supervision of Hospital during standard shift hours or when called to return to the Hospital during a call coverage shift.</p> <p>Manager Staff: for the initial twelve (12) months of this agreement beginning on or before the start date. Duties include assist the Hospital to develop and implement policies, procedures, protocols and practices to ensure quality cath lab services and compliance with the state and federal standards and regulations, ensure that all technical staff have, and maintain during the term, all licenses, permits, certifications, registrations, accreditations and approvals as are required by law for such employees and agents.</p>

<b>Consulting Services:</b>	Company shall provide consulting services as appropriate for the operation of hospital's cardiology service line including: (1) Administrative duties: assisting with strategic, financial and operational planning for future cardiology services provided, development and operation of capital and operating budgets, with special regard to new technologies, equipment, supplies and management information systems, assist with the monitoring of the implementation of the strategic plan for cardiology services, identifying service line staffing and equipment needs, monitor quality and satisfaction survey results of service line; work with Hospital to develop and implement corrective action plans and process improvements. (2) Operational duties: assist Hospital in evaluating operational processes of service line and identify opportunities for improvement in cost and quality, compliance with state and federal rules and regulations, monitoring physician compliance with established service line protocols, quality reviews, credentialing criteria, developing protocols to reduce adverse events.
<b>Consulting Fee:</b>	\$150,000 per year
<b>Medical Director Services:</b>	Company shall provide a medical director with cardiology experience to hospitals for administrative services.
<b>Medical Director Services Fee:</b>	\$50,000 per year, paid in monthly installments of \$4,166.66.

The agreement provides that the facility operator will retain ultimate control in all of the final decisions associated with the facility. 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

Total project cost of \$11,171,256 will be funded with equity from SMC. The working capital requirement for this service line is estimated at \$1,379,836, based on two months of the first year's expenses, and will be funded with equity from the existing operations of SMC. BFA Attachments A and B show that SMC has sufficient funds to meet the equity and working capital requirement for this project.

The submitted budget projects a net income \$9,739,880 in Year One and \$19,880,421 in Year Three. The budget appears reasonable. The (\$2,164,290) incremental loss in Year One is due in part to the use of contracted staff for leadership support roles, RN support, and radiology tech support from VitalSolution. Contracted expenses will be eliminated in Year Three of operations as SMC's own staff are expected to work independently after 12 months

BFA Attachment A, 2023 Samaritan Medical Center and Affiliates' Certified Financial Statements, shows the organization had positive working capital, a positive net asset position, and net income of \$11,407,252.

BFA Attachment B, 2024 Samaritan Medical Center's Internal Financial Statements, shows the SMC maintained positive working capital, a positive net asset position, and a net income of \$13,372,883.

#### Conclusion

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

### Attachments

BFA Attachment A	2023 Samaritan Medical Center and Affiliates' Certified Financial Statements
BFA Attachment B	2024 Samaritan Medical Center Internal Financial Statements



Project # 251001-C  
Mount Sinai South Nassau

**Program:** Hospital  
**Purpose:** Construction

**County:** Nassau  
**Acknowledged:** January 15, 2025

Executive Summary

Description

Mount Sinai South Nassau (MSSN), a 455-bed, acute care hospital at One Healthy Way, Oceanside (Nassau County), and member of Mount Sinai Health System, requests approval to certify an adult cardiac surgery program and convert two (2) existing operating rooms to be used for cardiac surgery cases. There is no construction or renovations associated with this application. The Operating Rooms (OR) that will be used for cardiac surgery cases at MSSN are under construction per approved CON No. 181051-C. They are suitable for cardiac surgery and will be available upon final approval of this application. The equipment needed to outfit each OR that will perform cardiac surgery cases is included in this application.

This project will be undertaken by MSSN in cooperation with, and with direct clinical and quality oversight from, the Mount Sinai Health System and The Mount Sinai Hospital (MSH).

OPCHSM Recommendation  
Contingent Approval

Need Summary

The applicant projects 196 cardiac surgery procedures in Year One and 319 procedures in Year Three. Implementing this adult cardiac surgery program will enable MSSN to provide advanced cardiac services to patients closer to where they live.

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 for the movable equipment is \$1,281,354 and will be met with equity from the operation of MSSN.

Budget:	Current Year	Year One	Year Three
Revenues	\$785,963,169	\$808,825,282	\$822,938,530
Expenses	<u>748,545,861</u>	<u>768,096,566</u>	<u>775,793,097</u>
Net Income	\$37,417,308	\$40,728,716	\$ 47,145,433

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 assurances that cardiac services will be provided regardless of a patient's ability to pay or source of payment and a commitment to serve underserved populations. As part of this commitment, the facility must provide a plan outlining how the provision of cardiac services to the under and uninsured will be enhanced and monitored. Tracking of payer source information must be submitted to the Department upon request. Baseline data identifying payer source mix for patients undergoing cardiac catheterization should be submitted with the plan. [HSP]
3. Submission of a written agreement that the cardiac surgery center must document a cardiac patient base and current cardiac interventional referrals sufficient to support a projected annual volume of at least 300 cardiac surgery cases and a projected annual volume of at least 36 emergency PCI cases within two years of approval. The criteria for evaluating the need for additional adult cardiac surgery centers within the planning area shall include consideration of appropriate access and utilization, and the ability of existing services within the planning area to provide such services. [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 submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date

June 18, 2025

## Need Analysis

### Project Description

Mount Sinai South Nassau (MSSN) is a 455-bed acute care hospital and member of the Mount Sinai Health System (Mount Sinai). MSSN is located at One Healthy Way, Oceanside (Nassau County), New York 11572, and is seeking approval to certify an adult cardiac surgery program. This project will be undertaken by MSSN in cooperation with, and with the direct clinical and quality involvement and oversight of, the Mount Sinai Health System and The Mount Sinai Hospital (MSH). There is no construction or renovation associated with this application. The Operating Rooms (OR) that will be used for cardiac surgery cases at MSSN are under construction in approved Project 181051, are suitable for cardiac surgery, and will be available upon final approval of this application.

### Background and Analysis

The primary service area is Nassau County and the surrounding area. The population of Nassau County is projected to increase to 1,432,859 by 2030, based on the Cornell Program on Applied Demographics estimates. Nassau County's aged 65+ population was 285,758 in 2023 and is expected to increase to 333,668 by 2030. Demographics of the primary service area are noted below, including a comparison with New York State.

Demographics	Nassau County	New York State
Total Population	1,388,138	19,872,319
Hispanic or Latino (of any race)	18.5%	19.6%
White (non-Hispanic)	55.4%	53.4%
Black or African American (non-Hispanic)	10.9%	13.6%
Asian (non-Hispanic)	11.5%	8.8%
Other (non-Hispanic)	3.7%	4.6%

Source: 2023 American Community Survey (5-Year Estimates Data Profiles)

In 2023, 96.1% of the population in Nassau County had health coverage as follows.

<b>Employer Plans</b>	58.0%
<b>Medicaid</b>	11.4%
<b>Medicare</b>	13.3%
<b>Non-Group Plans</b>	13.2%
<b>Military or VA</b>	0.213%

Source: Data USA

Below is the applicant's projected payor mix showing inpatient discharges and outpatient visits.

Applicant Payor Mix						
Payor	Current	Year One	Year Three	Current	Year One	Year Three
	Inpatient Discharges			Outpatient Visits		
Commercial	15.77%	15.85%	15.89%	31.91%	31.91%	31.91%
Medicare	45.87%	46.04%	46.15%	39.99%	39.99%	39.99%
Medicaid	24.76%	24.63%	24.54%	21.15%	21.15%	21.15%
Private Pay	0.38%	0.39%	0.39%	0.00%	0.00%	0.00%
Charity Care	0.10%	0.11%	0.11%	0.81%	0.81%	0.81%
Other (Workers' Comp, No Fault, Employee Plans)	13.12%	12.99%	12.92%	6.15%	6.15%	6.15%
Total	20,490	20,686	20,809	276,354	276,354	276,354

The table below provides the total number of cardiac surgeries performed within New York State from 2019 through 2023.

<b>Statewide - Cardiac Surgery Procedures</b>					
<b>Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Cardiac Surgery Procedures	17,986	13,572	15,349	15,432	17,275

Source: Cardiac Services Group, excludes Trans Catheter Aortic Valve Replacement (TAVR)

The table below shows statewide data for cardiac surgery cases performed in hospitals within the Nassau County area for 2019 through 2023.

<b>Nassau Area Hospitals – Cardiac Surgery Procedures</b>					
<b>Hospital</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
NYU Langone-Long Island	430	265	282	332	395
North Shore Univ Hosp	1011	726	952	844	932
St. Francis Hospital	927	697	757	792	868
<b>Total</b>	<b>2,368</b>	<b>1,688</b>	<b>1,991</b>	<b>1,968</b>	<b>2,195</b>

Source: Cardiac Services Group, excludes TAVR

The table below provides the number of Nassau County residents who received cardiac surgery within and outside of the county. The majority of residents are treated within the county.

<b>Nassau County Residents – Cardiac Surgery Procedures</b>					
<b>Facility</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
NYU Langone Hospital – Long Island	240	160	258	179	193
North Shore University Hospital	347	245	494	288	323
St. Francis Hospital & Heart Center	466	346	661	388	379
<b>Treated in Nassau County</b>	<b>1,053</b>	<b>751</b>	<b>1,413</b>	<b>855</b>	<b>895</b>
St. Peters Hospital	0	0	0	0	1
UHS Wilson Med Ctr	0	0	0	1	0
Buffalo General Med Ctr	0	0	1	0	0
Univ. Hosp-Stony Brook	5	4	5	8	7
St. Joseph's Hospital	0	0	1	0	0
Good Sam - Suffern	0	0	0	1	0
South Shore Univ. Hosp	20	16	33	25	19
Good Sam Univ Hosp	32	30	38	27	42
Westchester Med Ctr	2	0	4	1	2
Montefiore - Moses	7	0	1	1	0
Maimonides Medical Ctr	2	2	0	0	3
Univ Hosp at Downstate	1	0	0	0	0
Bellevue Hospital Ctr	1	3	2	0	1
Lenox Hill Hospital	22	12	20	8	21
Mount Sinai Hospital	103	96	150	106	114
NYP NY Weill Cornell	31	35	39	30	46
NYU Langone Health	62	50	104	68	65
NYP Columbia Presby.	50	13	25	17	22
Mount Sinai Morningside	4	9	7	6	15
Long Island Jewish MC	1	2	3	3	2
NYP Queens	5	0	4	2	10
Montefiore - Weiler	2	0	0	0	0
<b>Treated Outside of Nassau County</b>	<b>350</b>	<b>272</b>	<b>437</b>	<b>304</b>	<b>370</b>
<b>Total</b>	<b>1,403</b>	<b>1,023</b>	<b>1,850</b>	<b>1,159</b>	<b>1,265</b>

Source: Cardiac Services Group, excludes TAVR



The applicant projects 196 cardiac surgery procedures in Year One and 319 procedures in Year Three, thus exceeding the annual minimum of 100 procedures required by 10 NYCRR Section 405.29 – Cardiac Services and 300 procedures by the second year of operation required by 10 NYCRR Section 709.14.

The applicant has a well-known PCI and Diagnostic Catheterization program, and by adding cardiac surgery, patients can remain close and ensure the continuity of care. This will reduce travel for patients who are currently traveling to the NYC area.

<b>Neighboring Cardiac Surgery Centers: Distance from Mount Sinai Hospital</b>		
<b>Hospital</b>	<b>Distance (miles)</b>	<b>Travel Time (minutes)</b>
NYU Langone-Long Island	6.9 miles	26 min
North Shore Univ Hosp	19 miles	32 min
St. Francis Hospital	17.9 miles	33 min

Source: Google Maps 2024 (Travel times displayed assume average travel conditions)

According to the applicant, Mount Sinai has been performing the cardiac procedures as noted in the table below.

<b>Mount Sinai Nassau Current and Projected Adult Cardiac Procedures</b>			
	<b>2023</b>	<b>Year 1</b>	<b>Year 3</b>
Diagnostic Catheterization	1,592	1,592	1,592
Electrophysiology Procedures	294	294	294
<b>Total</b>	<b>1,886</b>	<b>1,886</b>	<b>1,886</b>

Source: Applicant

Mount Sinai Nassau has stated the following reasons for this project:

- Meet the demand of the growing and aging population and the high volume of cardiac surgery patients.
- Enhance accessibility- currently, many residents requiring cardiac surgery on either an emergency or scheduled basis travel outside Long Island for care.
- Collaborate with community agencies to improve access in underserved communities.
- Provide high-quality cardiac procedures to residents (through collaboration with Mount Sinai).
- Address the increasingly complex cases presented at MSSN from the emergency department and STEMI/PCI program.

Mount Sinai Nassau will also be offering education programs for patients that address heart disease and control or prevention, making correct healthy food choices, and providing wellness and fitness classes to staff. They will also be working with community leaders to improve heart-related care and prevention of heart disease.

## Conclusion

The addition of Cardiac Services at Mount Sinai Nassau will provide additional options for residents to receive cardiac surgeries in the Nassau area.

## Program Analysis

### Project Proposal

Mount Sinai South Nassau (MSSN) is a 455-bed acute care hospital and member of the Mount Sinai Health System (Mount Sinai). MSSN is located at One Healthy Way, Oceanside (Nassau County), New York 11572 and is submitting this Certificate of Need Application to certify an adult cardiac surgery program. This project will be undertaken by MSSN in cooperation with, and with the direct clinical and quality involvement and oversight of, the Mount Sinai Health System and The Mount Sinai Hospital (MSH). There is no construction or renovation associated with this Application. The Operating Rooms (OR), that will be used for cardiac surgery cases at MSSN, are under construction per approved Project No. 181051-C. They are suitable for cardiac surgery and will be available upon final approval of this application. The equipment needed to outfit each OR that will perform cardiac surgery cases is included in this application.

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

<b>Staffing</b>	<b>Year One</b>	<b>Year Three</b>
Management & Supervision	344.0	344.0
Technician & Specialist	427.6	427.6
Registered Nurses	839.2	849.2
Licensed Practical Nurses	44.0	44.0
Aides, Orderlies & Attendants	324.4	324.4
Physicians	202.5	202.5
PGY Physicians	96.2	96.2
Physicians' Assistants	61.6	61.6
Nurse Practitioners	47.7	47.7
Social Workers and Psychologist	49.9	50.0
Physical Therapists and PT Assistants	27.2	27.5
Occupational Therapists and OT Assistants	5.9	5.9
Other Therapists and Assistants	0.5	1.0
Speech Therapists and Speech Assistants	2.3	2.3
Infection Control, Environment and Food Service	201.5	201.7
Clerical & Other Administrative	502.5	502.5
Facility/Security Personnel	33.4	34.1
Other	236.2	236.2
<b>Total Staff</b>	<b>3446.6</b>	<b>3458.4</b>

**Dr. Robin Varghese** will be the Medical Director of the cardiac surgery program at MSSN and is currently an Associate Professor of Surgery and the System Director in the Department of Cardiovascular Surgery at the Icahn School of Medicine at The Mount Sinai Hospital. Dr. Varghese has been in these roles since 2015. Dr. Varghese is responsible for Intensive Care physician manpower at all cardiac surgical sites in the Health System and is responsible for Physician Assistant hiring at Mount Sinai Hospital Cardiothoracic ICU (CTICU) and for quality outcomes in the CTICU. Dr. Varghese completed a Doctor of Medicine Program at the University of Western Ontario in 2002, moving on to complete a Critical Care Fellowship Program at the University in 2009, and completed an Advanced Cardiac Surgery Fellowship at Mount Sinai School of Medicine in 2010.

The Applicant has submitted a written plan that demonstrates their ability to comply with all the standards for Adult Cardiac Surgery Services, and they have assured the Department that their program will meet all the requirements. They have included a Cardiac Surgery Training Plan for registered nurses involved in the care of cardiac surgery patients, a Data Management Agreement to meet the reporting requirements of a cardiac surgery program, a Community Service Plan and Community Education Team, proposed discharge material for the cardiac patients, a Policy and Procedure for Admission/Discharge Criteria in the

Cardiac Intensive Care Unit, Cardiac Step Down Unit, and Cardiac Surgery Intensive Care Unit, a Policy and Procedure of Criteria for Admission/Transfer/Discharge on telemetry units, as well as several other policy and procedures regarding monitoring and treatment of the cardiac patient.

### Compliance with Applicable Codes, Rules, and Regulations

Based on the most recent surveillance information, this facility 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 results of routine Article 28 surveys as well as investigations of reported incidents and complaints.

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.

- The Department issued a Stipulation and Order dated 05/05/2017, and fined Mount Sinai \$2,000 based on deficiencies found during a survey completed on 01/25/2016. Deficient practices were found in the area of Patient Rights.
- The Department issued a Stipulation and Order dated 10/04/2022, and fined Mount Sinai West \$10,000 based on deficiencies found during a survey completed on 06/15/2020. Deficient practices were found in the area of patient rights.
- The Department issued a Stipulation and Order dated 06/14/2024, and fined Mount Sinai Beth Israel \$10,000 based on deficiencies found during a survey completed on 02/14/2023. Deficient practices were found in the area of patient rights.
- The Department issued a Stipulation and Order dated 08/06/2024, and fined Mount Sinai West \$10,000 based on deficiencies found during a survey completed on 03/11/2024. Deficient practices were found in the area of Patient Rights.
- The Department issued a Stipulation and Order dated 08/06/2024, and fined Mount Sinai West \$10,000 based on deficiencies found during a survey completed on 11/02/2023. Deficient practices were found in the area of CSRU - Nursing Services.
- The Department issued a Stipulation and Order dated 10/30/24, and fined Mount Sinai West \$10,000 based on deficiencies found during a survey completed on 01/24/2024. Deficient practices were found in the area of Patient Rights.

### Prevention Agenda

Mount Sinai South Nassau (MSSN), in Nassau County, requests approval to certify an adult cardiac surgery program. This project will ensure that cardiac services are provided to and available for patients closer to their place of residence to improve quality of care.

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

- Prevent Chronic Diseases
- Promote Well-being and Prevent Mental and Substance Use Disorders
- Prevent Communicable Diseases

The proposed project will advance the Prevention Agenda priorities of Preventing Chronic Diseases, Promoting Well-being and Preventing Mental and Substance Use Disorders, and Preventing Communicable Diseases by allowing MSSN to enhance community members' access to high-quality cardiac care and procedures, improving health and heart disease prevention.

As per the latest available report, MSSN spent \$1,734,956 on community health improvement services in 2022, representing 0.28 % 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 renovations and movable equipment are estimated at \$1,281,354, broken down as follows:

Movable Equipment	\$1,272,356
Application Fee	2,000
Processing Fee	<u>6,998</u>
Total Project Cost	\$1,281,354

The project will be financed with equity from the operations of MSSN. BFA Attachments A and B, 2023 Certified Financial Statements and 2024 Internal Financial Statements of Mount Sinai South Nassau indicating sufficient liquid resources to meet the equity requirement.

### Operating Budget

The applicant has provided the Current Year (2023) results, and the First- and Third-year operating budget, in 2025 dollars. The budget is summarized below:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Per Disch.</u>	<u>Total</u>	<u>Per Disch.</u>	<u>Total</u>	<u>Per Disch.</u>	<u>Total</u>
<b>I/P Revenues:</b>						
Commercial FFS	\$79,533	\$2,067,856	\$83,468	\$2,337,092	\$85,231	\$2,471,710
Commercial MC	\$51,409	164,816,924	\$53,432	173,655,638	\$54,648	179,135,503
Medicare FFS	\$17,936	110,412,942	\$19,205	120,206,485	\$19,985	126,386,876
Medicare MC	\$16,698	54,151,007	\$17,241	56,293,173	\$17,584	57,656,370
Medicaid FFS	\$13,485	10,869,051	\$14,272	11,688,398	\$14,743	12,192,610
Medicaid MC	\$8,810	37,598,973	\$8,914	38,107,593	\$8,989	38,470,894
Private Pay	\$32,299	2,487,009	\$34,375	2,750,000	\$35,033	2,837,664
All Other	\$1,989	5,347,730	\$1,989	5,347,730	\$1,989	5,347,730
Less: Bad Debt		<u>(227,496)</u>		<u>0</u>		<u>0</u>
Subtotal I/P Revenues		\$387,523,996		\$410,386,109		\$424,499,357
<b>O/P Revenues:</b>	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
Commercial FFS	\$3,580	\$1,285,220	\$3,580	\$1,285,220	\$3,580	\$1,285,220
Commercial MC	\$1,564	137,304,365	\$1,564	137,304,365	\$1,564	137,304,365
Medicare FFS	\$653	50,185,348	\$653	50,185,348	\$653	50,185,348
Medicare MC	\$711	23,980,768	\$711	23,980,768	\$711	23,980,768
Medicaid FFS	\$748	4,150,220	\$748	4,150,220	\$748	4,150,220
Medicaid MC	\$397	21,022,555	\$397	21,022,555	\$397	21,022,555
All Other	\$582	<u>9,875,389</u>	\$582	<u>9,875,389</u>	\$582	<u>9,875,389</u>
Subtotal O/P Revenues		\$247,803,865		\$247,803,865		\$247,803,865
Net Patient Service Revenues		\$635,327,861		\$658,189,974		\$672,303,222
Other Operating Revenues*		147,244,308		147,244,308		147,244,308
Total Operating Revenues		\$782,572,169		\$805,434,282		\$819,547,530
Non-Operating Revenue		<u>3,391,000</u>		<u>3,391,000</u>		<u>3,391,000</u>
Total Revenue		\$785,963,169		\$808,825,282		\$822,938,530

### Expenses

Operating	\$699,425,554	\$718,848,663	\$726,545,194
Capital	<u>49,120,307</u>	<u>49,247,903</u>	<u>49,247,903</u>
Total Expenses	\$748,545,861	\$768,096,566	\$775,793,097
Net Income (Loss)	\$37,417,308	\$40,728,716	\$47,145,433

IP Discharges	20,490	20,686	20,809
OP Visits	276,354	276,354	276,354

\*Other Operating Revenue is comprised of: Investment Income \$15,686,000, Provider Services Agreement and Management Services Agreement \$97,919,000, Interest Income \$10,971,000, Grants \$1,221,000, Home care services \$4,603,000, Capitation revenue \$3,767,000, and Other \$13,077,000.

The following is noted concerning the submitted budget:

- The Current Year reflects the facility's 2023 revenue and expenses.
- Revenues and expenses are based upon the experience of other existing cardiac surgery programs in the New York metropolitan area and TMSH cardiac surgery program.
- The number and mix of staff are based on the experience of MSSN and MSHS providing inpatient services and on the projected number of cases and services.
- The projected utilization is based upon the experience of the cardiologists with MSSN. 196 and 319 non-TAVR cardiac surgery cases are projected in Years One and Year Three, respectively. They project between 80 and 100 structural and electrophysiology cases annually.
- Utilization by payor source is as follows:

<u>Inpatient</u>	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
<u>Payor:</u>	<u>Disch.</u>	<u>%</u>	<u>Disch.</u>	<u>%</u>	<u>Disch.</u>	<u>%</u>
Commercial FFS	26	0.12%	28	0.13%	29	0.14%
Commercial MC	3,206	15.65%	3,250	15.71%	3,278	15.75%
Medicare FFS	6,156	30.04%	6,259	30.26%	6,324	30.39%
Medicare MC	3,243	15.83%	3,265	15.78%	3,279	15.76%
Medicaid FFS	806	3.93%	819	3.96%	827	3.97%
Medicaid MC	4,268	20.83%	4,275	20.67%	4,280	20.57%
Private Pay	77	0.38%	80	0.39%	81	0.39%
Charity	20	0.10%	22	0.11%	23	0.11%
All Other	<u>2,688</u>	<u>13.12%</u>	<u>2,688</u>	<u>12.99%</u>	<u>2,688</u>	<u>12.92%</u>
Total by Payor	20,490	100.00%	20,686	100.00%	20,809	100.00%

<u>Outpatient</u>	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
<u>Payor:</u>	<u>Visits</u>	<u>%</u>	<u>Visits</u>	<u>%</u>	<u>Visits</u>	<u>%</u>
Commercial FFS	359	0.13%	359	0.13%	359	0.13%
Commercial MC	87,813	31.77%	87,813	31.77%	87,813	31.77%
Medicare FFS	76,816	27.80%	76,816	27.80%	76,816	27.80%
Medicare MC	33,709	12.20%	33,709	12.20%	33,709	12.20%
Medicaid FFS	5,550	2.01%	5,550	2.01%	5,550	2.01%
Medicaid MC	52,895	19.14%	52,895	19.14%	52,895	19.14%
Charity	2,230	0.81%	2,230	0.81%	2,230	0.81%
All Other	<u>16,982</u>	<u>6.14%</u>	<u>16,982</u>	<u>6.14%</u>	<u>16,982</u>	<u>6.14%</u>
Total by Payor	276,354	100.00%	276,354	100.00%	276,354	100.00%

### Capability and Feasibility

Total Project Costs of \$1,281,354 will be funded with equity from the operation of MSSN. The working capital requirements are estimated at \$3,258,451, which is equivalent to two months of incremental Year One expenses and will be met with equity from operations. BFA Attachments A and B, September 2023 Certified Financial Statements and 2024 Internal Financial Statements of Mount Sinai South Nassau indicating sufficient liquid resources to meet the equity requirements.

BFA Attachment A, 2023 Mount Sinai South Nassau Certified Financial Statements, shows MSSN had positive working capital, a positive net asset position, and a net income of \$34,026,000. BFA Attachment B, 2024 Mount Sinai South Nassau Internal Financial Statements, shows MSSN maintained positive working capital, a positive net asset position, and a net income of \$38,985,000.

MSSN budget projects a net income of \$40,728,716 and \$47,145,433 in Year One and Year Three, respectively. The budget appears reasonable.

### Conclusion

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

## Attachments

BFA Attachment A	2023 Mount Sinai South Nassau Certified Financial Statements
BFA Attachment B	2024 Mount Sinai South Nassau Internal Financial Statements



Project # 242332-C  
OrthoNY Surgical Suites

**Program:** Diagnostic and Treatment Center  
**Purpose:** Construction

**County:** Saratoga  
**Acknowledged:** January 21, 2025

Executive Summary

Description

Clifton Park ASC, LLC d/b/a OrthoNY Surgical Suites at Saratoga (the Center), a New York limited liability company requests approval to construct a multi-specialty, Article 28 Freestanding Ambulatory Surgery Center (FASC) extension clinic. The FASC will specialize in orthopedic surgery and interventional pain management.

Clifton Park ASC, LLC owns and operates OrthoNY Surgical Suites, an existing Article 28 multi-specialty ambulatory surgery center (ASC) at 16 Maxwell Drive, Clifton Park, New York, 12065 (Saratoga County). Clifton Park ASC, LLC seeks to open this second FASC to accommodate its Saratoga Springs-based medical staff members and an aging patient base. The applicant projects that OrthoNY Surgical Suites' Saratoga-based surgeons will move their cases to the Saratoga Extension ASC, which will be substantially closer to their offices and patients.

The extension clinic will lease the second floor of an approximately 125,000-square-foot building being constructed by Maple Avenue Development Associates, LLC at 612 Maple Avenue, Saratoga Springs (Saratoga County). The facility will include four operating rooms, one procedure room, and requisite support areas.

The 16 physician members are partners in OrthopedicsNY, LLP (OrthoNY), a 46-physician orthopedic surgery and interventional pain practice with seven clinics throughout the Capital Region. The primary service area will

include Saratoga and Warren counties and, secondarily, Clinton and Schenectady counties.

Kevin Kleis, D.O., board-certified in Orthopedics, will be the Center's Medical Director. The applicant is negotiating a transfer agreement for backup and emergency services with Saratoga Hospital, 3.5 miles (6 minutes travel time), and Glens Falls Hospital, 16 miles (19 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 2,668 visits in Year One and 3,068 visits in Year Three, with Medicaid at 10.3% and Charity Care at 2%.

Program Summary

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

Financial Summary

The total project costs for renovation and equipment are \$8,455,478. The project costs will be funded with \$2,078,887 in members' equity, a five-year equipment loan for \$2,126,700 at 6.55% interest, and a ten-year loan for \$4,249,891 (variable rate during construction) and fix rate estimated at 6.5% upon conversion to a permanent loan.



Budget:	<u>Year One</u>	<u>Year Three</u>
Revenues	\$10,122,483	\$11,989,855
Expenses:	<u>9,162,192</u>	<u>10,368,648</u>
Net Income/(Loss)	\$960,291	\$1,621,207

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 State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-1.0. [AER]
3. Submission of Engineering (MEP) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-1.0. [AER]
4. Submission of an executed project loan commitment acceptable to the Department of Health. [BFA]
5. Submission of an executed equipment loan commitment acceptable to the Department of Health. [BFA]
6. 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]
7. 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]
8. 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, 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 **January 1, 2026**, and construction must be completed by **December 1, 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](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](mailto:hospinfo@health.ny.gov) [HSP]
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  
June 18, 2025

## Need Analysis

### Project Description

Clifton Park ASC, LLC d/b/a OrthoNY Surgical Suites at Saratoga, a New York limited liability company, requests approval to construct a multi-specialty, Article 28 Freestanding Ambulatory Surgery Center (FASC) extension clinic. The FASC will specialize in orthopedic surgery and interventional pain management. The Center will lease space on the second floor in a to-be-constructed building at 612 Maple Avenue, Saratoga Springs (Saratoga County). The facility will include four (4) operating rooms, one (1) procedure room, and requisite support areas.

### Background & Analysis

The relevant service area includes the primary service area of Saratoga and Warren Counties and the secondary service area of Clinton and Schenectady Counties. The total population of the relevant service area is estimated at 541,199 based on 2023 American Community Survey data and is projected to increase to 549,100 by 2030 per projection data from the Cornell Program on Applied Demographics (PAD), an increase of 1.5%. Demographics for the relevant service area are noted below, including a comparison with New York State:

Demographics	Saratoga County	Warren County	Clinton County	Schenectady County	New York State
Total Population – 2023 Estimate	237,075	65,560	78,961	159,603	19,872,319
White (non-Hispanic)	87.8%	91.9%	89.1%	68.7%	53.4%
Hispanic or Lationo (of any race)	3.8%	2.8%	3.4%	8.1%	19.6%
Black or African American (non-Hispanic)	1.6%	1.1%	2.9%	10.1%	13.6%
Asian (non-Hispanic)	2.9%	0.7%	1.4%	4.8%	8.8%
Other (non-Hispanic)	3.9%	3.5%	3.2%	8.3%	4.6%

Source: 2023 American Community Survey (5-year Estimates Data Profiles)

The population aged 65 and over was 19.2% of the total population in 2023. According to the applicant, this cohort is more likely to utilize the ASC's services. By 2030, Cornell PAD, estimates this cohort will be 24.6% of the total population, an increase of 5.4%.

The table below shows health coverage by payor for the relevant service area in 2023:

	Saratoga County	Warren County	Clinton County	Schenectady County
Health Insurance Coverage (%)	97.4%	96.7%	97.1%	96.6%
Employer Plans	57.5%	46.0%	47.7%	50.1%
Medicaid	11.8%	17.0%	18.9%	20.1%
Medicare	14.6%	16.4%	13.4%	12.5%
Non-Group Plans	12.3%	16.1%	16.1%	12.7%
Military or VA	1.2%	1.3%	1.1%	1.3%

Source: Data USA

The table below shows the number of patient visits for relevant ambulatory surgery in the relevant service area for 2021 through 2023:

<b>Ambulatory Surgery within a 25-Mile Radius of Proposed Center</b>				
<b>Facility Name</b>	<b>Type</b>	<b>Patient Visits</b>		
		<b>2021</b>	<b>2022</b>	<b>2023</b>
Saratoga Surgery Center	Hospital Ext Clinic	5,291	4,253	6,193
Saratoga Hospital	Hospital	13,008	13,370	14,087
The New York Eye Surgical Center	ASC	3,789	4,089	4,605
Center for Advanced Ambulatory Surgery (opened 3/2021)	ASC	797	3,156	3,794
Glens Falls Hospital	Hospital	10,221	10,466	10,895
OrthoNY Surgical Suites (Clifton Park location) <sup>1</sup>	ASC	N/A	4,621	4,757
The Northway Surgery and Pain Center	ASC	10,686	9,077	8,779
<b>Total Visits</b>		<b>43,792</b>	<b>49,032</b>	<b>53,110</b>

Source: SPARCS

<sup>1</sup>No SPARCS data available for 2021.

All of the facilities listed above provide multi-specialty services, including orthopedics and pain management. In addition, the Department also approved The New York Eye Surgical Center's (CON 222012) request to convert from a single-specialty ASC (ophthalmology) to a multi-specialty ASC (ophthalmology and pain management). The New York Eye Surgical Center is approximately 6.2 miles away and a 9-minute drive from this site.

The applicant projects 2,668 visits in Year One and 3,068 visits in Year Three, with Medicaid at 10.3% and Charity Care at 2%. These projections are based on OrthoNY's current experience operating its other ASCs.

The applicant also estimates that some of the projected case volume will migrate from Saratoga Hospital and Glens Falls Hospital, noting approximately 50% of their total joint cases (485 cases in 2024) to come from Saratoga Hospital to the new ASC. OrthoNY physicians currently provide inpatient orthopedic surgical services and take calls at both hospitals and will continue to following the opening of the Saratoga extension ASC. The applicant states that there is a need for additional surgical capacity that can accommodate complex outpatient orthopedic procedures at a location that is more accessible for OrthoNY's patients residing in the relevant service area, thereby reducing wait times and providing additional access.

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

<b>Payor</b>	<b>Year One</b>		<b>Year Three</b>	
	<b>Volume</b>	<b>%</b>	<b>Volume</b>	<b>%</b>
Commercial FFS	1,147	43.0%	1,319	43.0%
Medicare FFS	347	13.0%	399	13.0%
Medicare MC	765	28.7%	880	28.7%
Medicaid FFS	9	0.3%	10	0.3%
Medicaid MC	267	10.0%	307	10.0%
Private Pay	8	0.3%	9	0.3%
Workers Comp	53	2.0%	61	2.0%
Charity Care	53	2.0%	61	2.0%
Tricare/VA	19	0.7%	22	0.7%

Source: Applicant

OrthoNY Saratoga-based physicians historically receive a substantial number of referrals from Federally Qualified Health Centers (FQHC), including Hudson Headwaters Health Network, and is now part of the Hudson Headwaters new PACE network. Based on the location of the proposed ASC, the applicant anticipates increased referrals of Medicaid Managed Care patients and from Hudson Headwaters in particular. The applicant currently participates with traditional FFS Medicaid and with the following Medicaid Managed Care Plans: CDPHP, Fidelis, MVP, Wellcare, UHC, UHC Community Care, and BSNENY.

The Department has received two public comment letters in response to this application:

- Saratoga Hospital - noted that it has adequate capacity to handle additional surgical cases, both at the main hospital and the hospital extension clinic, Saratoga Surgery Center.
  - In response to Saratoga Hospital's public comment, the applicant noted that although some total joint cases may migrate from the hospital to the new ASC, the primary source of case volume for the new ASC will come from Saratoga-area OrthoNY physicians moving cases from OrthoNY Surgical Suites Clifton Park facility and from OrthoNY ASC – Albany facility. The applicant also stated that the OrthoNY physicians currently provide and will continue providing 50% of orthopedic call coverage at Saratoga Hospital.
- Glens Falls Hospital - noted some lower acuity cases may transition to the new facility; however, expect a substantial need to remain in the hospital-based setting

#### Conclusion

Approval of this project will provide improved access to surgical services in an outpatient setting for the residents of Saratoga, Clinton, Warren, and Schenectady Counties.

## Program Analysis

### Project Proposal

<b>Proposed Operator</b>	Clifton Park ASC, LLC
<b>To Be Known As</b>	OrthoNY Surgical Suites at Saratoga
<b>Site Address</b>	612 Maple Ave, Saratoga Springs, New York 12866 (Saratoga County).
<b>Specialties</b>	Ambulatory Surgery - Multi Specialty
<b>Hours of Operation</b>	6:30 am to 5:30 pm
<b>Staffing (1<sup>st</sup> Year / 3<sup>rd</sup> Year)</b>	33 FTEs in 1 <sup>st</sup> year & 35 FTEs in 3 <sup>rd</sup> year
<b>Medical Director</b>	Kevin Kleis, D.O.
<b>Emergency, In-Patient and Backup Support Services Agreement and Distance</b>	Negotiating a transfer agreement for backup and emergency services with Saratoga Hospital, 3.5 miles (6 minutes travel time), and Glen Falls Hospital, 16 miles (19 minutes travel time) from the proposed Center.

The table below shows the FTEs in Year One and Year Three following completion of this project:

<b>Position</b>	<b>Year One</b>	<b>Year Three</b>
Management and Supervision	3	3
Technician and Specialist	7	7
Registered Nurses	18	20
Aides, Orderlies & Attendants	1	1
Clerical and Other Administrative	3	3
Materials Coordinator	1	1
<b>Totals</b>	<b>33</b>	<b>35</b>

Clifton Park ASC, LLC submitted fifteen (15) commitment letters from orthopedic and pain management physicians committed to providing the projected 2,668 procedures in Year One and 3,068 procedures in Year Three at OrthoNY Surgical Suites at Saratoga.

### Integration with Community Resources

The Saratoga Extension ASC will benefit community residents by reducing waiting times and enhancing quality of care through a specialized and highly trained staff and a state-of-the-art freestanding ambulatory surgery center. The applicant's current ASC is accredited by the Accreditation Association for Ambulatory Health care (AAAHC) and anticipates the Saratoga Extension ASC will also be accredited by AAAHC. The medical staff will ensure that procedures performed at the facility conform with generally accepted standards of practice and that privileges granted are within the surgeon's scope of practice and expertise.

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.

Sixteen (16) members of Clifton Park ASC, LLC were approved in prior projects by the Department of Health. OrthoNY (OrthopedicsNY, LLP) currently has forty-six (46) physicians practicing orthopedic surgery and interventional pain services in affiliated facilities located in the capital region area.

**Affiliated Partners**

OrthoNY Ambulatory Surgery Center - Albany, located at 3 Atrium Drive, Suite 150, Albany, New York 12205 (formerly aka - Executive Woods Ambulatory Surgery Center)

Everett Road Surgery Center - Albany (as indirect owners), located at 123 Everett Road, Suite 200, Albany, New York 12205

OrthoNY Surgical Suites located at 16 Maxwell Drive, Clifton Park, New York 12065

OrthoNY - Clifton Park located at 1768 Route 9, Clifton Park, NY 12065

OrthoNY - Delmar located at 250 Delaware Avenue, Suite 200, New York 12054

OrthoNY - Malta located at 2388 Rt 9, Mechanicville, New York 12118

OrthoNY - Saratoga located at 5 Care Lane, Saratoga, New York 12866

OrthoNY - Schenectady located at 500 State Street, Schenectady, New York 12305

OrthoNY - Glens Falls located at 14 Hudson Avenue, Glens Falls, New York 12801

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**

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 renovations and the acquisition of moveable equipment are estimated at \$8,455,478, broken down as follows:

New Construction	\$4,879,164
Design Contingency	487,916
Construction Contingency	243,958
Architect/Engineering Fees	433,200
Movable Equipment	2,363,000
CON Application Fee	2,000
CON Processing Fee	<u>46,240</u>
Total Project Cost	\$8,455,478

The applicant's financing plan appears as follows:

Cash Equity - Members undistributed funds	\$2,078,887
Bank Loan - equipment (6.55%, 5-year term)	2,126,700
Bank Loan - build-out (variable during construction) fixed at estimated 6.5%, 10-year term)	<u>4,249,891</u>
Total	\$8,455,478

Berkshire 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>	
FASC Revenues:	<u>Per Visit.</u>	<u>Total</u>	<u>Per Visit.</u>	<u>Total</u>
Medicaid – FFS	\$1,457	\$13,113	\$1,554	\$15,535
Medicaid – MC	\$2,511	670,437	\$2,586	794,031
Medicare - FFS	\$3,226	1,119,422	\$3,323	1,326,043
Medicare – MC	\$3,691	2,823,615	\$3,801	3,344,810
Commercial - FFS	\$4,612	5,289,964	\$4,750	6,265,488
Private Pay	\$3,200	25,600	\$3,369	30,323
All Other.	\$2,505	<u>180,332</u>	\$2,574	<u>213,625</u>
Total Revenues:		\$10,122,483		\$11,989,855
Expenses:				
Operating	\$2,806	\$7,486,104	\$2,860	\$8,774,837
Capital	<u>\$628</u>	<u>1,676,088</u>	<u>\$520</u>	<u>1,593,811</u>
Total Expenses:	\$3,434	\$9,162,192	\$3,380	\$10,368,648
Net Income (Loss)		<u>\$960,291</u>		<u>\$1,621,207</u>
Visits		2,668		3,068

Utilization by payor source for years one and three are summarized below:

Payor:	Year One		Year Three	
	Visits	%	Visits	%
Medicaid - FFS	9	0.34%	10	0.33%
Medicaid - MC	267	10.01%	307	10.01%
Medicare - FFS	347	13.01%	399	13.01%
Medicare - MC	765	28.67%	880	28.68%
Commercial - FFS	1,147	42.98%	1,319	42.98%
Private Pay	8	0.30%	9	0.29%
All Other.	72	2.70%	83	2.71%
Charity	53	1.99%	61	1.99%
Total	2,668	100%	3,068	100%

The following is noted concerning the submitted FASC budget:

- The Ambulatory Patient Group reimbursement rates reflect current and projected Federal and State government rates. Commercial and private payors reflect the applicant's current experience operating its OrthoNY Surgical Suites ambulatory surgery center.
- Expense assumptions are based upon the applicant's current experience operating its OrthoNY Surgical Suites ambulatory surgery center.
- Utilization assumptions are supported by letters from fifteen board-certified physicians in their respective fields. The operator is committed to providing charity care and treating the Medicaid population. The payor mix is based on the applicant's current experience operating its OrthoNY Surgical Suites ambulatory surgery center.
- The applicant's current ASC is accredited by the Accreditation Association for Ambulatory Health Care (AAAHC). The same organization will accredit the Saratoga Extension ASC.
- Breakeven is approximately 90.5% in Year One.

#### Lease Rental Agreement

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

Premises:	Approx. 21,988 sq. ft. on the 2nd floor at 612 Maple Avenue, Saratoga Springs
Owner/Landlord:	Maple Avenue Development Associates, LLC
Lessee/Tenant::	Clifton Park ASC, LLC d/b/a OrthoNY Surgical Suites at Saratoga
Term:	15 years plus (3) 5-year renewal terms
Payment:	\$542,004 (\$24.65 per sq. ft.) with a 2% annual increase
Provisions:	Taxes, insurance, utilities, and maintenance

The applicant has provided an affidavit stating that the lease is a non-arms-length agreement. Letters from two NYS licensed realtors attest to the rental rate being fair market value.

#### Capability and Feasibility

The total project costs for renovation and equipment are \$8,455,478, funded with \$2,078,887 in members' equity, a five-year equipment loan for \$2,126,700 at 6.55% interest, and a ten-year loan for \$4,249,891 (variable rate during construction) and fix rate estimated at 6.5% upon conversion to a permanent loan. Berkshire Bank has provided a letter of interest.

The working capital requirement is estimated at \$1,728,108 based on two months of third-year expenses. Working capital will be satisfied from the applicant's internally generated funds, including those that otherwise would be available for distribution to its members. BFA Attachment A, Clifton Park ASC, LLC 2023 Certified Financial Statement and October 31, 2024 Internal Financial Statement shows that from 2023 through October 31, 2024, the applicant had positive working capital and net assets. In 2023 they generated a net income of \$4,431,595. The October 31, 2024 Internals Financial Statements show a net income of \$5,932,129.

Clifton Park ASC, LLC projects a net income of \$960,291 and \$1,621,207 in Year One and Year Three of operation. 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	Clifton Park ASC, LLC 2023 Certified Financial Statements and October 31, 2024 Internal Financial Statements.
BFA Attachment B	Organizational Chart



Department  
of Health

Public Health and Health  
Planning Council

Project # 251136-C

Specialists' One-Day Surgery Center, LLC

**Program:** Diagnostic and Treatment Center

**County:** Onondaga

**Purpose:** Construction

**Acknowledged:** March 28, 2025

Executive Summary

Description

Specialists' One-Day Surgery Center, LLC (The Center), an existing Article 28, Single-Specialty Freestanding Ambulatory Surgery Center (FASC), is seeking approval to certify the Glacier Creek Facility for Ambulatory Surgery – Multi-Specialty. The Center currently provides surgical procedures for pain management and will add simple orthopedic procedures, primarily carpal tunnel and other hand cases that require local anesthesia.

Specialists' One-Day Surgery Center, LLC currently operates two Ambulatory Surgery Centers:

- Taft Road Facility, a dual single-specialty ambulatory surgery center (Orthopedics and Pain Management) at 5801 East Taft Road, Syracuse, New York.
- Glacier Creek Facility, a four-procedure room single-specialty ambulatory surgery center (Pain Management) at 6711 Towpath Road, East Syracuse, New York.

This project will free up capacity at the Taft Road Facility for more complex orthopedic procedures.

J. Alan Lemley, MD is the Medical Director. Specialist's One Day Surgery, LLC has a Transfer Agreement with St. Joseph's Hospital Health Center, 8.1 miles and 15 minutes away.

OPCHSM Recommendation  
Approval

Need Summary

The applicant projects 4,752 visits in Year One and 4,847 visits in Year Three, with Medicaid at approximately 8.3% and Charity Care at 0.1%.

Program Summary

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

Financial Summary

There are no projects costs associated with this application.

Budget:	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$3,238,883	\$4,209,859	\$4,276,118
Expenses	<u>2,865,575</u>	<u>\$3,442,387</u>	<u>\$3,935,940</u>
Net Income	\$373,308	\$767,472	\$340,178

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

June 18, 2025

## Need Analysis

### Project Description

Specialists' One-Day Surgery Center, LLC (The Center) is seeking approval to convert an existing single-specialty ambulatory surgery center (ASC), Glacier Creek Facility, into a multi-specialty ambulatory surgery center. The extension clinic is at 6711 Towpath Road, Suite 165, East Syracuse, New York 13057 in Onondaga County. Glacier Creek Facility is currently licensed for Ambulatory Surgery – Single Specialty Pain Management and has four existing procedure rooms. St. Joseph's Hospital Health Center is a 25% member of The Center.

The Center is proposing to perform simple orthopedic procedures, such as carpal tunnel and other hand cases, that require local anesthesia at the Glacier Creek Facility. The Center currently operates two Article 28 ASCs: (1) Taft Road Facility, a dual single-specialty (orthopedics and pain management) ASC located at 5801 East Taft Road, Syracuse, New York 13212, and (2) Glacier Creek Facility, a single-specialty ASC extension clinic. This project aims to free up capacity at the Taft Road Facility for more complex procedures.

### Background & Analysis

The relevant service area consists of Onondaga County, including areas within Syracuse, Liverpool, Baldwinsville, and Camillus. The population of Onondaga County is estimated at 471,611 based on 2023 American Community Survey data and is projected to decrease to 463,795 by 2030 per projection data from the Cornell Program on Applied Demographics (PAD), a decrease of 1.7%. Demographics for the service area are noted below, including a comparison with New York State:

Demographics	Onondaga County	New York State
Total Population – 2023 Estimate	471,611	19,872,319
White (non-Hispanic)	74.6%	53.4%
Hispanic or Latino (of any race)	5.7%	19.6%
Black or African American (non-Hispanic)	10.2%	13.6%
Asian (non-Hispanic)	4.0%	8.8%
Other (non-Hispanic)	5.5%	4.6%

Source: 2023 American Community Survey (5-year Estimates Data Profiles)

In 2023, 96.7% of the population of Onondaga County had health coverage as follows:

Employer Plans	49.6%
Medicaid	19.9%
Medicare	13.0%
Non-Group Plans	13.0%
Military or VA	1.28%

Source: Data USA

The table below shows the number of patient visits for relevant facilities providing ambulatory surgery services in Onondaga County for 2021 through 2023.

<b>Ambulatory Surgery within a 7-mile Radius of Glacier Creek Facility</b>				
<b>Facility Name</b>	<b>Type</b>	<b>Patient Visits</b>		
		<b>2021</b>	<b>2022</b>	<b>2023</b>
SJHHC Northeast Medical Center	Hospital Extension Clinic	3,815	3,222	4,484
Upstate Orthopedics Ambulatory Surgery Center	ASC	6,237	5,849	6,252
St. Joseph's Hospital Health Center	Hospital	8,463	7,909	11,116
UHCC - Harrison	Hospital Extension Clinic	3,127	2,728	3,331
University Hospital SUNY Health Science Center	Hospital	7,880	8,338	9,746
Crouse Hospital	Hospital	14,551	14,485	15,098
<b>Total Visits</b>		<b>44,073</b>	<b>42,531</b>	<b>50,027</b>

Source: HFIS & SPARCS

All the facilities listed above provide multi-specialty services with the exception of Upstate Orthopedics Ambulatory Surgery Center, which provides single-specialty orthopedic services.

The number of projected visits is 4,752 in Year One and 4,847 visits in Year Three, with Medicaid at 8.3% and Charity Care at 0.1%. All surgeons currently perform their cases at the Taft Road Facility and anticipate moving a small percentage of those cases to the Glacier Creek Facility once the project is approved. As of April 2, 2025, the ASC has submitted SPARCS data through March 2025. According to an internal DOH SPARCS report, Medicaid utilization was 15.7% in 2023 and 13.7% in 2022.

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

<b>Payor</b>	<b>Year One</b>		<b>Year Three</b>	
	<b>Volume</b>	<b>%</b>	<b>Volume</b>	<b>%</b>
Commercial FFS	1,147	24.1%	1,170	24.1%
Commercial MC	28	0.6%	28	0.6%
Medicare FFS	1,023	21.5%	1,043	21.5%
Medicare MC	928	19.5%	946	19.5%
Medicaid FFS	7	0.1%	7	0.1%
Medicaid MC	389	8.2%	397	8.2%
Private Pay	12	0.3%	13	0.3%
Charity Care	3	0.1%	3	0.1%
Workers Comp	1,192	25.1%	1,216	25.1%
All Other	23	0.5%	24	0.5%

Source: Applicant

Both the Taft Road Facility and Glacier Creek Facility participate in the following Medicaid Managed Care Plans: Excellus Blue Cross Medicaid, Fidelis Medicaid, MVP Medicaid, and Wellcare Medicaid. The ASC also has a transfer and affiliation agreement with St. Joseph's Hospital Health Center, approximately 5.6 miles away and a 12-minute drive from the ASC.

## Conclusion

Approval of this project will help improve capacity at the Taft Road Facility and provide access to an appropriate level of care in an outpatient setting for the residents of Onondaga County.

## Program Analysis

### Project Proposal

Specialists' One-Day Surgery Center, LLC is requesting approval to change the authorized services at the Glacier Creek Facility from single-specialty pain management to multi-specialty. The Company would like the ability to perform simple orthopedic procedures, primarily carpal tunnel and other hand cases, that require local anesthesia at its Glacier Creek Facility. This will help free up capacity at the Taft Road Facility for more complex orthopedic procedures. St. Joseph's Hospital Health Center is a 25% member of the Company.

J. Alan Lemley, MD is the Medical Director. Dr. Lemley received a Medical Degree from Upstate Medical University in 2003. Dr. Lemley has worked as an Orthopedic Surgeon at Syracuse Orthopedic Specialists from 2009 to present and is licensed through January 31, 2027.

Specialist's One Day Surgery, LLC has a Transfer Agreement with St. Joseph's Hospital Health Center, 8.1 miles away and 15 minutes away.

The Center estimates that approximately 41 orthopedic cases will be performed per month. Specialist's One Day Surgery is accredited by AAAHC through 2/21/27.

Staffing is expected to grow by 3.0 FTEs in Year One 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.

### 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

### Operating Budget

The applicant has submitted the current year budget and first and third years' operating projected budget, in dollars, as summarized below:

Revenues:	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
Commercial- FFS	\$1,146.53	\$1,176,344	\$1,278.77	\$1,466,744	\$1,278.70	\$1,496,079
Commercial-MC	\$769.32	\$19,233	\$892.61	\$24,993	\$879.07	\$25,493
Medicare- FFS	\$536.12	\$490,550	\$625.61	\$639,996	\$625.88	\$652,796
Medicare-MC	\$514.75	\$427,246	\$615.99	\$571,642	\$616.36	\$583,075
Medicaid-FFS	\$492.50	\$2,955	\$607.43	\$4,252	\$619.57	\$4,337
Medicaid-MC	\$510.43	\$177,630	\$593.33	\$230,807	\$593.01	\$235,423
Private	\$766.73	\$8,434	\$844.50	\$10,134	\$795.15	\$10,337
Other	<u>\$730.81</u>	<u>\$15,347</u>	<u>\$764.65</u>	<u>\$17,587</u>	<u>\$</u>	<u>\$</u>
Workers Comp	\$863.30	\$921,144	\$1,042.50	\$1,243,704	\$1,043.24	\$1,268,578
<b>Total Revenues</b>		<b>\$3,238,883</b>		<b>\$4,209,859</b>		<b>\$4,276,118</b>
<b>Expenses:</b>						
Operating	\$547.71	\$2,327,200	\$606.63	\$2,881,487	\$696.60	\$3,375,040
Capital	<u>\$126.71</u>	<u>\$538,375</u>	<u>\$118.08</u>	<u>\$560,900</u>	<u>\$115.77</u>	<u>\$560,900</u>
<b>Total Expenses</b>	<b>\$674.41</b>	<b>\$2,865,575</b>	<b>\$724.71</b>	<b>\$3,442,387</b>	<b>\$812.37</b>	<b>\$3,935,940</b>
<b>Net Income</b>		<b><u>\$373,308</u></b>		<b><u>\$767,472</u></b>		<b><u>\$340,178</u></b>
Utilization: (Procedures)		4,249		4,750		4,845
Cost Per Procedure		\$674.41		\$724.71		\$812.37

The following is noted with respect to the submitted budget:

- Revenue, expense, and utilization are based on the applicant's historical experience in providing these services.
- Revenues use historical data and a 2% volume increase for years one and three.
- The expenses are based on the current operations and the assumptions of the increased staffing to perform these services at the Glacier Creek facility.

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

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Procedures</u>	<u>%</u>	<u>Procedures</u>	<u>%</u>	<u>Procedures</u>	<u>%</u>
Commercial FFS	1,026	24.15%	1,147	24.15%	1,170	24.15%
Commercial MC	25	.59%	28	.59%	29	.60%
Medicare FFS	915	21.53%	1,023	21.54%	1,043	21.53%
Medicare MC	830	19.53%	928	19.54%	946	19.53%
Medicaid FFS	6	.14%	7	.15%	7	.14%
Medicaid MC	348	8.19%	389	8.19%	397	8.19%
Private Pay	11	.26%	12	.25%	13	.27%
Other	21	.49%	23	.48%	24	.50%
Workers Comp	<u>1,067</u>	<u>25.11%</u>	<u>1,193</u>	<u>25.12%</u>	<u>1,216</u>	<u>25.10%</u>
<b>Total</b>	<b>4,249</b>	<b>100%</b>	<b>4,750</b>	<b>100%</b>	<b>4,845</b>	<b>100%</b>

### Capability and Feasibility

There is no project cost associated with this application. BFA Attachment A, 2022-2023 Certified Financial Statements of Specialists' One-Day Surgery Center, LLC, show a positive average working capital position, average positive net asset position, and average net income of \$11,954,593 for the period. BFA Attachment B, 1/1/2024 - 12/31/24 and 1/1/25 - 3/31/25 Internal Financial Statements of Specialists' One-Day Surgery Center, LLC. The 1/1/2024 - 12/31/24 statements show the facility had positive working capital, a negative net asset position, and a net income of \$10,701,502. The 1/1/25 - 3/31/25 statements show a positive working capital position, negative net asset position, and a net income of \$3,165,994.

The budget indicates a net income of \$767,472 in Year One and \$340,178 for the Year Three. The budget appears reasonable.

### Conclusion

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

## Attachments

BFA Attachment A	2022 - 2023 Certified Financial Statements of Specialists' One-Day Surgery Center, LLC
BFA Attachment B	1/1/2024 - 12/31/2024 and 1/1/2025 - 3/31/2025 Internal Financial Statements of Specialists' One-Day Surgery Center, LLC



Project # 242314-C  
Van Rensselaer Manor

**Program:** Residential Health Care Facility  
**Purpose:** Construction

**County:** Rensselaer  
**Acknowledged:** January 10, 2025

Executive Summary

Description

Van Rensselaer Manor (VRM) a 362-bed, Public, Article 28 Residential Health Care Facility (RHCF) at 85 Bloomingrove Drive, Troy, New York (Rensselaer County) requests approval to complete refurbishments, cosmetic updates, and energy/infrastructure improvements to its existing facility to modernize it to better serve its residents.

The facility was constructed in 1996 and has had no major renovations since that time. In addition to the energy and infrastructure improvements, the proposed project includes refreshing approximately 200,000 square feet of the building to provide a more controlled entrance lobby and cosmetic updates to key spaces in the building to modernize methods to serve the residents of the VRM better.

The project was planned and developed in consultation with Siemens Building Technologies and will be completed in phases. The existing number of beds will not change and services to residents will not be disrupted, as an unoccupied wing of beds will be available for temporary transfer during the refurbishment.

OALTC Recommendation  
Contingent Approval

Need Summary

There will be no changes to beds or services as a result of this application.

Program Summary

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

Financial Summary

The total project cost of \$121,255,888 will be funded by Rensselaer County General Obligation Bonds, which will be purchased directly by Siemens Public, Inc. at an interest rate of approximately 5%, with maturity between 18 and 25 years. The proposed budget is as follows:

<u>Budget</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$57,526,990	\$55,919,812
Expenses	<u>55,301,008</u>	<u>56,822,720</u>
Gain	\$2,225,982	(\$902,908)

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under New York State Public Health Law §2802-B.

## 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 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]

**Approval conditional upon:**

1. This project must be completed by **December 30, 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 **September 30, 2025**, and construction must be completed by **September 30, 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. [AEL]
4. Reimbursable TPC shall be limited to \$74,205,548. This amount is based upon the allowance of 85% of the current RHCF bed cap for Rensselaer County. [CCC]
5. The operator shall submit a plan to maintain resident services and safety during construction to the Central Regional Office and must receive approval for such a plan prior to the commencement of construction. [LTC]
6. The applicant understands and recognizes that any approval of this application is not to be construed as an approval of, nor does it provide assurances of, reimbursement for any costs identified in the application. Reimbursement for all costs shall be in accordance with and subject to the provisions of Part 86 of Title 10. [BFA]

Council Action Date

June 18, 2025

# Need Analysis

## Background and Analysis

The primary service area is Rensselaer County, which has a population projected to increase to 161,946 by 2030 based on Cornell Program of Applied Demographic estimates. Demographics for the primary service area are noted below, including a comparison with New York State.

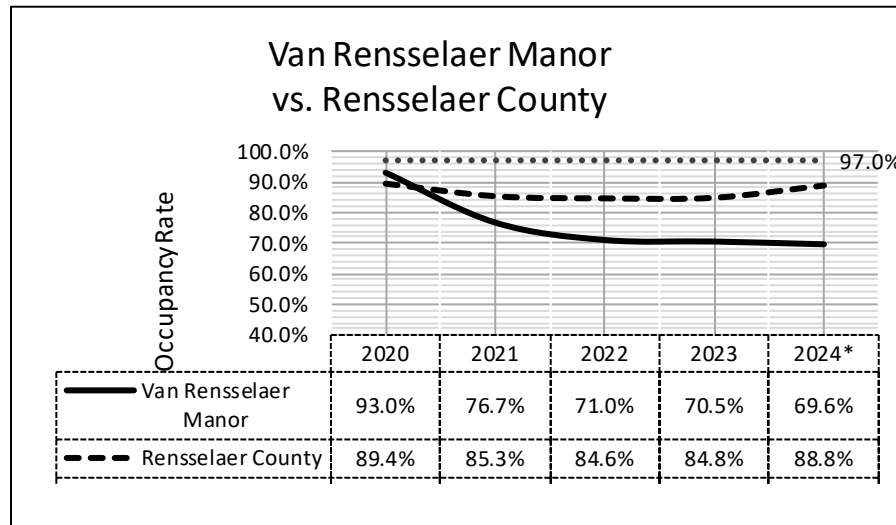
Demographics	Rensselaer County	New York State
Total Population (2023 Estimate)	160,341	19,872,319
Hispanic or Latino (of any race)	5.9%	19.6%
White (non-Hispanic)	79.8%	53.4%
Black or African American (non-Hispanic)	6.3%	13.6%
Asian (non-Hispanic)	3.1%	8.8%
Other (non-Hispanic)	4.9%	4.6%

Source: 2023 American Community Survey (5-Year Estimates Data Profiles)

The table below provides population estimates of individuals 65 years old and above in Rensselaer County and New York State.

	Rensselaer County Age Group 65-84	Rensselaer County Age Group 85+	New York State Age Group 65-84	New York State Age Group 85+
Estimated 2023 Population	25,483	3,167	3,019,337	441,849
Population Projection by 2030	31,712	4,789	3,723,556	618,653
Percent Change	+24.4%	+51.2%	+23.3%	+40.0%

Source: 2023 American Community Survey (5-Year Estimates) and Cornell Program on Applied Demographics



Source: \*2024 data is self-reported and not verified. Occupancy through 2023 is from the RHCF cost reports.

The table below shows the CMS Rating and the utilization of the closest RHCs to Van Rensselaer Manor.

Facility Name	CMS Overall Rating	Beds	Distance from other RHCs	Occupancy			
	As of 3/2025			2021	2022	2023	2024*
Van Rensselaer Manor	2	362	0 mins/0 miles	76.7%	71.0%	70.5%	69.6%
Troy Center for Rehabilitation and Nursing	1	78	8 mins/2.0 miles	97.1%	96.1%	95.3%	96.5%
Rosewood Rehabilitation and Nursing Center	2	80	11 mins/4.0 miles	86.4%	93.3%	90.9%	88.3%
Eddy Heritage House Nursing and Rehabilitation Ctr	1	120	15 mins/5.4 miles	76.8%	83.8%	81.0%	87.5%
Eddy Memorial Geriatric Center	1	80	16 mins/5.4 miles	91.1%	93.3%	95.5%	96.7%
Evergreen Commons Rehabilitation and Nursing Ctr	2	240	15 mins/5.9 miles	96.7%	96.7%	97.2%	97.5%
Hudson Park Rehabilitation and Nursing Center (Albany County)	1	200	14 mins/6.1 miles	78.0%	80.5%	85.0%	90.9%

Source: CMS and RHC cost report

\*2024 data is self-reported and not verified. Occupancy through 2023 is from the RHC's cost reports.

Based on weekly census data, the facility reported 77.4% of its 362 licensed beds staffed and 74.6% occupied as of April 15, 2025, for a 96.4% occupancy of staffed beds. Rensselaer County had 95.1% of the county's 1,242 licensed beds staffed and 90.0% occupied for a 94.8% occupancy of staffed beds.

The applicant states that as a result of this project, the facility will attract more residents and staff, citing that a new and refreshed facility will enable it to better market and present the RHC to potential new residents, as well as, other admission sources (e.g., hospitals). Further, they anticipate that being able to provide families with a tour of an updated facility will further enhance the facility's ability to attract residents and increase its occupancy over time.

### Conclusion

There will be no change in beds in Rensselaer County. The applicant reports that the renovations will modernize Van Rensselaer Manor and enhance the quality of life for its residents, improve the working conditions for staff, and ensure the facility remains operable for residents of Rensselaer County.

## Program Analysis

### Program Description

	Existing	Proposed
<b>Facility Name</b>	Van Rensselaer Manor	Same
<b>Address</b>	85 Bloomingrove Drive Troy, NY 12180	Same
<b>RHCF Capacity</b>	362 beds	Same
<b>ADHCP Capacity</b>	N/A	Same
<b>Type of Operator</b>	Municipal (County)	Same
<b>Class of Operator</b>	Public	Same
<b>Operator</b>	Rensselaer County	Same

### Project Review

Van Rensselaer Manor is a 362-bed residential healthcare facility in Rensselaer County. This project proposes renovation work, cosmetic updates throughout the facility, and improvements to the existing facility's energy/infrastructure. The project will consist of six phases, starting on the residential wings and finishing in the lobby, basement, and first-floor ancillary wing. There will be no changes made to the number of residential healthcare facility beds or services provided at the facility as part of this project.

### Physical Environment

Van Rensselaer Manor is a three-story skilled nursing facility with a basement for support functions and equipment. The layout of the building is separated into three wings with a centralized elevator lobby that connects the facility. On the first floor, there is an additional ancillary wing, in which the centralized kitchen and administrative office space are located. The facility has a total of 362 beds, consisting of 163 double-bedded rooms and 36 single-bedded rooms. On each wing, there are 18 double rooms and 4 single rooms, except for the first floor Wing C, which has an additional double-bedded room.

The basement of the facility will be renovated to expand the existing men's locker room. The renovations will consist of repurposing a section of the adjacent women's locker room to provide additional space for lockers, and a second bathroom will be added. In addition, the computer training room will also be expanded by removing the existing entryway and office.

The first-floor vestibule and lobby will undergo a renovation to update the overall layout. The vestibule will feature a new security desk and seating area. The gift shop will be relocated to the elevator lobby to free up space in the main lobby. The new lobby will feature a new reception area with a welcome desk, a closet for storage, a drinking fountain, and two ADA-accessible bathrooms. The first-floor therapy space will be renovated to make the existing bathroom ADA accessible, and a section of the therapy room will be repurposed to accommodate a new in-service training room for staff. An additional privacy curtain will be added to the therapy room to help ensure privacy. The administrative offices on the first-floor ancillary wing will be renovated to accommodate the current number of employees and to optimize space and efficiency. Three administrative offices will be reduced in size to accommodate a new copy room. Another administrative office will become the new medical director's office. The former medical director's office will be converted into a dietary office, and the existing door will be relocated to provide access to the central kitchen. Two Director of Nursing offices will be converted into one larger open space with four cubicles. The central kitchen will be renovated to make room for a new walk-in cooler. The renovations will consist of removing the dietary office to accommodate the new walk-in cooler.

Residential wings on the first, second, and third floors will undergo the following renovations. The existing nursing stations on each wing will be renovated to accommodate updated technology. The existing medication room and chart room, located behind the nurses' stations, will be expanded by relocating the adjacent nourishment room and oxygen storage room. A new nourishment station will be constructed in each of the resident dining rooms on each wing. The existing oxygen storage room will be relocated adjacent to each of the soiled utility rooms on each wing. Additional storage is being added adjacent to each clean utility room, and the existing activity storage space in each resident dining room will be

expanded. The existing personal laundry rooms on the first-floor residential wings will be converted into janitor closets, and laundry services will be provided in the centralized laundry room located in the basement. The existing personal laundry on the second and third-floor resident wings will be relocated, and the existing laundry space will be converted into janitor closets. The new personal laundry on the second and third-floor resident wings will repurpose an existing bathroom adjacent to the consulting office. The new layout of the personal laundry space will feature the washer and dryer side by side and a counter for folding clothing. All resident rooms will be renovated, removing and replacing the existing accordion doors to access the resident bathrooms with a sliding door to improve ease of access.

#### Quality Review

<b>Facility</b>	<b>Ownership Since</b>	<b>Overall</b>	<b>Health Inspection</b>	<b>Quality Measure</b>	<b>Staffing</b>
Van Rensselaer Manor	Current	**	**	**	***
	02/1968*	**	**	**	***

Data date: 04/2025

\*Data as of 01/2009

#### Compliance

Based on the most recent surveillance information, this facility 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 results of routine Article 28 surveys, as well as, investigations of reported incidents and complaints.

#### Conclusion

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



## Financial Analysis

### Total Project Cost and Financing

The total renovation and movable equipment cost is projected at \$121,255,888, broken down as follows:

Renovation and Demolition	\$77,330,801
Design Contingency	7,733,080
Construction Contingency	7,733,080
Architect / Engineer Fees	5,600,000
Construction Managers Fees	7,890,385
Other Fees (Consultant)	2,241,465
Movable Equipment	6,917,040
Interim Interest Expense	5,144,789
CON Application Fee	2,000
CON Processing Fee	<u>663,248</u>
Total Project Cost	\$121,255,888

The Bureau of Construction Cost Control has determined that the cost per bed exceeds the applicable RHCf bed cap limitation for construction. The allowable project cost for reimbursement will be limited to \$74,205,548.

Full RHCf Bed Cap	\$239,000 Per Bed
362 Beds X \$239,0000	\$86,518,000
Reduce by 15%	12,977,700
CON Application Fee	2,000
CON Processing Fee	<u>663,248</u>
Total Reimbursable Project Cost	\$74,205,548

The applicant will finance the total project's costs of \$121,255,888 with Rensselaer County General Obligation Bonds at 5% interest and a maturity between 18 and 25 years. They will purchase directly from Siemens Public, LLC, which has provided a letter of interest.

### Operating Budget

As summarized below, the applicant has submitted their Current Year (2023) operations and operating budget, in 2025 dollars, for Years One and Three.

	<u>Current Year</u>		<u>First Year</u>		<u>Third Year</u>	
<u>Revenues</u>	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>
Medicaid FFS	\$247.53	\$19,982,324	\$326.02	\$28,950,554	\$314.35	\$30,705,417
Medicare FFS	\$751.70	1,312,466	\$751.54	1,443,713	\$751.58	1,588,084
Medicare MC	\$468.53	891,613	\$468.60	980,774	\$468.46	1,078,852
Private Pay	\$505.43	4,464,483	\$505.45	4,910,931	\$505.43	5,402,024
Other Oper. Rev.*		1,511,133		1,511,133		1,511,133
Non-Oper. Rev**		<u>15,634,302</u>		<u>19,729,885</u>		<u>15,634,302</u>
Total		\$43,796,321		\$57,526,990		\$55,919,812
<u>Expenses</u>						
Operating	\$464.85	\$43,327,831	\$428.02	\$43,884,113	\$405.84	\$45,772,000
Capital	<u>\$12.38</u>	<u>1,154,242</u>	<u>\$111.35</u>	<u>11,416,895</u>	<u>\$97.98</u>	<u>11,050,720</u>
Total	\$477.23	\$44,482,073	\$539.37	\$55,301,008	\$503.82	\$56,822,720
Net Income		<u>(\$685,752)</u>		<u>\$2,225,982</u>		<u>(\$902,908)</u>
Patient days		93,208		102,529		112,782
Occupancy		70.54%		77.60%		85.35%

\*Other Operating Revenue: Gift Shop \$11,455, Rebates \$18,938, Vending Machines \$669, Medical Record fees \$30, Barber & Beauty Shops \$14,364, Investment Income \$1,411,345, Nurse Aide Training \$8,490, and Miscellaneous \$45,842.

\*\*Non-operating Income: Intergovernmental Transfer (IGT) \$12,593,882, Contributions from County \$762,080, and Federal Grants \$2,278,340. IGT is expected to increase by \$4,095,583 in the First Year.

The following is noted concerning the operating budget:

- The Current Year reflects the facility's 2023 revenues and expenses.
- The Medicaid Fee for Service rate is based on the facility's 2024 Medicaid Regional Pricing rate sheets, plus a new capital rate including 100% of the project's depreciation expense and 85% of the interest expense (75% standard allowance, plus 5% distressed facility allowance, and 5% green project allowance).
- Medicare and Private Pay rates are based on the 2023 rates.
- Expenses are based on 2023 operating expenses adjusted for increased occupancy, interest, and depreciation. Based on an analysis by Siemens Building Technologies, there are savings through enhanced energy efficiency.
  - The projected percentage of direct care staffing costs to projected facility revenues is 47.61% in Year One and 51.75% in Year Three, exceeding the 40% requirement in Public Health Law §2808.
  - The percentage of direct resident care costs to projected facility revenue is 59.42% in Year One and 64.61% in Year Three, which is under the 70% requirement in Public Health Law §2808.
    - This project will result in significant depreciation and interest expenses. However, while these expenses are not considered Direct Resident Care expenses, they are still costs that must be incurred by VRM despite their positive impact on residents' quality of life.
- Occupancy projections were based on VRM's 2023 occupancy of 70.54% as of December 04, 2024.
- The facility's annual average occupancy rates for 2020, 2021, 2022, and 2023 were 93.0%, 76.7%, 71.0%, and 70.54%, respectively.
- VRM reported 77.4% of its 362 licensed beds were staffed and 74.6% occupied as of April 15, 2025. This calculates to a 96.4% occupancy of staffed beds.
- The applicant expects to increase occupancy over time as a result of the improvements made by this project.
- The facility's Medicaid admissions of 64.7% in 2022 and 52.8% in 2023 were above Rensselaer County's 75% threshold rate of 33.4% for 2022 and 34.3% for 2023.
- The breakeven utilization is projected at 96.13% in Year One.

Utilization by payor source is projected as follows:

<u>Payor</u>	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Days</u>	<u>%</u>	<u>Days</u>	<u>%</u>	<u>Days</u>	<u>%</u>
Medicaid FFS	80,726	86.61%	88,799	86.61%	97,678	86.61%
Medicare FFS	1,746	1.87%	1,921	1.87%	2,113	1.87%
Medicare MC	1,903	2.04%	2,093	2.04%	2,303	2.04%
Private Pay	<u>8,833</u>	<u>9.48%</u>	<u>9,716</u>	<u>9.48%</u>	<u>10,688</u>	<u>9.48%</u>
Total by Payor	93,208	100%	102,529	100%	112,782	100%

### Capability and Feasibility

The applicant will finance the total project cost of \$121,255,888 using Rensselaer County General Obligation Bonds, which will be purchased directly by Siemens Public, Inc. at an interest rate of approximately 5%, with maturity between 18 and 25 years. Siemens Financial Services has provided a letter of interest. Due to RHCF Bed cap limitations for construction, the allowable project cost for reimbursement will be limited to \$74,205,548.

The working capital requirement of \$1,803,156, based on two months of Year One expenses, will be funded by ongoing operations. BFA Attachment A, 2023 Van Rensselaer Manor Certified Financial Statement and October 31, 2024, Internal Financial Statements, shows positive working capital, positive net assets, and a net loss of (\$16,320,054) in 2023. As of October 31, 2024, VRM had positive working capital, a positive net asset position, and a net income of \$4,682,975.

The budget indicates a net income of \$2,225,982 in Year One and a net loss of (\$902,908) in Year Three. The budget appears reasonable.

### Conclusion

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

## Attachments

BFA Attachment A	2023 Van Rensselaer Manor Certified Financial Statement and October 31, 2024 Internal Financial Statements
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Project # 241015-E  
Centralus Health, Inc.

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

**County:** Tompkins  
**Acknowledged:** January 30, 2024

Executive Summary

Description

Centralus Health, Inc. (Centralus) seeks approval to be established as the sole member and common active parent of Cayuga Health Systems, Inc. (Cayuga) and Arnot Health, Inc. (Arnot). Centralus' Board of Directors will be comprised of current board members from Cayuga Medical Center and Arnot Ogden Medical Center. Cayuga and Arnot are comprised of three (3) nursing homes, five (5) hospitals, one (1) diagnostic and treatment center (D&TC), and one (1) certified home health agency (CHHA).

On September 15, 2023, Cayuga and Arnot entered into an executed affiliation agreement with Centralus. As sole member and common active parent of Cayuga and Arnot, Centralus will have the power and authority to make decisions for its affiliates as stated in its Affiliation Agreement, Certificate of Incorporation, bylaws, and the active parent powers regarding Cayuga and Arnot affiliates as described in 10 NYCRR 405.1(c),

The approval of Centralus as active parent and co-operator is part of a transformation plan developed by Cayuga and Arnot to restore Arnot's financial stability while maintaining Cayuga's. Cayuga and Arnot have identified efficiencies, economies of scale, and opportunities for value creation through collaboration. An immediate example of this is the enterprise-wide implementation of EPIC electronic health records system, which is supported by \$15 million in New York Statewide Transformation Grant funds.

Cayuga is a safety net provider operating primarily in Tompkins, Schuyler, and Cortland counties, while Arnot is a safety net provider primarily serving Chemung and Steuben counties and surrounding communities.

Dr. Andreia de Lima, who is Board Certified in Internal Medicine, will be the Medical Director of Centralus Health, Inc.

OPCHSM Recommendation  
Contingent Approval

Need Summary

There are no changes in beds, services, or projected utilization included in this project.

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 project costs associated with this application. The following represents the consolidated budgets of Arnot Health Inc., and Cayuga Health Systems, Inc.

Budget: (\$000s)	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
Total Revenues	\$799,129	\$908,247	\$1,016,538
Total Expenses	<u>\$869,937</u>	<u>\$990,180</u>	<u>\$1,047,408</u>
Deficiency of Revenue over Expenses	(\$70,808)	(\$81,933)	(\$30,870)

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

The Common Ground, Finger Lakes Health Systems Agency, recommends Approval.

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

June 18, 2025

# Need Analysis

## Project Description

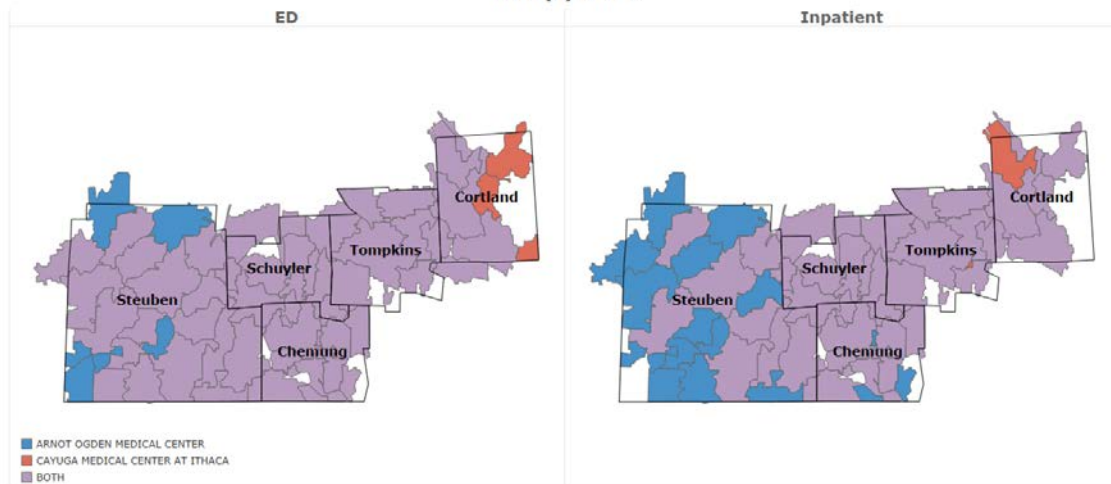
Centralus Health, Inc. is seeking approval to become the established sole member and common active parent of Cayuga Health System, Inc., and Arnot Health, Inc. This transaction is to establish a coordinated, highly integrated system with the objectives of improving quality, increasing access, and lowering the costs of health care in the communities served by both Cayuga Health and Arnot Health.

Cayuga Health System and Arnot Health are both safety net providers. Under the parent organization of Centralus Health, Inc., will be the following:

- Cayuga Medical Center at Ithaca, a 212-bed Hospital in Tompkins County
- Schuyler Hospital, a 16-bed Hospital in Schuyler County
- Arnot Ogden Medical Center, a 266-bed Hospital in Chemung County
- Ira Davenport Memorial Hospital, a 35-bed Hospital in Steuben County
- St. Joseph's Hospital, a 125-bed Hospital in Chemung County

The maps below, created by Common Ground Health, show the 2022 utilization of Arnot Ogden Medical Center and Cayuga Medical Center at Ithaca, and where they overlap coverage.

**Facility Utilization by ZIP Code**  
Year(s) 2022



Source: Statewide Planning and Research Cooperative System (SPARCS), Years 2022  
Analysis Completed by Common Ground Health

Common Ground  
Health

## Conclusion

There are no proposed changes to beds or services in this proposal that would impact availability or utilization.

## Program Analysis

### Project Proposal

<b>Proposed Operator</b>	Centralus Health, Inc.
<b>To Be Known As</b>	Centralus
<b>Site Address</b>	101 Dates Drive, Suite N-500, Ithaca, New York 14850 (Chemung County).
<b>Specialties</b>	No Changes
<b>Hours of Operation</b>	No Changes
<b>Staffing (1<sup>st</sup> Year / 3<sup>rd</sup> Year)</b>	4,218.82 / 4,167.49
<b>Medical Director(s)</b>	Dr. Andreia de Lima
<b>Emergency, In-Patient, and Backup Support Services Agreement and Distance</b>	No changes - Cayuga Health System, Inc. Arnot Health, Inc.

The proposed organizational structure will oversee the following hospitals:

- **Cayuga Medical Center at Ithaca** (212-bed Hospital) (Tompkins County) - Level 2 (Perinatal Center and Primary Stroke Center)
- **Schuyler Hospital** (16-bed Hospital) (Schuyler County)
- **Arnot Ogden Medical Center** (266-bed Hospital) (Chemung County), Level 3 (Perinatal Center and Primary Stroke Center)
- **Ira Davenport Memorial Hospital** (35-bed Hospital) (Steuben County) - Level 3 (Primary Stroke Center)
- **St. Joseph's Hospital** (125-bed Hospital) (Chemung County).

There are no projected changes in beds, services, or utilization at the Cayuga Health or the Arnot Health systems proposed in this project.

The following table shows the projected FTEs in Year One and Year Three following the completion of this project:

<b>Staffing Categories</b>	<b>Current Year</b>	<b>Year One</b>	<b>Year Three</b>
Management & Supervision	353.00	349.70	343.00
Technician and Specialist	454.80	451.80	445.70
Registered Nurses	744.00	739.09	729.12
Licensed Practical Nurses	42.30	42.02	41.45
Aides, Orderlies & Attendants	218.00	215.36	209.99
Physicians	131.209	130.33	128.58
PGY Physicians	153.60	152.59	150.53
Physician Assistants	152.60	151.59	149.55
Nurse Practitioners	52.80	52.45	51.74
Social Workers and Psychologists	89.00	88.41	87.22
Physical Therapists & PT Assistants	74.20	73.71	72.72
Occupational Therapist & OT Assistants	29.50	29.31	28.91
Speech Therapists and Speech Assistants	10.10	10.03	9.90
Other Therapists and Assistants	235.40	233.85	230.69
Infection Control, Environmental & Food Service	438.50	438.50	438.50
Clerical and Administrative	1065.10	1060.08	1049.89
<b>Total Number of Employees</b>	<b>4,244.10</b>	<b>4,218.82</b>	<b>4,167.49</b>



There will be a decrease of 76.61 FTEs from the Current Year to Year Three. The applicant states, "Many of the reductions will be attributable to efficiencies achieved through the combined organization, natural attrition, and the elimination of vacant positions. The reductions will have no impact on the services being offered by any of the entities because of the affiliation, nor impact on plans to expand existing or implement new programs."

Centralus Inc.'s Board of Directors is comprised of current board members from Cayuga Medical Center and Arnot Ogden Medical Center.

Member
Martin Stallone, M.D. (Cayuga Medical Center)
Arie Johannes van den Blink III (Arnot Ogden Medical Center)
Thomas LiVigne (Cayuga Medical Center)
Gary Koretzky, M.D. (Cayuga Medical Center)
Paul Streeter (Cayuga Medical Center)
Laurie J. Mante (Cayuga Medical Center)
Krista Niles-Updyke (Arnot Ogden Medical Center)

#### Character and Competence

**Andreia P. de Lima, MD**, is the proposed medical director of the facility. Dr. de Lima served as a hospitalist at Cayuga Medical Center since 2009 and was the Associate Program Director. Dr. de Lima has served in multiple leadership roles within Cayuga Medical Center, Cayuga Medical Associates, with Cayuga Health Partners, as a Utilization Review Physician Advisor, as Department of Medicine Chair, and as the Vice President of the Medical Staff. In 2021, Dr. de Lima became the new Vice President of Medical Affairs at Cayuga Medical Center and continues to perform clinical duties part-time as a hospitalist. In 2023 Dr. de Lima became the Chief Medical Officer for the CHS hospitals.

Dr. de Lima graduated with a Doctor of Medicine from Universidade do Estado Para in 1999; received a Master's in Business Administration (MBA) from the University of Massachusetts Amherst-Isenberg School of Management in 2024; completed an Internal Medicine Residency at Saint Barnabas Hospital; and completed a fellowship in Rheumatology at the Hospital de Base do Distrito Federal. Dr. de Lima is board certified in Internal Medicine and is registered to practice medicine in New York through May 31, 2026.

**Martin Stallone, MD**, is currently licensed in New York State until March 31, 2027. Educational background includes the following: graduated from the Naval War College, Newport Rhode Island, with a Master's in 2009; from the University of Pennsylvania School of Medicine, Philadelphia, Pennsylvania, with a MD/MBA in 2004; and from Cornell University, Ithaca, New York, with a Bachelor of Science in 1998.

Dr. Stallone is currently working at Cayuga Medical Center at Ithaca (CMC) in a variety of roles, and for the Cayuga Health System (CHS) as the President and as Chief Executive Officer (CEO) from 2019 to present; as the Vice President of Physician Operations (VPPO) from 2017 to 2019; Cayuga Medical Associates, P.C (CMA) as President from 2017 to present; and as Medical Director at Cayuga Area Plan/Preferred (CAP) from 2011 to 2019 as the Medical Director at Cayuga Medical Center (CMC) at Ithaca from 2009 to 2017.

**Arie Johannes van den Blink III** received a Doctor of Law (JD) degree from Rutgers-Camden School of Law in Camden, New Jersey, in May 1984 and a Bachelor of Science degree from Minnesota State University-Mankato in Mankato, Minnesota, in March 1980.

Arie van den Blink III has been a board director with Arnot Health since 2015; was on the Board of Directors with St. Joseph's Hospital in Elmira, NY from 2015 to 2019; has been the Director of Elmira Savings Bank since January 2012; and is the current CEO and Chairperson of the Hillard Corporation, a manufacturing company, in Elmira, New York since 1988 to present.

**Thomas (Tom) P. LiVigne** received a Master of Science in Sports Medicine with emphasis on athletic training from Indiana State University in Terre Haute, Indiana, in 1977, and a Bachelor of Science degree from SUNY Cortland in Cortland, New York, in 1976.

Thomas LiVigne is currently the chairperson of the Cayuga Health System, Inc (CHS) Board of Directors and was the Director of Real Estate Operations for Cornell University from July 1977 to March 2015; and has been a Board Member with several facilities such as Cayuga Medical Center at Ithaca, Inc. from 2013 to present; Schuyler Hospital from 2016 to present; Seneca View from 2016 to present; CARS (Ithaca Alpha House Center, Inc.) from 2023 to present. Is listed as the Owner/CEO of Cayuga Area Plan, Inc. since December 1986.

**Gary Alan Koretzky**, M.D., Ph.D., received two (2) degrees in 1984, a Ph.D. from the University of Pennsylvania in Philadelphia, Pennsylvania 1984, and an MD degree. Dr. Koretzky was registered to practice in the states of CA, PA, and IA but is no longer practicing. Dr. Koretzky currently has an office in Ithaca, New York; and is a Professor of Medicine at the Weill Cornell Medicine in New York City, New York from 2014 to present; Vice Provost for Academic Integration at Cornell University from 2018 to present; a Professor of Microbiology and Immunology at Cornell University/College of Veterinary Medicine from 2019 to present; and as a Director Cornell Center for immunology at Cornell University from 2019 to present.

Dr. Koretzky has been a Board Member with several facilities, such as Cayuga Medical Center at Ithaca, Inc., from 2023 to present, Schuyler Hospital from 2023 to present, Seneca View from 2023 to present, and CARS (Ithaca Alpha House Center, Inc.) from 2023 to present.

**Paul J. Streeter** received a Bachelor of Science degree from LeMoyne College in Syracuse, New York, in May 1983 and a Master's in Business Administration from Cornell University in Ithaca, New York, in May 1995, and was licensed by New York State as a Certified Public Accountant which has been inactive since 2013. Currently, Paul Streeter is officially retired as of July 2021. Employment history included Vice President for Budget and Planning with Cornell University, Ithaca, New York, from March 2014 to July 2021; as Assistant Dean for Finance and Administration with Cornell University/College of Veterinary Medicine from June 1010 to March 2014.

Paul Streeter has been a Board Member with several facilities, such as Cayuga Medical Center at Ithaca, Inc., from 2023 to present, Schuyler Hospital from 2023 to present, Seneca View from 2023 to present, and CARS (Ithaca Alpha House Center, Inc.) from 2023 to present.

**Laurie J. Mante** received a Bachelor of Science in Business/Marketing degree from SUNY Plattsburg in Plattsburg, New York in 1987; a Master's Business Administration in Health Systems Management from Clarkston University (Schenectady College) in Schenectady, New York in 1987; and received a license as a Nursing Home Administrator, license number 04886, from New York State in 2001 and remains in good standing until December 31, 2025.

Currently, Laurie Mante is employed as the Executive Director at Kendal at Ithaca since November 2019 to present; was a Regional Administrator for Centers Health Care from November 2018 to November 2019; as the Vice President for Regional Operations with St. Peter's Health Partners from August 2002 until November 2018; as the Executive Director of Eddy Village Green (The Eddy) from May 2016 to June 2018; and as the Executive Director of The Community Hospice with St. Peter's Health Partners from May 2012 to May 2016.

Laurie Mante has been a Board Member with several facilities, such as Cayuga Medical Center at Ithaca, Inc., from 2022 to present, Schuyler Hospital from 2022 to present, Seneca View from 2022 to present, and CARS (Ithaca Alpha House Center, Inc.) from 2023 to present.

**Krista L. Niles-Updyke, CPA**, received a Bachelor's in Accounting/Business Management from Elmira College in Elmira, New York, in June 1997 and is registered as a Certified Public Accountant, license number 084151, until August 31, 2026. Currently, Krista Niles-Updyke is employed as a Partner-Owner/CPA with Mengel, Metzger, Barr & Co., LLP in Elmira, New York since July 1997 to present; and works for the Town of Big Flats with the Zoning Board of Appeals in Big Flats, New York from 2018 to present.

Krista Niles-Updyke has been a board member with Arnot Ogden Medical Center since May of 2021; and is currently the Treasurer of Big Flats Little League, a member of the Resource Development Committee for the Food Bank of the Southern Tier, the President's Council member for Elmira College, and is a member of the Town of Big Flats Zoning Board of Appeals. Krista Niles-Updyke is also affiliated with the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants.

**Affiliated Facilities Compliance History:**

**Kendal at Ithaca**, at 2230 Triphammer Road, Ithaca, NY, remains in compliance.

**Eddy Village Green** (The Eddy), at 421 West Columbia Street, Cohoes, NY 12047  
The Eddy paid a civil monetary penalty of \$3,963.00 for enforcement in Quality-of-Care Highest Practicable Potential (415.12). There are no current open enforcements.

**Cayuga Medical Center at Ithaca**, a Level 2 perinatal/birthing hospital and primary stroke center, a 212-bed hospital in Tompkins County, paid a fine of \$26,000.00 for a student death in December 2023. The Facility had twenty-one (21) operating rooms (ORs) running. Twelve of the ORs with a total of 24 staff were not following acceptable standards of practice for Infection Control practices in the Surgical Areas.

**Schuyler Hospital**, a 16-bed hospital in Schuyler County, remains in compliance.

**Arnot Ogden Medical Center**, a Level 3 perinatal/birthing hospital and stroke center, 266-bed Hospital in Chemung County, remains in compliance.

Arnot Ogden Medical Center was found liable in a \$5 million verdict for a 2017 surgery. Gary Mann, M.D., was found liable for causing catastrophic injuries to a patient in 2017 during a gallbladder surgery. Dr. Mann is currently employed at Roswell Park in Buffalo.

**Ira Davenport Memorial Hospital**, a 35-bed hospital in Steuben County) - Level 3 (Primary Stoke Center) remains in compliance.

**St. Joseph's Hospital**, a 125-bed hospital in Chemung County, remains in compliance.

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.

## Prevention Agenda

Centralus Health is seeking approval to become the established sole member and common active parent of Cayuga Health System, Inc., and Arnot Health, Inc. Cayuga Health and Arnot Health are implementing multiple interventions to support priorities of the 2019-2024 New York State Prevention Agenda, including:

- Prevent Chronic Diseases
- Promote Well-being and Prevent Mental and Substance Abuse Disorders
- Promote Healthy Women, Children, and Infants
- Promote a Healthy and Safe Environment

This affiliation will support the local Prevention Agenda priorities that were identified in the most recently completed Community Service Plans (CSPs) and will make these efforts broader and more efficient. In 2021, Cayuga Health spent \$52,069,661, and Arnot Health spent \$19,339 on community health improvement services.

## Family Health

The Applicant seeks to become the established sole member and parent of two health systems – Cayuga Health System, Inc., and Arnot Health, Inc. The applicant organizations have determined that this new structure would benefit the hospitals and communities in which they serve.

The new organizational structure would oversee the following hospitals:

- Cayuga Medical Center (Tompkins)
- Schuyler Hospital (Schuyler)
- Arnot Ogden Medical Center (Chemung) Ira Davenport Memorial Hospital (Steuben), and
- St. Joseph's Hospital (Chemung).

Additional facilities (nursing homes, CHHAs) are not included in this review as they do not provide services that fall within the Division of Family Health's expertise.

With regards to Division of Family Health's interests, only Cayuga Medical Center (Level I) and Arnot Ogden Medical Center (Level III) are designated perinatal hospitals, or "birthing hospitals". None of the agencies are designated as Sexual Assault Forensic Examiner Hospitals, or "SAFE hospitals".

## Impact on Perinatal Level of Care Designation:

As this organizational restructure is described as having no impact on the capacity of care or number of maternity and/or neonatal intensive care unit (NICU) beds, there is no anticipated impact on the facility's level of care designation.

The one potential issue that may need to be discussed internally and with the respective Regional Perinatal Centers is that Cayuga Hospital is currently affiliated with Crouse Hospital, Syracuse, NY. Arnot Ogden is currently affiliated with Strong Memorial Hospital, Rochester, NY. These discussions and any resulting actions are separate from consideration of this application.

Determination: The Division of Family Health approves this application from the perspective of providing quality care to pregnant and birthing people and their families.

## 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 provided the Current Year results and the Year One and Year Three operating budget, in 2025 dollars. The following represents the consolidated budgets and assumptions detail for post-affiliation:

<u>Inpatient Revenue</u>	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Per Day</u>	<u>Total</u>	<u>Per day</u>	<u>Total</u>	<u>Per Day</u>	<u>Total</u>
	<u>(Whole \$)</u>	<u>(\$000s)</u>	<u>(Whole \$)</u>	<u>(\$000s)</u>	<u>(Whole \$)</u>	<u>(\$000s)</u>
Medicare FFS	\$5,185	\$121,328	\$5,643	\$133,071	\$6,195	\$148,117
Medicare MC	\$6,623	\$126,157	\$7,218	\$138,368	\$7,929	\$154,012
Medicaid FFS	\$760	\$53,362	\$815	\$58,526	\$887	\$65,143
Medicaid MC	\$3,655	\$85,362	\$3,974	\$93,624	\$4,361	\$104,209
Commercial FFS	\$4,719	\$26,339	\$5,139	\$28,889	\$5,642	\$32,155
Commercial MC	\$6,541	\$5,854	\$7,136	\$6,421	\$7,845	\$7,147
Private Pay	\$668	\$10,687	\$716	\$11,721	\$780	\$13,047
Charity Care	\$36,645	\$1,483	\$40,150	\$1,627	\$44,713	\$1,811
All Other	\$4,819	\$53,069	\$5,246	\$58,206	\$5,861	\$64,787
Total Revenue		\$483,641		\$530,453		\$590,428
Revenue Reduction		(\$274,588)		(\$309,580)		(\$338,701)
Other Operating Revenue		\$49,679		\$56,010		\$61,278
<u>Non-Operating Revenue</u>		\$4,825		\$5,440		\$5,952
Total Revenues		\$263,557		\$282,323		\$318,957
<u>Expenses</u>						
Operations	\$1,728	\$292,860	\$1,907	\$328,406	\$1,992	\$348,846
Capital	\$90	<u>\$15,212</u>	<u>\$93</u>	<u>\$16,000</u>	<u>\$97</u>	<u>\$16,992</u>
Total Expenses	\$1,818	\$308,072	\$2,000	\$344,406	\$2,089	\$365,838
Days		169,487		172,181		175,109

<u>Outpatient Revenue</u>	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
	<u>(Whole \$)</u>	<u>(\$000s)</u>	<u>(Whole \$)</u>	<u>(\$000s)</u>	<u>(Whole \$)</u>	<u>(\$000s)</u>
Medicare FFS	\$1,718	\$293,552	\$1,933	\$334,421	\$2,027	\$363,527
Medicare MC	\$1,375	\$264,618	\$1,547	\$301,459	\$1,623	\$327,695
Medicaid FFS	\$1,878	\$29,059	\$2,113	\$33,105	\$2,216	\$35,986
Medicaid MC	\$1,204	\$192,779	\$1,354	\$219,618	\$1,420	\$238,732
Commercial FFS	\$1,192	\$140,965	\$1,341	\$160,590	\$1,406	\$174,566
Commercial MC	\$1,285	\$24,475	\$1,445	\$27,883	\$1,516	\$30,310
Private Pay	\$ 75	\$19,118	\$84	\$21,780	\$88	\$23,675
Charity Care	\$6,476	\$3,743	\$7,289	\$4,264	\$7,636	\$4,635
All Other	\$1,348	\$289,116	\$1,517	\$329,367	\$1,590	\$358,033
Total Revenue		\$1,257,425		\$1,432,487		\$1,557,159
Revenue Deduction		(\$765,959)		(\$864,532)		(\$926,067)

<u>Other Operating Revenue</u>		<u>\$30,811</u>		<u>\$44,647</u>		<u>\$65,048</u>
Non-Operating Revenue		\$13,295		\$13,322		\$1,441
Total Revenues		\$535,572		\$625,924		\$697,581
<u>Expenses</u>						
Operations	\$ 468	\$537,044	\$533	\$618,907	\$542	\$653,124
Capital	\$22	<u>\$24,821</u>	\$23	<u>\$26,867</u>	\$24	<u>\$28,446</u>
Total Expenses	\$490	\$561,865	\$556	\$645,774	\$566	\$681,570
Visits		1,147,747		1,162,055		1,204,509
Total Revenue (Inpatient and Outpatient)		\$799,129		\$908,247		\$1,016,538
Total Expenses		<u>\$869,937</u>		<u>\$990,180</u>		<u>\$1,047,408</u>
(Deficiency)/excess of Revenue over Expenses		(\$70,808)		(\$81,933)		(\$30,870)

The following is noted with respect to the submitted budget:

- The Deficiency of Revenues over Expenses in Year One and Year Three include depreciation and interest expenses, without which the operations would generate positive earnings by Year Three.
- All assumptions have been based on the experience of the various operating entities, cost reporting, and other pertinent financial data, including rates of reimbursement where applicable.
- Arnot Ogden Medical Center received \$57,712,468 in Vital Access Provider Assurance Program (VAPAP) funding for SFY 24, and through January 3, 2025, they have received \$62,400,000 for SFY 25. This funding is not included in the budget.
- Revenue reductions for inpatient and outpatient services include contractual obligations for third-party payors, allowances for doubtful accounts, charity care, and bad debt.
  - The Total Current Year revenue reduction is \$1,040,546,989, with Cayuga's portion being \$388,124,027 and Arnot's portion being \$652,422,962.
  - The Total Year One revenue reduction is \$1,174,111,208, with Cayuga's portion being \$437,943,481 and Arnot's portion being \$736,167,727.
  - The Total Year Three revenue reduction is \$1,264,767,703, with Cayuga's portion being \$471,758,353 and Arnot's portion being \$793,009,350.

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

<u>Inpatient:</u>	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
Medicaid-FFS	41.40%	41.73%	41.94%
Medicaid-MC	13.77%	13.68%	13.65%
Medicare-FFS	13.81%	13.69%	13.65%
Medicare-MC	11.24%	11.13%	11.09%
Commercial FFS	3.29%	3.27%	3.25%
Commercial MC	.53%	.52%	.52%
Private Pay	9.43%	9.51%	9.55%
Charity Care	.02%	.02%	.02%
<u>All Other</u>	<u>6.51%</u>	<u>6.45%</u>	<u>6.33%</u>
Total	100%	100%	100%

<u>Outpatient:</u>	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
Medicaid-FFS	1.35%	1.35%	1.35%
Medicaid-MC	13.96%	13.96%	13.96%
Medicare-FFS	14.89%	14.89%	14.89%
Medicare-MC	16.77%	16.77%	16.77%
Commercial FFS	10.30%	10.30%	10.30%
Commercial MC	1.66%	1.66%	1.66%
Private Pay	22.34%	22.34%	22.34%
Charity Care	.05%	.05%	.05%
<u>All Other</u>	<u>18.68%</u>	<u>18.68%</u>	<u>18.68%</u>
Total	100%	100%	100%

#### Affiliation Agreement

Cayuga Health Systems, Inc., entered into an Affiliation Agreement with Arnot Health, Inc., to create a new active parent entity, Centralus, to control the operations. The applicant has submitted an executed agreement, summarized below:

Dated:	15-Sep-23
Entity:	Cayuga Health Systems, Inc.
Entity:	Arnot Health, Inc
New Parent to both Entities	Centralus Health, Inc.

#### Capability and Feasibility

There are no project costs associated with this application. While the applicant has shown losses from the Current Year to Year Three, they've projected improved operations by Year Three with an overall positive change of \$39,938,000. The loss in Year Three includes \$35,666,138 in depreciation expense and \$1,287,230 in interest expense, without which the operations would generate earnings before interest and depreciation of approximately \$6,083,368. The facility has also received VAPAP funding for SFY24 of \$57,712,468, and as of January 3, 2025, they've received \$62,400,000 for SFY 25. This funding was not included in the budget as it is awarded on a year-by-year basis, which is not guaranteed.

BFA Attachment A, 2022-2023 Certified Financial Statements of Arnot Health, Inc., shows a negative working capital position, positive net asset position, and a deficiency of revenue over expenses of (\$41,574,513) in 2022. The deficiency is attributed to the facility's operations worsening further due to the pandemic, cost increases, and a lack of consistent volume recovery. In 2023, Arnot had a positive working capital position, positive net asset position, and an excess of revenue over expenses of \$6,044,024.

BFA Attachment B, 2024 Internal Financial Statements of Arnot Health, Inc., show the organization had positive working capital and net asset positions. The organization experienced a deficiency of revenues over expenses of (\$910,006).

BFA Attachment A, 2022-2023 Certified Financial Statements of Cayuga Health System, Inc., shows a positive working capital position, positive net asset position, and a deficiency of revenue over expenses of (\$22,600,862) in 2022. In 2023, Cayuga had a negative working capital position, positive net asset position, and a deficiency of revenue over expenses of (\$12,566,341). Losses are attributable to increasing market inflation pressures. Operating costs have increased by between 9% to 25% annually, while payer rates have only increased by 3% to 10% annually.

BFA Attachment D, 2024 Internal Financial Statements of Cayuga Health System, Inc. show the facility had negative working capital, a positive net asset position, and experienced an excess of revenue over expenses of \$17,874,380.

BFA Attachment E, Pro Forma Balance Sheet of Centralus Health, Inc., shows the new entity will have a positive net asset position of \$334,817,150 as of the first day of operations.

## Conclusion

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

## Attachments

HSA Attachment A	Common Ground, Finger Lakes Health Systems Agency Health Review
BFA Attachment A	2022-2023 Certified Financial Statements of Arnot Health, Inc
BFA Attachment B	2024 Internal Financial Statements of Arnot Health, Inc
BFA Attachment C	2022-2023 Certified Financial Statements of Cayuga Health System, Inc
BFA Attachment D	2024 Internal Financial Statements of Cayuga Health System, Inc.
BFA Attachment E	Pro Forma Balance Sheet for Centralus Health, Inc.
BFA Attachment F	Organization Chart for Centralus Health Inc., Cayuga Health Systems Inc., and Arnot Health Inc.





Project # 251101-B  
Bronx Endovascular Center LLC

**Program:** Diagnostic and Treatment Center    **County:** Bronx  
**Purpose:** Establishment and Construction    **Acknowledged:** March 4, 2025

Executive Summary

Description

Bronx Endovascular Center, LLC (the Center), an existing Delaware Limited Liability Company licensed to do business in New York State, is requesting approval to establish and construct a single-specialty Freestanding Ambulatory Surgical Center (FASC) specializing in vascular surgery. This project will renovate and convert an existing, private office-based surgical practice at 1733 Eastchester Road, Suite 2, Bronx, New York (Bronx County). The Center will occupy approximately 5,200 square feet of space and have two (2) operating rooms.

The proposed members of Bronx Endovascular Center, LLC, are detailed below:

Bronx Endovascular Center, LLC	
Members	Ownership %
Raymond D. Figueroa	50%
Dr. Zaher Hamadeh	50%

Three (3) physicians, Dr. Joseph Shams, Dr. Noam Spinowitz, and Dr. Zaher Hamadeh, have committed to perform procedures at this proposed FASC. These procedures are currently performed at their private practice locations and in one case, another Article 28 FASC, NY Endovascular Center. Dr. Zaher Hamadeh will serve as Medical Director of the Center.

A Transfer and Affiliation Agreement has been executed with Montefiore Medical Center (Einstein Campus), .6 miles and 4 minutes away from the 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 2,575 procedures in Year One and 2,881 procedures in Year Three, with Medicaid at approximately 14.8% and 14.6%, 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 costs of \$3,489,208 will be funded with \$1,056,113.00 of members' equity, a \$2,000,000 construction loan, for a 5-year term, at an interest rate of 8%, and a Landlord Construction Allowance of \$433,095.

<u>Budget:</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$7,526,794	\$8,264,167
Expenses	<u>\$6,960,609</u>	<u>\$7,328,736</u>
Net Income	\$566,185	\$935,431

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 acceptable to the Department of Health. [BFA]
3. Submission of an executed working capital loan 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 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]

#### **Approval conditional upon:**

1. This project must be completed by **October 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 **January 1, 2026**, and construction must be completed by **July 1, 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 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 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]
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 who 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](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](mailto:hospinfo@health.ny.gov) [HSP]

Council Action Date  
June 18, 2025

## Need Analysis

### Program Description

Bronx Endovascular Center LLC (the Center) is requesting to establish and construct an Article 28 diagnostic and treatment center (D&TC) to be certified as a single-specialty freestanding ambulatory surgical center (FASC) specializing in vascular surgery at 1733 Eastchester Road, Suite 2, Bronx (Bronx County), New York 10461. This project will renovate and convert an existing private office-based surgical practice into a single-specialty (vascular surgery) Article 28 FASC, which will result in operational efficiencies, an improved patient experience, and high-quality surgical care. Furthermore, this project will bring cases to the Center from an existing Article 28 FASC in New York County (NY Endovascular Center, PFI No. 15335), for patients living in Bronx County, thus providing more convenient access to care, closer to home.

In addition, two (2) other non-member physicians (Joseph Shams, M.D., and Noam Spinowitz, M.D.) have committed to perform cases at the proposed Center, which are currently being performed at NY Endovascular Center, an existing FASC in New York County. There will be no cases that come from local hospitals. Approximately 83% of the cases (Dr. Hamadeh's cases) to be performed at this proposed FASC will come from the existing private office-based surgery practice at 1733 Eastchester Road, Suite 2, Bronx (Bronx County), New 3 York 10461; and approximately 17% of the cases (Drs. Shams' and Spinowitz's cases) to be performed at this proposed FASC will come from NY Endovascular Center. The Center will have two (2) operating rooms.

### Background & Analysis

The relevant service area consists of Bronx County. The population of Bronx County is estimated at 1,419,250 based on 2023 American Community Survey data and is projected to increase to 1,604,168 by 2030 per projection data from the Cornell Program on Applied Demographics (PAD), an increase of 13.0%. Demographics for the service area are noted below, including a comparison with New York State:

Demographics	Bronx County	New York State
Total Population – 2023 Estimate	1,419,250	19,872,319
White (non-Hispanic)	8.8%	53.4%
Hispanic or Latino (of any race)	54.9%	19.6%
Black or African American (non-Hispanic)	29.1%	13.6%
Asian (non-Hispanic)	4.0%	8.8%
Other (non-Hispanic)	3.2%	4.6%

Source: 2023 American Community Survey (5-year Estimates Data Profiles)

The aged 65 and over population and the minority population are two groups most in need of end-stage renal dialysis services. The population aged 65 and over was 13.9% of the total population in Bronx County in 2023. According to the applicant, this cohort is more likely to utilize the Center's service. By 2030, Cornell PAD estimates the 65 and over cohort will be 16.4% of the total population, an increase of 2.5%. The non-white population percentage was 91.2%, which is significantly higher than the New York State percentage of 46.6%.

In 2023, 92.7% of the population of Bronx County had health coverage as follows:

Employer Plans	29.5%
Medicaid	43.4%
Medicare	7.06%
Non-Group Plans	12.3%
Military or VA	0.392%

Source: Data USA

The table below shows the number of patient visits for relevant facilities providing ambulatory surgery services in Bronx County for 2021 through 2023.

<b>Ambulatory Surgery within a 3-mile Radius of Proposed Center</b>				
<b>Facility Name</b>	<b>Type</b>	<b>Patient Visits</b>		
		<b>2021</b>	<b>2022</b>	<b>2023</b>
Montefiore Med Center – Jack D Weiler Hosp of A Einstein College Div	Hospital	5,169	5,510	6,471
Montefiore Hutchinson Campus	Hospital Extension Clinic	18,918	19,119	19,543
Jacobi Medical Center	Hospital	6,600	6,719	7,484
Avicenna ASC <sup>1</sup>	ASC	4,407	3,072	1,671
SBH Health System	Hospital	4,366	5,697	5,540
<b>Total Visits</b>		<b>39,460</b>	<b>40,117</b>	<b>40,709</b>

Source: HFIS & SPARCS

<sup>1</sup>Unable to verify if vascular access surgeries are offered.

All the facilities listed above provide multi-specialty services. According to SPARCS, Montefiore Medical Center – Montefiore Westchester Square, located about 0.9 miles from the Center, closed its ambulatory surgery services during the COVID-19 pandemic and has not reopened that service since then.

The number of projected procedures is 2,575 in Year One and 2,881 procedures in Year Three, with Medicaid at approximately 15% and Charity Care at 2%. These projections are based on the current caseload of the physicians who will be practicing at the Center. According to the applicant, approximately 83% of the cases will come from the existing private office-based surgery practice at 1733 Eastchester Road, Suite 2, Bronx (Bronx County), New York 10461; and about 17% of the cases (two non-physician members) will come from an existing ASC, NY Endovascular Center in New York County, approximately 7.8 miles away and 23-minute drive from the Center. There will be no cases that come from the local hospitals. The physicians will continue to be on call and see patients at the hospitals with which they are affiliated.

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

<b>Payor</b>	<b>Year One</b>		<b>Year Three</b>	
	<b>Volume</b>	<b>%</b>	<b>Volume</b>	<b>%</b>
Commercial FFS	150	5.8%	170	5.9%
Commercial MC	175	6.8%	199	6.9%
Medicare FFS	510	19.8%	571	19.8%
Medicare MC	1,283	49.8%	1,435	49.8%
Medicaid FFS	74	2.9%	81	2.8%
Medicaid MC	306	11.9%	340	11.8%
Private Pay	25	1.0%	27	1.0%
Charity Care	52	2.0%	58	2.0%

Source: Applicant

The Center expects to contract with the following Medicaid Managed Care plans: Affinity, Amerigroup, Aetna, Better Health, Anthem BCBS Medicaid, Emblem, HealthFirst, Metro Plus, Molina, MVP, UHC, and Wellcare. The Center will work collaboratively with local Federally Qualified Health Centers (FQHCs) and others to provide services to the underinsured in their service area.

The Center will develop a financial assistance policy with a sliding fee scale to be utilized when the Center is operational. The Center will be open Monday through Friday, 7:30 AM to 3:30 PM. The hours and days of operation may be expanded to accommodate patients' demand and convenience. In addition, if a patient requires assistance during hours when the Center is not in operation, the patient will be able to call an on-call service, available 24 hours per day, seven days a week. The Center also has an executed transfer and affiliation agreement with Montefiore Medical Center (Einstein Campus), approximately 0.3 miles away and a 3-minute drive from the Center.

### Conclusion

Approval of this project will provide increased and improved access to vascular access surgery services in an outpatient setting for the residents of Bronx County.

## Program Analysis

### Project Proposal

Proposed Operator	Bronx Endovascular Center LLC
Site Address	1733 Eastchester Road, Suite 2, Bronx (Bronx County), New York 10461
Specialties	Ambulatory Surgery- Single Specialty (Vascular Surgery)
Hours of Operation	Monday through Friday, 7:30 a.m. to 3:30 p.m. As the Center matures, it is expected that an expanded operating schedule will be maintained to accommodate the needs of both patients and physicians. Weekend and/or evening procedures will be made available, if needed, to accommodate patient scheduling issues.
Operating Rooms	2
Staffing (1 <sup>st</sup> Year / 3 <sup>rd</sup> Year)	19.0 FTEs / 19.0 FTEs
Medical Director(s)	Zaher Hamadeh, M.D.
Emergency, In-Patient, and Backup Support Services Agreement and Distance	Montefiore Medical Center (Einstein Campus) 0.6 miles / 4 minutes

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

Position	Year One	Year Three
Management and Supervision	3.0	3.0
Technician and Specialist	4.0	4.0
Registered Nurses	5.0	5.0
Aides, Orderlies & Attendants	1.0	1.0
Physicians	2.0	2.0
Infection Control, Environment and Food Service	1.0	1.0
Clerical and Other Administrative	3.0	3.0
<b>Totals</b>	<b>19.0</b>	<b>19.0</b>

The Center's members are Raymond D. Figueroa (50% membership interest) and Zaher Hamadeh, M.D. (50% membership interest). This project is a partnership between Dr. Hamadeh, the Medical Director of Advanced Access Medical Care (AAMC), an existing private physician practice specializing in dialysis access care, and Raymond D. Figueroa, Founder, Chief Executive Officer and Managing Member of American Endovascular & Amputation Prevention, LLC, an existing company which provides administrative and business support services to medical professionals who provide care in the fields of Amputation Prevention and Endovascular and Interventional Radiology. This project is bringing together a local, established vascular surgeon and a seasoned professional and industry expert into the operation of an Article 28 FASC specializing in vascular and dialysis access care.

Please note, this project effectively replaces Project No. 222181-B (Bronx Vascular Surgical Center - Establish and construct a single-specialty FASC in Bronx County specializing in vascular surgery), which was withdrawn from consideration. Dr. Hamadeh was an approved member of that project, which proposed the same scope of services.

**Membership Structure:**

Member	Ownership
Raymond D. Figueroa	50%
Zaher Hamadeh M.D.	50%

**Character and Competence:**

**Raymond D. Figueroa** is the Founder and Chief Executive Officer and Managing Member of American Endovascular & Amputation Prevention, LLC since 2018. Raymond Figueroa has had ownership in Figueroa Equities, LLC since 2003 and has worked at St. Michael's Health Care & American Chronic Care, LLC since 2016, and has also owned and operated Pristine Rentals and Renovation, LLC since 2006. Prior to this, Raymond had ownership at Dental Spa, LLC from 2008 to 2020, Blue Cloud Pediatric Surgery Centers, LLC, San Antonio Children's Surgical LLC, and DFW Children's Surgery Center from 2016 to 2022, Tampa Children's Surgery Center and Orlando Children's Surgery Center from 2018 to 2022, Houston Children's Dental Center from 2021 to 2022, and KC Children's Surgery Center and Cleveland Children's Surgery Center from 2019 to 2022.

Raymond Figueroa graduated from the Naval School of Health Sciences in 1989 as a Clinical Nuclear Medicine Technologist and with a Bachelor of Science in Advanced Science and Technology from Thomas Edison State College in 2009.

**Zaher Hamadeh, M.D.**, will serve as the medical director. Dr. Hamadeh has been the medical director and Interventional and Diagnostic Nephrologist at Advanced Access Medical Care since 2014, as well as a partner and Diagnostic Nephrologist at Kidney Medical Associates since 2016. Dr. Hamadeh graduated with a Doctor of Medicine from the University of Damascus in 2001 and from 2002-2003 was a Research Fellow in the Department of Radiology at Harvard Medical School. Dr. Hamadeh completed an Internal Medicine Internship at the University of Texas Medical Branch in 2004 and a Residency in Internal Medicine in 2006. In 2011, Dr. Hamadeh completed a Nephrology Fellowship at Jacobi Medical Center. Dr. Hamadeh is board-certified in Internal Medicine and Nephrology.

Dr. Hamadeh disclosed the following lawsuit:

TAYLOR, CHARLES vs. HAMADEH, M.D., ZAHER/Bronx Supreme Court/23176/2018E/Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case has been settled.

The following are the proposed FTEs for years one and three:

**Integration with Community Resources**

The applicant is committed to serving all persons in need without regard to race, sex, age, religion, creed, sexual orientation, source of payment, ability to pay, or other personal characteristics or qualifications. The applicant projects that 2% of the cases the Center will perform will be for charity care recipients, and approximately 15% of the cases the Center will perform will be for Medicaid recipients (fee-for-service and managed care plans). The Center expects to contract with the following Medicaid managed care insurers: Affinity, Amerigroup, Aetna, Better Health, Anthem BCBS Medicaid, Emblem, HealthFirst, Metro Plus, Molina, MVP, UHC, and WellCare. The Center will reach out on a regular basis to local hospitals, Federally Qualified Health Centers (FQHC) (e.g., Comprehensive Family Health Center, Institute for Family Health and Sun River Health), local family shelters and homeless shelters in an effort to bring additional Charity Care and Medicaid patient referrals to the Center. The Center will encourage primary care providers to send their uninsured and underinsured patients to the proposed facility for care. This will be achieved by introducing the Center and its services to these organizations and encouraging them to tour the Center, meet its staff and providers, and by staying in regular contact with these facilities.

The proposed Center, through its architectural design, will also address the needs of handicapped persons, including persons with visual impairments (signs and forms in large print), hearing impairments, and other physical impairments (handicapped accessible entrances and toilets).



In keeping with the Department's health home and managed care goals for Bronx County and elsewhere, the Center plans to work closely with its patients to educate them regarding the availability of primary care services offered by local providers, including the broad array of outpatient primary care services offered by Montefiore Medical Center, which will be the Center's back-up hospital for the provision of backup and emergency services. Prior to leaving the Center, each patient will be provided information concerning the local availability of primary care services.

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 Costs and Financing

The Total project costs for construction, fit out, and acquisition of movable equipment are estimated at \$3,384,408.00 and broken down as follows:

Renovation and development	\$2,000,000
Design and Contingency	\$200,000
Construction Contingency	\$200,000
Architect/Engineering Fees	\$170,000
Construction Management Fees	\$50,000
Other Fees	\$20,000
Movable Equipment	\$650,000
Financing Costs	\$20,000
Interim Interest Expense	\$53,333
COMN Application Fee	\$2,000
CON Processing Fee	<u>\$19,075</u>
Total Project Cost	\$3,384,408

The applicants' plan for financing is as follows:

Equity (Applicant Members)	\$1,056,113
Landlord-Tenant Improvement Allowance	\$433,095
Construction Loan (5-year term, 8% interest, 25-year amortization)	<u>\$2,000,000</u>
Total Project Financing	\$3,384,408

Figueroa Holdings, LLC has provided a loan commitment letter for the bank loan at the above-stated terms. Figueroa Holdings, LLC is fully owned by one of the proposed members of Bronx Endo Raymond Figueroa. BFA attachment A, Net Worth Statement of the Proposed Members of Bronx Endovascular Center, LLC, indicates sufficient resources to meet the equity requirements of this application.

### Operating Budget

The applicant has submitted their Year One and Year Three operating budget, in 2025 dollars, summarized below.

Payor Source	Year One		Year Three	
	Per Procedure	Total Revenue	Per Procedure	Total Revenue
Revenue:				
Commercial FFS	\$4,193	\$ 628,890	\$4,062	\$690,599
Commercial MC	\$3,812	\$667,100	\$3,681	\$732,453
Medicare FFS	\$3,364	\$1,715,400	\$3,299	\$1,883,452
Medicare MC	\$2,971	\$3,812,000	\$2,917	\$4,185,448
Medicaid FFS	\$773	\$57,180	\$775	\$62,782
Medicaid MC	\$1,869	\$571,800	\$1,847	\$627,817
Private Pay	\$2,973	<u>\$74,334</u>	\$3,023	<u>\$81,616</u>
Total Revenues		\$7,526,794		\$8,264,167
Expenses:				
Operating Expense	\$2,444	\$6,292,587	\$2,327	\$6,704,039
Capital expense	<u>\$259</u>	<u>\$668,022</u>	<u>\$217</u>	<u>\$624,697</u>
Total Expense:	\$2,703	\$6,960,609	\$2,544	\$7,328,736
Net Income		\$566,185		\$935,431
Total Procedures		2,575		2,881
Cost Per Procedure		\$2,703		\$2,544

Utilization for payor sources is anticipated as follows:

<u>Payor source</u>	<u>Year One</u>	<u>Year Three</u>
Commercial FFS	5.83%	5.90%
Commercial MC	6.80%	6.91%
Medicare FFS	19.81%	19.82%
Medicare MC	49.83%	49.81%
Medicaid FFS	2.87%	2.81%
Medicaid MC	11.88%	11.80%
Private Pay	.97%	.94%
Charity Care	2.01%	2.01%
	100.00%	100.00%

The following assumptions were considered for the Operating Budget:

- Volume is based on the historical experience of the three (3) proposed physicians of Bronx Endovascular Center, LLC.
- 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 cases they will 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' and members' experience in operating a private practice.

#### Lease Rental Agreement

The applicant has submitted an executed lease for the proposed site; the terms are summarized below:

Date:	Tuesday, February 18, 2025
Premises:	1733 Eastchester Road Suite 2, Bronx, New York 10461
Landlords: Collectively	1733 Eastchester, LLC & Eastchester Road Realty, LLC
Tenant:	Bronx Endovascular Center, LLC
Term:	186 Months, 15 Years, and 6 Months
Rent:	Year 1 \$233,205 annual or \$19,433.75 monthly, Year 2 \$253,194 or \$21,099.50 monthly, Year 3 260,789.82 annually or 21,732.49 monthly, Year 4 \$269,265.49 annually or \$22,438.79 monthly, Year 5 \$278,016.62 annually or \$23,168.05 monthly, Year 6 \$287,052.16 annually or \$23,921.01 monthly, Year 7 \$296,381.35 annually or \$24,698.45 monthly, Year 8 \$306,013.75 annually or \$25,501.15 monthly, Year 9 \$315,959.19 annually or \$26,329.93 monthly, Year 10 \$326,227.87 annually or \$27,185.66 monthly, Year 11 \$336,830.27 annually or \$28,069.19 monthly, Year 12 \$347,777.26 annually or \$28,981.44 monthly, Year 13 \$359,080.02 annually or \$29,923.33 monthly, Year 14 \$370,750.12 annually or \$30,895.84 monthly, Year 15 \$382,799.50 annually or \$31,899.96 and Year 16 \$395,240.48 annually or \$32,936.71 monthly.
Provisions:	Triple Net

#### Capability and Feasibility

Total project cost of \$3,489,208 will be funded with a \$2,000,000 construction loan between Figueroa Holdings, LLC (an entity owned by Raymond D. Figueroa, managing member of Bronx Endovascular Center, LLC) and the applicant, a \$433,095 Landlord Construction Allowance, and \$1,056,113 in proposed members equity.

The working capital requirement for this project is estimated at \$1,221,456, which is the equivalent to two months of projected third-year expenses. Working Capital will be funded with a \$500,000, 5-year loan at 8% interest from Figueroa Holdings, LLC and a \$721,456 equity contribution by the applicant's members. BFA Attachment A shows the applicant has sufficient liquid assets to cover both the equity needed for the project and the working capital.

BFA Attachment B, Pro Forma Balance Sheet of Bronx Endovascular Center, LLC, shows operations \$2,643,759 in member equity as of the first day of operations.

The applicant projects a net income of \$566,185 and \$935,431 in Year One and Year Three, respectively. Revenues are based on the current Medicare fee Schedule, the Medicaid APG rates, and the Commercial rates experienced by 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	Net Worth Statements of the Proposed Members of Bronx Endovascular Center, LLC
BFA Attachment B	Pro Forma Balance Sheet of Bronx Endovascular Center, LLC
BFA Attachment C	Organizational Chart of Bronx Endovascular Center, LLC



Project # 251137-B  
Wellness Way ASC, LLC

**Program:** Diagnostic and Treatment Center      **County:** Albany  
**Purpose:** Establishment and Construction      **Acknowledged:** March 28, 2025

Executive Summary

Description

Wellness Way Holdings, LLC, (the Center), an existing limited liability company, seeks approval to establish and construct a multi-specialty, freestanding ambulatory surgical center (FASC) in leased space at 4 Wellness Way, Suite 100, Latham, New York (Albany County). The Center will specialize in urologic surgery, plastic surgery, general surgery, breast surgery, and obstetrics & gynecology (non-abortion). The facility plans to have three (3) operating rooms and one (1) procedure room. The Center will be known as Wellness Way ASC, LLC. The proposed site will be constructed by Columbia Development, the unrelated landlord.

James M. Belarmino, M.D., will serve as the Medical Director. Albany Medical Center (AMC) has sent a letter expressing interest to provide transfer and affiliation services as backup to the Center, 13.6 miles/26 minute away. All members are currently board certified, practicing physicians and will practice at the Center.

The proposed members of the Realty and Operations are as follows:	
<u>Wellness Way Holdings, LLC - (Real Estate)</u>	<u>Membership %</u>
<u>Current Sole Member</u>	
Shirish Parikh, M.D.	100%
<u>Wellness Way ASC, LLC – (Operations)</u>	
<u>Proposed Members:</u>	<u>Membership %</u>
James M. Belarmino, M.D.	12%
John D. Bennett, M.D.	2%
Terence J. Clarke, M.D.	12%
Kelly Anne Dennin, M.D.	12%
Efrossini Kolios, M.D.	12%
Mathew D. McDonald, D.O.	12%
Vishnudas P. Pai, M.D.	12%
Shirish J. Parikh, M.D.	2%
Danielle M. Rooney, M.D.	12%
Mathew T. Stringer, D.O.	12%
Total	100%

OPCHSM Recommendation

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

Need Summary

The applicant projects 4,540 procedures in Year One and 5,006 in Year Three, with Medicaid at 8% 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

Total project cost of \$5,095,960, will be funded with a bank loan of \$4,500,000 over a 7-year term at a fixed rate of 6.55% and members' equity of \$596,960.

<b>Budget:</b>	<b><u>Year One</u></b>	<b><u>Year Three</u></b>
Revenues	\$9,497,849	\$10,439,138
Expenses	<u>\$9,113,911</u>	<u>\$9,687,304</u>
Net Income / (Loss)	\$383,938	\$751,834

### 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. Architectural Design Development Drawings: submission of architectural and life safety drawings, acceptable to the Department, as described in the Bureau of Architecture and Engineering Review Drawing Submission Guidelines DSG-1.0 [AER]
3. Engineering Design Development Drawings: submission of mechanical, electrical, plumbing and fire protection drawings, acceptable to the Department, as described in the Bureau of Architecture and Engineering Review Drawing Submission Guidelines DSG-1.0 [AER]
4. Submission of an executed working capital loan commitment, acceptable to the Department. [BFA]
5. Submission of a ground lease agreement, acceptable to the Department. [BFA]
6. Submission of an executed sub-lease, acceptable to the Department of Health. [BFA]
7. Submission of an executed bank loan for construction, acceptable to the Department of Health. [BFA]
8. Submission of an Administrative Service Agreement, acceptable to the Department of Health. [BFA]
9. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]
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;
  - 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 **October 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 **January 1, 2026**, and construction must be completed by **July 1, 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: [http: www.health.ny.gov/facilities/hospitals/docs/hcs\\_access\\_forms\\_new\\_clinics.pdf](http://www.health.ny.gov/facilities/hospitals/docs/hcs_access_forms_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](mailto:hospinfo@health.ny.gov) [HSP]
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  
June 18, 2025



## Need Analysis

### Project Description

Wellness Way Holdings, LLC is seeking approval to establish a multi-specialty, freestanding ambulatory surgery center (FASC) at 4 Wellness Way, Latham, New York 12110 in Albany County. The Center will specialize in urologic surgery, plastic surgery, general (including bariatric) surgery, and breast surgical procedures, as well as obstetrics & gynecology (non-abortion). Breast Surgery will offer care for breast cancer patients, high-risk surveillance, and benign breast disease. The facility plans to have three (3) operating rooms and one (1) procedure room. Upon approval, the Center will be known as Wellness Way ASC, LLC.

### Background and Analysis

The primary service area is Albany County, which has a population projected to increase to 322,394 by 2030 based on Cornell Program on Applied Demographics estimates. Demographics for the primary service area are noted below, including a comparison with New York State.

Demographics	Albany County	New York State
Total Population	315,374	19,872,319
Hispanic or Latino (of any race)	7.0%	19.6%
White (non-Hispanic)	69.0%	53.4%
Black or African American (non-Hispanic)	11.4%	13.6%
Asian(non-Hispanic)	7.2%	8.8%
Other (non-Hispanic)	5.4%	4.6%

Source: 2023 American Community Survey (5-year Estimates Data Profiles)

In 2023, 97% of the population of Albany County had health coverage as follows:

<b>Employer Plans</b>	54.7%
<b>Medicaid</b>	17.0%
<b>Medicare</b>	13.0%
<b>Non-Group Plans</b>	11.5%
<b>Military or VA</b>	0.794%

Source: Data USA

### Ambulatory Surgery within a 10-Mile Radius of Proposed Center

Facility Name	Type	Patient Visits		
		2021	2022	2023
Albany Medical Center Hospital	Hospital	21,863	22,201	25,058
Albany Medical Center – South Clinical Campus	Hospital	7,001	7,758	8,410
Ellis Hospital	Hospital	5,367	5,437	6,603
New England Laser & Cosmetic Surgery Center	ASC	78	138	551
Samaritan Hospital (Rensselaer County)	Hospital	13,796	14,411	14,800
St. Peter's Hospital	Hospital	16,304	16,75	19,206
St. Peter's Surgery And Endoscopy Center	ASC	18,750	19,792	19,280
<b>Total Visits</b>		<b>83,159</b>	<b>69,737</b>	<b>93,908</b>

Source: HFIS and SPARCS

All of the facilities listed above provide multi-specialty ambulatory surgical services.

Per the applicant, for over 40 years, Community Care Physicians, P.C. (CCP) has grown into the largest independent multispecialty group practice in the Capital District with over 420 physicians and advanced practice providers. Four (4) of the nine (9) physicians who will practice at the proposed ASC are presently affiliated with CCP. The vast majority of all proposed surgical procedures are expected to originate from regional hospitals, primarily from Ellis Hospital in Schenectady and St. Peter's Hospital in Albany, with a small percentage of cases migrating from Samaritan Hospital in Troy and Southwestern

Vermont Medical Center in Bennington, Vermont. Additionally, one of the participating physicians' projected procedures will migrate from Saratoga-Schenectady Endoscopy Center (a FASC) in Burnt Hills, while another physician intends to perform his colonoscopies, currently performed in a private practice at Wellness Way, at the proposed Center. Per the applicant, this represents 634 procedures or 14% of the total Year 1 volume for the Center. The participating physicians will continue to perform the more complex procedures in a hospital environment.

The Center will occupy space in a to-be-constructed building. The applicant will enter into a transfer and affiliation agreement with Albany Medical Center to serve as a backup hospital for inpatient admissions.

The number of projected procedures is 4,540 in Year One and 5,006 in Year Three, with Medicaid at 8% and Charity Care at 2%. These projections are based on caseloads that participating surgeons have committed to bringing to the Center.

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

Payor	Year One		Year Three	
	Volume	%	Volume	%
Commercial FFS	1,453	32.0%	1,602	32.0%
Commercial MC	1,271	28.0%	1,402	28.0%
Medicare MC	1,044	23.0%	1,151	23.0%
Medicare FFS	227	5.0%	250	5.0%
Medicaid MC	363	8.0%	401	8.0%
Private Pay	91	2.0%	100	2.0%
Charity Care	91	2.0%	100	2.0%

The center initially plans to obtain contracts with the following Medicaid Managed Care Plans: Capital District Physician's Health Plan, MVP Health Plan, Fidelis Care, and United Healthcare. The center will work collaboratively with Federally Qualified Health Centers such as Whitney M. Young, Jr. Health Center to provide services 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 Monday through Friday from 7:00 a.m. to 5:00 p.m. As the Center matures, it is expected that an expanded operating schedule will be maintained to accommodate the needs of both patients and physicians. Weekend and/or evening procedures will be made available, if needed, to accommodate patient scheduling issues.

## Conclusion

Approval of this project will enable the continued provision of needed services in the community in a more cost-effective manner and will provide a single center of excellence for surgical services within the regulatory environment of Article 28 health care facilities, ensuring safe health care delivery for the residents of Albany County.

## Program Analysis

### Project Proposal

<b>Proposed Operator</b>	Wellness Way ASC, LLC
<b>Site Address</b>	4 Wellness Way, Suite 100, Latham, NY 12110
<b>Surgical Specialties</b>	Ambulatory Surgery - Multi Specialty (urologic surgery, plastic surgery, general surgery, breast surgery, and obstetrics and gynecology, bariatric surgery)
<b>Procedure Rooms</b>	1
<b>Operating Rooms</b>	3
<b>Hours of Operation</b>	Monday through Friday from 7:00am to 5:00pm. As the Center matures, it is expected that an expanded operating schedule will be maintained to accommodate the needs of both patients and physicians. The applicant anticipates that weekend and/or evening procedures will be available, if needed, to accommodate patient scheduling issues.
<b>Staffing (1<sup>st</sup> Year / 3<sup>rd</sup> Year)</b>	22.25 FTEs / 24.75 FTEs
<b>Medical Director(s)</b>	James M. Belarmino, MD, MC, USNR
<b>Emergency, In-Patient and Backup Support Services Agreement and Distance</b>	Expected to be provided by: Albany Medical Center 13.6 Miles / 26 minutes

The following tables shows the projected FTEs in Year One and Year Three following completion of this project:

Staffing	Year One	Year Three
Management and Supervision	1.25	1.25
Technician and Specialist	5.0	6.0
Registered Nurses	9.0	10.0
Aides, Orderlies & Attendants	1.0	1.50
Clerical and Other Administrative	6.0	6.0
<b>Total</b>	<b>22.25</b>	<b>24.75</b>

### Proposed Ownership

Member Name	Proposed Interest
James M. Belarmino, MD, MC, USNR	12%
John D. Bennett, MD, FACC, FACP	2%
Terence J. Clarke, MD, FASMBS, ABOM	12%
Kelly Anne Dennin, MD, FACS	12%
Efrossini Kolios, MD	12%
Matthew D. McDonald, DO, FASC, FASMBS	12%
Vishnudas P. Pai, MD, MS, ABOM, FASMBS	12%
Shirish J. Parikh, MD, MBA, FACR	2%
Danielle M. Rooney, MD	12%
Matthew T. Stringer, DO	12%
<b>TOTAL</b>	<b>100%</b>

### Character and Competence

**James M. Belarmino, MD, MC, USNR** will be the medical director of the facility and has over 17 years of surgical and clinical experience in urology, practicing for Community Care Physicians, P.C. (CCP) for the past six years. Prior to this, Dr. Belarmino worked at Locums with CompHealth from 2017 to 2018 and for Watson Clinic, Department of Urology from 2011-2017. Dr. Belarmino graduated from Boston College with a bachelor's degree in 1995 and from Loyola University-Chicago with a Doctor of Medicine in 1999. Dr. Belarmino is board certified in Urology.

**John D. Bennett, MD, FACC, FACP** is the president and CEO of Capital District Physicians' Health Plan, Inc. (CDPHP). Dr. Bennett has held the position since 2008 after serving more than 10 years as chair, vice chair, and board member for CDPHP. Dr. Bennett graduated from Rensselaer Polytechnic Institute with a bachelor's degree in 1974 and from SUNY Downstate Medical Center with a Doctor of Medicine in 1978. Bennett completed an internship and residency in internal medicine and a fellowship in cardiovascular disease at Albany Medical Center. Dr. Bennett is board-certified by the National Board of Medical Examiners and the American Board of Internal Medicine, with subspecialties in internal medicine and cardiology.

**Terence J. Clarke, MD, FASMBS, ABOM** has worked as a surgeon and endoscopist for Capital Cardiology Associates for the past two years. Prior to this, Dr. Clarke developed the bariatric center at Ellis Medicine and served as the Medical Director and Division Chief of Bariatric and Metabolic Surgery. Dr. Clarke is an experienced general and bariatric surgeon who has been providing care for the past 20 years. Dr. Clarke graduated from City University of New York at Queens College with a bachelor's degree in 1993 and from Ross University School of Medicine with a Doctor of Medicine in 1997. Dr. Clarke is board-certified in Surgery.

**Kelly Anne Dennin, MD, FACS** has been a General Surgeon for Albany Surgery Associates, PC since 1995. Dr. Dennin graduated from Union College with a bachelor's degree in 1982 and from RPI with a master's degree in 1985. In 1989 Dr. Dennin graduated from Albany Medical College with a Doctor of Medicine. Dr. Dennin is board-certified in Surgery.

The following lawsuits name Dr. Dennin:

Chorost vs. Dennin, et al./ Albany Supreme Court/ 0906097/2019/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was settled on 03/19/2025.

Shea, Kathleen, Individually and as Administratrix vs. St. Peter's Health Partners/ Rensselaer Supreme Court/ EF2019-262501/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was settled on 10/03/2024.

**Efrossini Kolios, MD** has been a Urologist at Niskayuna Urology since 2021. Prior to this, Dr. Kolios was a Urologist for Albany Urologic Oncology from 2012-2021 and Capital Region Urology from 2010-2012. Dr. Kolios graduated from Columbia University with a bachelor's degree in 1996 and from MCP Hahnemann University with a master's degree in 1999. In 2005 Dr. Kolios graduated from Albany Medical College with a Doctor of Medicine. Dr. Kolios is board-certified in Urology.

**Matthew D. McDonald, DO, FASC, FASMBS** has been a partner at Capital Bariatrics since 2024 and was previously the Director of Capital Bariatrics from 2021-2024. Prior to this, Dr. McDonald was the Director of Bariatric and Minimally Invasive Surgery at Samaritan Hospital Bariatric and Metabolic Care from 2016 to 2021 and was a Staff Surgeon for the VA Medical Center from 2016 to 2020. Dr. McDonald also worked as an Assistant Professor of Surgery for SUNY Upstate Medical Center from 2012 to 2016. Dr. McDonald graduated from SUNY Potsdam with a bachelor's degree in 1997 and from New York College of Osteopathic Medicine with a Doctor of Osteopathic Medicine in 2001. Dr. McDonald is board-certified in Surgery.

**Vishnudas P. Pai, MD, MS, ABOM, FASMBS** has been practicing General and Bariatric Surgery in the Capital District area for the past 15 years, most recently working as a Bariatric Surgeon for Capital Cardiology Associates since 2023 and previously working as a Bariatric and General Surgeon for Ellis Hospital from 2007 to 2022. Dr. Pai graduated from Kasturba Medical College with a Bachelor of Medicine, Bachelor of Surgery in 1993 and from Trivandrum Medical College with a master's degree in 1998. Dr. Pai is board-certified in Surgery.

**Shirish J. Parikh, MD, MBA, FACR** is the founder, chairman, and chief executive officer of Community Care Physicians, P.C. (CCP) for over 40 years. Dr. Parikh graduated from Seth G.S. Medical College with a Bachelor of Medicine, Bachelor of Surgery in 1973 and a Diploma in Medical Radio Diagnosis in 1975. Dr. Parikh graduated from Rensselaer Polytechnic University with a Master of Business Administration in 1997. Dr. Parikh is board-certified in Diagnostic Radiology.

**Danielle M. Rooney, MD** is an experienced Obstetrician and Gynecologist who has worked for CCP for the past 12 years. Dr. Rooney has also worked as a physician covering Obstetrics and Gynecology services on a per-diem basis for groups at St. Mary's Hospital and Bellevue Women's Center since 2017. Dr. Rooney graduated from the University of Vermont with a bachelor's degree in 2003 and from Albany Medical College with a Doctor of Medicine in 2009. Dr. Rooney is board-certified in Obstetrics and Gynecology.

The following case names Dr. Rooney:

Crawford vs. Rooney M.D./ Albany Supreme Court/ 0903292/2021/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case involved cord prolapse during labor, which was managed by another provider. The case is still pending.

**Matthew T. Stringer, DO** has worked as a Staff Urologist at Saratoga Hospital Group since 2022. Prior to this, Dr. Stringer worked as the Chief of Urology at Eglin Air Force Base Hospital from 2016 to 2021 and as a Urologist at HCA Florida Fort Walton-Destin Hospital from 2016 to 2021. Dr. Stringer graduated from Hamilton College with a bachelor's degree in 2003 and from Nova Southeastern College of Osteopathic Medicine with a Doctor of Osteopathic Medicine in 2010. Dr. Stringer is board-certified in Urology.

#### Integration with Community Resources

The applicant is dedicated to providing high-quality, cost-effective, and comprehensive outpatient surgical procedures. It will serve as a community resource, dedicated to all patients and their families, and is committed to providing compassionate, state-of-the-art care while reducing health system costs. The members of the Center are committed to serving all persons in need without regard to race, sex, age, religion, creed, sexual orientation, source of payment, ability to pay or other personal characteristics. The applicant proposes to provide its fair share of charity care in addition to the significant funds that will flow from the Center to the State's bad debt and charity care pools. As evidence of this commitment, the operating budget projects that 2.0% of procedures will be for charity care and 2.0% for discounted self-pay. In addition, the operating budget also includes 8.0% Medicaid, demonstrating the Center's expected outreach to this traditionally underserved population.

The proposed Center, through its architectural design, will also address the needs of handicapped persons, including persons with visual impairments (signs and forms in large print), hearing impairments (TTY, and sign-language interpreter service, if available in the local area) and other physical impairments (handicapped accessible entrances and toilets). Finally, the proposed Center will enhance access through its location, which is easily reached by major roads and public transportation (including I-87; The Adirondack Northway (Exit No. 7), New York State Route 7, U.S. Route 9, as well as the Capital District Transportation Authority Bus System (Bus #182 makes a stop at Wellness Way, Latham).

The applicant is also committed to the development of a formal outreach program directed at members of the local community, including local physicians. The purpose of this program will be to inform these groups of the benefits derived from, and the latest advances made in, outpatient surgical treatments available at the Center. To this end, the Center will reach out to the underserved population within Albany County in order to improve access to surgical care provided at the Center.

In keeping with the Department's health home and managed care goals for Albany County and elsewhere, the Center plans to work closely with its patients to educate them regarding the availability of primary care services offered by local providers, including the providers on the Wellness Way campus, with whom the Center expects to develop a seamless patient care continuum. Through this program, the Center's patients will be better able to make informed choices regarding preventive medicine, to

understand their personal healthcare options going forward and to hopefully avoid unnecessary hospitalization and emergency room visits. Prior to leaving the Center, each patient will be provided information concerning the local availability of primary care services.

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 Center will seek accreditation from the Accreditation Association for Ambulatory Health Care (AAAHC) or similar New York State-approved accreditation agency within two (2) years of becoming operational.

#### Compliance with Applicable Codes, Rules and Regulations

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 this application is \$17,179,546, which is a combination of landlord and tenant (applicant) costs. Reimbursement is limited to \$5,095,960, the applicant's portion of the construction costs.

	<u>Wellness Way ASC, LLC</u>	<u>Landlord</u>	<u>Total</u>
Land Acquisition		\$913,126	\$913,126
New Constructions		8,010,895	8,010,895
Temporary Utilities		586,720	586,720
Asbestos Abatement or Removal		19,210	19,210
Design Contingency		801,090	801,090
Construction Contingency		400,545	400,545
Architect/Engineering Fees		752,000	752,000
Construction Manager Fees		600,000	600,000
Moveable Equipment	\$5,000,000		5,000,000
Application Fees	2,000		2,000
Additional Processing Fee*	<u>93,960</u>		<u>93,960</u>
Total	\$5,095,960	\$12,083,586	\$17,179,546

\*The additional processing fee for this application is the total of the landlord costs (related to this project) and tenant cost.

The financing for this project will be as follows:

Members' Equity (10.5%)	\$595,960
Bank loan (6.55% interest, 7-year term)	<u>4,500,000</u>
Total	\$5,095,960

Berkshire Bank has provided a letter of interest for the bank loan. BFA Attachment A shows sufficient member equity requirement and a bank loan letter of interest to meet the project cost.

### Operating Budget

The applicant has submitted an operating budget, in 2025 dollars, for Year One and Year Three, summarized below:

	<u>Year One</u>		<u>Year Three</u>	
Revenues:	<u>Per Proc.</u>	<u>Total</u>	<u>Per Proc.</u>	<u>Total</u>
Commercial FFS	\$2,694.51	\$3,915,123	\$2,689.29	\$4,308,242
Commercial MC	\$2,527.17	3212037	\$2,520.76	3534105
Medicare MC	\$1,681.39	1,755,374	\$1,681.45	1,935,348
Medicare FFS	\$1,681.06	381,601	\$1,682.92	420,731
Medicaid MC	\$1,093.72	397,022	\$1,047.64	420,102
Private Pay	\$335.45	30,526	\$336.54	33,654
Bad Debt Expense		<u>-\$193,834</u>		<u>-\$213,044</u>
Total Revenues	\$4,792	\$9,497,849	\$4,749	\$10,439,138
Expenses:				
Operating	\$1,541.84	\$6,995,415	\$1,532.14	\$7,669,915
Capital	<u>\$467.63</u>	<u>2,118,496</u>	<u>\$403.99</u>	<u>2,017,389</u>
Total	\$2,007.47	\$9,113,911	\$1,935.14	\$9,687,304
Net Income / (Loss)		<u>\$383,938</u>		<u>\$751,834</u>
Cost per Proc.		\$2,007.47		\$1,935.14
Total Procedures		4,540		5,006

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

	<u>Year One</u>		<u>Year Three</u>	
Commercial FFS	1,453	32.0%	1,602	32.0%
Commercial MC	1,271	28.0%	1,402	28.0%
Medicare MC	1,044	23.0%	1,151	23.0%
Medicare FFS	227	5.0%	250	5.0%
Medicaid MC	363	8.0%	401	8.0%
Private Pay	91	2.0%	100	2.0%
<u>Charity Care</u>	<u>91</u>	<u>2.0%</u>	<u>100</u>	<u>2.0%</u>
<u>Total</u>	4,540	100.0%	5,006	100.0%

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 in the Capital Region. Staffing patterns will be based upon demand and may be adjusted as needed.
- Revenues and operating expenses are based on the experience of the proposed physician members in providing procedures in their current locations. The Center initially plans to obtain contracts with the following Medicaid Managed Care Plans: Capital District Physician's Health Plan, MVP Health Plan, Fidelis Care, and United Healthcare. The Center will work collaboratively with Federally Qualified Health Centers such as Whitney M. Young, Jr. Health Center to provide services 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 payor mix was determined based on the demographics of the service area and with input from the members of the applicants and the physician volume letter that estimate CPT-4 number of procedures.
- Wellness Way ASC LLC submitted a Medicaid & Charity Care Utilization Plan to allow physicians who become credentialed to waive fees for patients who qualify for this benefit.
- Utilization is based on the current caseload of the physician's letter estimating commitment to perform cases at the Center.
- The Center has identified nine (9) physicians who are interested in performing procedures at the proposed Center. The total annual projected number of cases in the first year is 3,663 (representing 4,540 procedures). This projection is based upon the participating surgeons' current case load that is appropriate for this setting.

#### Ground Lease Agreement

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

Premises:	4 Wellness Way, Town of Colonie (Albany County)
Square Footage:	Approximately 36,542 Square Feet or 84 acres.
Landlord:	4 and 6 Autopark Property LLC and Autopark Property LLC and Autopark TIC 3 LLC (all affiliates of Columbia Development Companies).
Tenant:	4 Wellness Way LLC (an affiliate of Columbia Development Companies)
Term:	99-year
Rent:	Tenant owns a + 2.4-acre parcel of land with an address of 4 Wellness Way. This parcel is immediately adjacent to that certain +18.50 acres of land located immediately adjacent to 4 Wellness Way. In consideration of the granting of this ground lease to the Tenant the Tenant shall (i) transfer the fee interest in and to 4 Wellness Way to the Landlord and (ii) perform all necessary improvements related to the project known as 4 Wellness Way. This includes utilities for 4 Wellness Way, parking lot and roadway improvements, landscaping and sidewalks, curbs and tie into existing storm water system.

Shirish Parikh M.D. submitted an affidavit stating he is the sole member and Director of Wellness Way Holdings, LLC, and that transaction is an arm's-length agreement.



### Sub-Lease Agreement

A draft sub-lease for the ASC has been submitted with the terms summarized below.

Premises:	4 Wellness Way, Town of Colonie, 18,329 sq. ft.
Landlord:	4 Wellness Way LLC (an affiliate of Columbia Development Companies and Wellness Way Holdings, LLC, to be named Wellness Way ASC, LLC, upon approval.
Tenant:	Wellness Way Holdings, LLC, (Which will be named upon approval Wellness Way ASC, LLC upon approval
Term:	15-Years from rental commencement date with 1 (5-year) renewal option.
Premises:	18,329 Square Feet
Rent:	Total rent is \$938,628 annually increased by 2% per year.
Note:	Landlord owns a ground leasehold interest to the land pursuant to a certain Ground Lease by and between the Landlord and other Columbia Development Companies affiliates. Pursuant to the terms of the Ground Lease, Landlord intends to construct a 50,000-square-foot building on the Land to lease a portion of the Building to the Tenant.

The ASC will be under a Sublease Agreement between 4 Wellness Way LLC, as Landlord, and Wellness Way Holdings, LLC, to be named Wellness Way ASC, LLC (Wellness Way ASC), as Tenant. The 15-year sublease agreement is subject to a 99-year Ground Lease between Columbia affiliates. 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 (2) letters from NYS licensed realtors attesting to the reasonableness of the per square footage rental.

### Administrative Service Agreement

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

Operator:	Wellness Way ASC, LLC
Consultant:	CCP TASS Inc.
Term:	Term is upon 2 <sup>nd</sup> anniversary and may be renewed collectively.
Services:	Help to secure and monitor all permits; advise on purchasing of supplies; efforts to secure financing on behalf of the company; policies and procedures updates; coordinate seeking legal advice; subject to company approval to develop assistance fees and contracts; monitoring utilization and software management; recruiting activities; monthly financial reports; and assisting with education and training of clerical staff.
Fees:	\$600,000 annually paid in monthly installments.

The operator does not delegate to the consultant any responsibilities nor give any independent authority over the reserved responsibilities in the agreement. The operator has sole discretion to all operations and independent control over all records, policies, and procedures. All rights to approve or disapprove remain with the operator solely.

### Capability and Feasibility

The total project cost of \$5,095,960 will be met with \$595,960 in members' equity and an equipment bank loan for \$4,500,00 for a 7-year term at an interest rate estimated to be 6.55% to Wellness Way Holdings, LLC. The applicant has submitted a bank letter of interest.

The working capital requirements are estimated at \$1,614,551, based on two months of Year Three expenses, will be funded with members' equity of \$807,276 and the remainder with a fixed loan to Wellness Way Holdings, LLC, in the amount of \$807,275 with a three-year term and an estimated interest rate of 6.69%. A letter of interest from Berkshire Bank has been submitted.

BFA Attachment A, Net Worth Statement of Proposed Members of Wellness Way ASC LLC, indicates sufficient resources overall to fund the equity requirements for this application. The submitted budget projects a net income of \$383,938 and \$751,834 during Year One and Year Three of operations, respectively. The budget appears reasonable.

BFA Attachment B, Pro-Forma Balance Sheet, shows Wellness Way, ASC will begin operation with \$1,403,236 in member equity as of 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 Wellness Way ASC LLC
BFA Attachment B	Pro-Forma Balance Sheet
BFA Attachment C	Organizational Chart after PHHPC approval



Project # 251118-E  
OrthoNY Ambulatory Surgery Center - Albany

**Program:** Diagnostic and Treatment Center  
**Purpose:** Establishment

**County:** Albany  
**Acknowledged:** March 17, 2025

Executive Summary

Description

Executive Woods Ambulatory Surgery Center LLC d/b/a OrthoNY Ambulatory Surgery Center - Albany (the Center), an existing New York proprietary, limited liability corporation that operates an Article 28 single-specialty freestanding ambulatory surgery center (FASC), at 3 Atrium Drive, Albany (Albany County), requests approval to transfer 100% of its membership interest to two (2) proposed new members: OrthoNY Master ASC Holdings, LLC (ASC Holdings) and OrthopedicsNY, LLP (OrthoNY).

The Center is currently owned by 19 individual physician members, each of whom has approximately a 5.263% interest in the Center

The current and proposed ownership is presented below:

Executive Woods Ambulatory Surgery Center, LLC (current)

Members	Current Interests
J. David Abraham	5.263%
James Alfandre	5.263%
Farrukh Ansari	5.263%
Charles Buttaci	5.263%
Frank Congiusta	5.263%
Samuel Dellenbaugh	5.263%
David Dixon	5.263%
Daniel Donovan	5.263%
Frederick Fletcher	5.263%
Kyle Flik	5.263%

Leonard Goldstock	5.263%
Lee Kaback	5.263%
Richard Katz	5.263%
William Montgomery	5.263%
Amar Parikh	5.263%
Luke Rigolosi	5.263%
W. James Smith	5.263%
Adam Suslak	5.263%
John Whalen	5.263%
<b>Total:</b>	<b>100.000%</b>

Executive Woods Ambulatory Surgery Center, LLC (proposed)

Members	Proposed Interest
OrthoNY Master ASC Holdings, LLC (ASC Holdings)	75%
OrthopedicsNY, LLP (OrthoNY)	25%
<b>Total</b>	<b>100%</b>

OrthoNY Master ASC Holdings, LLC is comprised of thirty-eight (38) physician members including twenty (20) new physician members with direct membership in the LLC. It should be noted that these new members are not current members of Executive Woods Ambulatory Surgery Center, LLC.

OrthopedicsNY LLP is comprised of the 33 physician members.

Kyle Flik, M.D., Board-Certified in Orthopedics, will continue to serve as the Medical Director. The Center has a Transfer and Affiliation Agreement for emergency and backup services with St. Peter's Hospital, 3.4 miles (11 minutes travel time) away.

#### OPCHSM Recommendation

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

#### 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

There are no project costs or service changes associated with this application. The Center will pay Dr. Fletcher \$225,000 to redeem his 5.263% membership interest in Executive Woods Ambulatory Surgery Center LLC. Six (6) new physician members will each pay \$400,000 for 2.632% membership in OrthoNY Master ASC Holdings LLC.. Their payments are held in escrow.

<u>Budget:</u>	<u>Current</u> <u>Year</u>	<u>Year One</u>	<u>Year Three</u>
Revenues:	\$10,697,620	\$11,056,620	\$11,056,620
Expenses:	<u>7,682,726</u>	<u>8,049,842</u>	<u>8,146,015</u>
	\$3,014,894	\$3,006,778	\$2,910,605

#### 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 three years from the date of its issuance, contingent upon:**

1. 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. 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 **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 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

June 18, 2025

## Program Analysis

### Project Proposal

Executive Woods Ambulatory Surgery Center, LLC operates an existing Article 28 single-specialty (orthopedics) freestanding ambulatory surgery center located at 3 Atrium Drive, Albany (Albany County), New York 12205 (the Center). The Center is currently owned in equal amounts by 19 individual physician members. The Center is submitting this Certificate of Need Application to transfer 100% of its membership interest to two (2) proposed new corporate members: OrthoNY Master ASC Holdings, LLC (ASC Holdings) and OrthopedicsNY, LLP (OrthoNY). ASC Holdings will own 75% of the Center, and OrthoNY will own 25% of the Center. Furthermore, one (1) existing member of the Center, Frederick Fletcher, M.D., will redeem his membership interest and thereby withdraw from the Center. The Center will continue to be operated by Executive Woods Ambulatory Surgery Center, LLC.

ASC Holdings will own 75% of the Center and will be comprised of 38 physician members, each of whom will own approximately a 2.632% interest in ASC Holdings.

OrthoNY will own 25% of the Center and will be comprised of 33 physician partners. One (1) physician partner, Lee Kaback, will own approximately a 5.888% interest in OrthoNY. The other 32 physician partners will own approximately a 2.941% interest in OrthoNY.

Kyle Flik, M.D., an existing individual member of the Center, a proposed member of ASC Holdings, and a proposed partner of OrthoNY, will continue to serve as the Center's Medical Director.

### **Executive Woods Ambulatory Surgery Center, LLC (current)**

Members	Percentage Interests
J. David Abraham	5.263%
James Alfandre	5.263%
Farrukh Ansari	5.263%
Charles Buttaci	5.263%
Frank Congiusta	5.263%
Samuel Dellenbaugh	5.263%
David Dixon	5.263%
Daniel Donovan	5.263%
Frederick Fletcher	5.263%
Kyle Flik	5.263%
Leonard Goldstock	5.263%
Lee Kaback	5.263%
Richard Katz	5.263%
William Montgomery	5.263%
Amar Parikh	5.263%
Luke Rigolosi	5.263%
W. James Smith	5.263%
Adam Suslak	5.263%
John Whalen	5.263%
<b>Total:</b>	<b>100.000%</b>

**Executive Woods Ambulatory Surgery Center, LLC (proposed)**

Members	Proposed Interest
OrthoNY Master ASC Holdings, LLC (ASC Holdings)	75%
OrthopedicsNY, LLP (OrthoNY)	25%
<b>Total</b>	<b>100%</b>

**OrthoNY Master ASC Holdings, LLC**

Direct Membership Interest in OrthoNY Master ASC Holdings, LLC:

Members	Percentage Interest
J. David Abraham, M.D.	2.632%
James Alfandre, M.D.	2.632%
Farrukh Ansari, M.D.	2.632%
Eric Aronowitz, M.D.	2.632%
James Boler, M.D.	2.632%
Daniel Bowman, M.D.	2.632%
Adam Brod, M.D.	2.632%
Charles Buttaci, D.O.	2.632%
Frank Congiusta, M.D.	2.632%
Mark Coseo, M.D.	2.632%
Samuel Dellenbaugh, M.D.	2.632%
David Dixon, M.D.	2.632%
Daniel Donovan, M.D.	2.632%
Kevin Emr, M.D.	2.632%
Justin Ferrara, M.D.	2.632%
Kyle Flik, M.D.	2.632%
Jonathan Gainor, M.D.	2.632%
Leonard Goldstock, M.D.	2.632%
Stefanos Haddad, M.D.	2.632%
Thomas Jackson, M.D.	2.632%
Andre Johnson, M.D.	2.632%
Lee Kaback, M.D.	2.632%
Richard Katz, M.D.	2.632%
Kevin Kleis, D.O.	2.632%
Joseph LaRosa, M.D.	2.632%
William Montgomery, M.D.	2.632%
Michael Okoli, M.D.	2.632%
Amar Parikh, M.D.	2.632%
Daniil Polishchuk, M.D.	2.632%
Luke Rigolosi, M.D.	2.632%
Kevin Rosas, M.D.	2.632%
Laura Scordino, M.D.	2.632%
George Silver, M.D.	2.632%
W. James Smith, M.D.	2.632%
Tory Speert, D.O.	2.632%
Matthew Stein, M.D.	2.632%
Adam Suslak, M.D.	2.632%

John Whalen, M.D.	2.632%
<b>Total</b>	<b>100.000%</b>

### **OrthopedicsNY, LLP**

Direct Partnerships Interest in OrthopedicsNY, LLP:

Partners	Percentage Interest
J David Abraham, M.D.	2.941%
James Alfandre, M.D.	2.941%
Farrukh Ansari, M.D.	2.941%
Eric Aronowitz, M.D.	2.941%
James Boler, M.D.	2.941%
Daniel Bowman, M.D.	2.941%
Charles Buttaci, D.O.	2.941%
Frank Congiusta, M.D.	2.941%
Mark Coseo, M.D.	2.941%
Samuel Dellenbaugh, M.D.	2.941%
David Dixon, M.D.	2.941%
Daniel Donovan, M.D.	2.941%
Justin Ferrara, M.D.	2.941%
Kyle Flik, M.D.	2.941%
Jonathan Gainor, M.D.	2.941%
Leonard Goldstock, M.D.	2.941%
Thomas Jackson, M.D.	2.941%
Lee Kaback, M.D.	5.888%
Richard Katz, M.D.	2.941%
Kevin Kleis, DO.	2.941%
Joseph LaRosa, M.D.	2.941%
William Montgomery, M.D.	2.941%
Amar Parikh, M.D.	2.941%
Daniil Polishchuk, M.D.	2.941%
Luke Rigolosi, M.D.	2.941%
Kevin Rosas, M.D.	2.941%
Laura Scordino, M.D.	2.941%
George Silver, M.D.	2.941%
W. James Smith, M.D.	2.941%
Tory Speert, D.O.	2.941%
Matthew Stein, M.D.	2.941%
Adam Suslak, M.D.	2.941%
John Whalen, M.D.	2.941%
<b>Total</b>	<b>100.000%</b>

OrthoNY Ambulatory Surgery Center has an existing transfer and affiliation agreement with St. Peter's Hospital, 3.4 miles away and an 11-minute travel time from the Center.



Character and Competence:

Character and competence was completed for the 20 new physician members with a direct membership in OrthoNY Master ASC Holdings, LLC:

**Eric Aronowitz, M.D.**, has been a partner in orthopedic practice at OrthoNY since 2014 and is the Medical Director of OrthoNY Surgical Suites. Prior to this, Dr. Aronowitz was a partner at Schenectady Regional Orthopedic Associates from 2000-2014. Dr. Aronowitz graduated from the University of Vermont with a bachelor's degree in 1990 and from SUNY Health Science Center at Syracuse with a Doctor of Medicine in 1994. Dr. Aronowitz is board-certified in Orthopaedic Surgery.

**James Boler, M.D.**, has been an Orthopedic Surgeon for OrthoNY since 2014. Dr. Boler graduated from Brown University with a bachelor's degree in 1989 and from the University of Maryland School of Medicine at Baltimore with a Doctor of Medicine in 1995. Dr. Boler is board-certified in Orthopaedic Surgery with a sub-certification in hand surgery. Dr. Boler disclosed the following lawsuit:

D'ELIA, FULVIO vs. ELLIS HOSPITAL, SOMOZA, et al./Schenectady Supreme Court/2016-1290/Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case was dismissed on 7/28/22.

**Daniel Bowman, M.D.**, has been an Orthopedic Surgeon for OrthoNY since 2014. Dr. Bowman graduated from SUNY Buffalo with a bachelor's degree in 1997 and from the Buffalo School of Medicine and Biomedical Sciences with a Doctor of Medicine in 2001. Dr. Bowman is board-certified in Orthopaedic Surgery.

Dr. Bowman disclosed the following lawsuits:

Schuppe vs. Daniel J. Bowman, MD, James Smith/Schenectady Court/Malpractice Claim

Per the applicant, this case was discontinued on 9/28/18.

PEARMAN, CEDRIC vs. BOWMAN, DANIEL J., MD, ORTHO NY/Schenectady Supreme Court/0002088/2018/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was discontinued on 8/31/2021.

On 11/16/16, the New York State Office of Professional Misconduct and Physician Discipline issued a censure and reprimand with a \$1,500 fine related to having committed professional misconduct by having been convicted of Aggravated Driving While Intoxicated. The physician had satisfied the terms of conditions on April 7, 2017.

**Adam Brod, M.D.**, has been a practicing Orthopedic Surgeon at OrthoNY since May of 2023 and has been the chair of the department of orthopedics at Glens Falls Hospital for the last six years, with duties including managing the department and sitting on the medical executive committee of the hospital. Prior to this, Dr. Brod worked as an Orthopedic Surgeon at North Country Orthopedic Specialists from 2014-2018. Dr. Brod graduated from the University of Rochester with a bachelor's degree in 2004 and from the State University of New York at Buffalo with a Doctor of Medicine in 2008. Dr. Brod is board-certified in Orthopaedic Surgery.

**Mark Coseo, M.D.**, has worked at OrthoNY since 2021 as a general Orthopedic Surgeon and Spine Surgeon. Prior to this, Dr. Coseo worked as an Orthopedic Surgeon at Naval Medical Center, Portsmouth from 2019-2021 and 2015-2018, and from 2018-2019 worked as the Director of Surgical Services of the Navy Role 2 Expeditionary Medical Unit. Dr. Coseo graduated from Cornell University with a bachelor's degree in 2003 and from the Uniformed Services University of the Health Sciences with a Doctor of Medicine in 2007. Dr. Coseo completed an internship in Orthopedic Surgery at Naval Medical Center in San Diego in 2008 and a residency in 2012. Dr. Coseo completed a fellowship in Adult and Pediatric Spine Surgery at Norton Leatherman Spine Center in 2015. Dr. Coseo is board-certified in Orthopaedic Surgery.

**Kevin Emr, M.D.**, is a board-certified and licensed physician who performs surgical procedures in the ambulatory surgery center and participates in leadership roles in quality assurance. Dr. Emr graduated from Cornell University with a bachelor's degree in 2010 and from SUNY Upstate with a Doctor of Medicine in 2015. Dr. Emr completed an anesthesiology residency at Albany Medical Center in 2019 and a Pain Medicine Fellowship at Dartmouth Hitchcock Medical Center in 2020. Dr. Emr is board-certified in Anesthesiology and Preventive Medicine.

Dr. Emr disclosed the following pending lawsuit in which he has been named as a co-defendant: Colandrea vs. Howe et. al./Albany Supreme Court/ 904218-22/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, the complaint alleges a failure to properly position the plaintiff, causing bilateral lower extremity numbness, weakness, and pain. Dr. Emr was the attending anesthesiologist for the surgery and was not involved in the lower extremity positioning.

**Justin Ferrara, M.D.**, has been a Physician Partner and Orthopedic Surgeon at OrthoNY since 2013. Prior to this, Dr. Ferrara was an Orthopedic Surgeon at Orthopaedic Associates of Saratoga from 2009-2012. Dr. Ferrara graduated from the University of Vermont with a bachelor's degree in 1996 and from Albany Medical College with a Doctor of Medicine in 2003. Dr. Ferrara is board-certified in Orthopaedic Surgery.

Dr. Ferrara disclosed the following lawsuits:

CAMPBELL, JAMES vs. ORTHONY, LLC FERRARA/Saratoga Supreme Court/6000289/2021/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case was discontinued in November of 2023.

Green vs. Shepard et al./Albany Supreme Court/ 0903400/2022/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, the jury found no cause on 12/12/24.

Arciero, Paul vs. FERRARA, JUSTIN M.D., OrthopedicsNY, LLP/Saratoga County/Malpractice Claim

Per the applicant, this case is pending.

**Jonathan Gainor, M.D.**, has been an Orthopedic Surgeon for OrthoNY since 2010. Dr. Gainor graduated from Albany Medical College in 2000 with a master's degree and in 2004 with a Doctor of Medicine. Dr. Gainor is board-certified in Orthopaedic Surgery.

**Stefanos Haddad, M.D.**, has been an Orthopedic Surgeon at OrthoNY for two years, completing roughly 500 surgeries at the Center in the last year. Dr. Haddad graduated from SUNY Albany with a bachelor's degree in 2011 and from SUNY Upstate Medical University with a Doctor of Medicine in 2016. Dr. Haddad completed a residency in Orthopedic Surgery at Albany Medical Center in 2021 and a fellowship at Rothman Institute Hand and Upper Extremity Surgery in 2022. Dr. Haddad is board-certified in Orthopaedic Surgery.

**Thomas Jackson, M.D.**, has been an Orthopedic Surgeon with OrthoNY since 2015. Prior to this, Dr. Jackson worked as an Orthopedic Surgeon for Sports Medicine and Injury Care at Carolinas Healthcare System from 2011 to 2015. Dr. Jackson graduated from the University of Pittsburgh with a bachelor's degree in 1998 and from Temple University School of Medicine with a Doctor of Medicine in 2002. Dr. Jackson is board-certified in Orthopaedic Surgery with sub-certifications in Sports Medicine and Pain Medicine.

Dr. Jackson disclosed the following lawsuits:

SANTIAGO, CHANDRA A. AND SANTIAG vs. JACKSON, THOMAS R., MD AND ORTHONY/  
Schenectady Supreme Court/0002773/2018/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case was discontinued on 11/11/2019.

Walsh, Roy et al vs. OrthoNY, LLP et al/ Montgomery Supreme Court/ EF2023-188/ Tort-Medical, Dental, or Podiatric Malpractice.

Per the applicant, this case is pending.

**Andre Johnson, M.D.**, has worked as an Orthopedic Surgeon for OrthoNY since 2023 and has been the Chairman of the Department of Surgery at Glens Falls Hospital since 2018. Prior to this, Dr. Johnson worked for North Country Sports from 2012 to 2023. Dr. Johnson graduated from Northwestern University with a bachelor's degree in 1997 and from Albany Medical College with a Doctor of Medicine in 2001. Dr. Johnson completed a residency in Orthopedic Surgery at Akron General Medical Center in 2006 and a fellowship in Orthopedic Surgery in Sports Medicine at Nirschl Orthopaedic in 2007. Dr. Johnson is board-certified in Orthopaedic Surgery.

The following lawsuits were undisclosed:

LAWSON, MICHAEL J vs. JOHNSON, ANDRE H, MD., NORTH COUNTRY/ Warren Supreme Court/  
62552/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case was settled and closed on 7/26/17.

**Kevin Kleis, D.O.**, has worked as an Orthopedic Surgeon for OrthoNY since 2019. Prior to this, Dr. Kleis worked as an Orthopedic Surgeon for Riverside Orthopedic Institute from 2016 to 2019 and at Kaiser Permanente from 2014 to 2016. Dr. Kleis graduated from Hobart and William Smith College with a bachelor's degree in 2006 and from the New York Institute of Technology College of Osteopathic Medicine with a Doctor of Osteopathic Medicine in 2011. Dr. Kleis is board-certified in Orthopaedic Surgery.

**Joseph LaRosa, M.D.**, has worked for OrthoNY as an Orthopedic Surgeon since 2013. Dr. LaRosa graduated from Plattsburgh State University with a bachelor's degree in 1983 and from Albany Medical College with a Doctor of Medicine in 1987. Dr. LaRosa is board-certified in Orthopaedic Surgery.

**Michael Okoli, M.D.**, has worked as an Orthopedic Surgeon at OrthopedicsNY since 2022. Prior to this, Dr. Okoli was a Clinical Research Coordinator at the Department of Neuropsychiatry at the Hospital of the University of Pennsylvania from 2009 to 2012. Dr. Okoli graduated from the University of Pennsylvania with a bachelor's degree in 2009 and from the Feinberg School of Medicine/Northwestern with a Doctor of Medicine in 2016. Dr. Okoli completed an internship in Orthopaedic Surgery at Thomas Jefferson University in 2021 and a fellowship in Hand and Microsurgery at SUNY Stony Brook University Hospital in 2022. Dr. Okoli is board-certified in Orthopaedic Surgery.

**Daniil Polishchuk, M.D.** has been an Orthopedic and Pain Management Provider for OrthoNY since 2014. Dr. Polishchuk graduated from Rutgers New Jersey Medical School with a Doctor of Medicine in 2011 and completed a fellowship in hip and knee reconstruction at NYOH, Columbia University Medical Center in 2012. Dr. Polishchuk is board-certified in Orthopaedic Surgery.

Dr. Polishchuk disclosed the following lawsuits:

Walsh, Roy et al vs. OrthoNY, LLP et al/ Montgomery Supreme Court/ EF2023-188/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case is pending.

Oliver, Debra vs. Daniil Polishchuk, M.D., OrthopedicsNY, LLP, Ellis Hospital/Schenectady County/Malpractice

Per the applicant, this case was discontinued in July 2022.

**Kevin Rosas, M.D.**, has been an Orthopedic Surgeon at OrthoNY since 2014. Dr. Rosas graduated from Cornell University with a bachelor's degree in 1991 and from SUNY Downstate with a Doctor of Medicine in 1998. Dr. Rosas is board-certified in Orthopaedic Surgery.

Dr. Rosas disclosed the following lawsuits:  
CASCINI, JEFFREY vs. ROSAS, KEVIN E. MD WASACZ et al/ Schenectady Supreme Court/ 0001150/2021/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case was settled in July of 2023.

O'NEILL, JODY - AS PARENT OF KJO, AN INFA vs. COMMUNITY CARE PHYSICIANS, P.C. CLIFTON et al/ Saratoga Supreme Court/ 7001037/2020/ Tort-Medical, Dental, or Podiatric Malpractice

This case was discontinued in August 2024.

**Laura Scordino, M.D.**, has been an Orthopedic Surgeon with OrthoNY since 2015. Prior to this, Dr. Scordino was a Clinical Instructor of Orthopedic Surgery Residents through Albany Medical College from 2015-2019. Dr. Scordino graduated from Binghamton University with a bachelor's degree in 2004 and from Upstate Medical University with a Doctor of Medicine in 2009. Dr. Scordino is board-certified in Orthopaedic Surgery.

**George Silver, M.D.**, has been an Orthopedic Surgeon at OrthoNY since 2000. Dr. Silver graduated from Union College with a bachelor's degree in 1990 and from Georgetown University with a Doctor of Medicine in 1995. Dr. Silver is board-certified in Orthopaedic Surgery.

**Tory Speert, D.O.**, has worked as a Pain Medicine Specialist for OrthoNY since 2017. Dr. Speert graduated from the College of New Jersey in 2008 with a bachelor's degree and from Rowan University School of Osteopathic Medicine with a Doctor of Osteopathic Medicine in 2012. Dr. Speert completed an internship at CarePoint Health in 2013, a residency at Rutgers/Kessler Institute for Rehabilitation in 2016, and a fellowship at Orthopedic and Spine Specialists in 2017. Dr. Speert is board-certified in Physical Medicine and Rehabilitation.

**Matthew Stein, M.D.**, has worked as an Orthopedic Surgeon for OrthoNY since 2015. Dr. Stein graduated from Haverford College with a bachelor's degree in 2005 and from NYU School of Medicine with a Doctor of Medicine in 2009. Dr. Stein completed a residency at USF Health in 2014 and a fellowship at Jefferson University in 2015. Dr. Stein is board-certified in Orthopaedic Surgery. Dr. Stein disclosed the following lawsuits:

Dalaba, Theodore vs. Stein, Matthew, MD/Saratoga County/Malpractice Claim

Per the applicant, this case was settled on 6/27/23.

Gallo vs. OrthoNY et al./ Albany Supreme Court/905043-23/Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case is pending.

Morrissey, Kelly vs. OrthoNY et al/Saratoga Supreme Court/EF20233692/Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case is pending.

**The following case names OrthoNY:**

Sayers vs. OrthopedicsNY/Albany Supreme Court/ 911154-24/ Comm-Contract

Per the applicant, this is a class action lawsuit stemming from a potential disclosure of information due to a security incident during which cybercriminals accessed data from a portion of OrthoNY's computer network in December 2023. The lawsuit is pending.

**Compliance with Applicable Codes, Rules, and Regulations**

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

### Financial Analysis

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

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
<u>Revenues:</u>	<u>Procedure</u>	<u>Total</u>	<u>Procedure</u>	<u>Total</u>	<u>Procedure</u>	<u>Total</u>
Medicaid – FFS	\$1,045.86	\$14,642	\$1,066.79	\$14,935	\$1,066.79	\$14,935
Medicaid – MC	\$1,691.20	979,204	\$1,690.00	998,788	\$1,690.00	998,788
Medicare – FFS	\$1,785.25	822,999	\$1,786.08	839,459	\$1,786.08	839,459
Medicare - MC	\$2,008.92	1,558,925	\$2,007.71	1,590,104	\$2,007.71	1,590,104
Commercial- FFS	\$2,900.96	6,013,682	\$2,901.57	6,279,003	\$2,901.57	6,279,003
Private Pay	\$6,557.50	39,345	\$6,688.67	40,132	\$6,688.67	40,132
All Other	\$2,711.16	<u>1,268,823</u>	\$2,707.53	<u>1,294,199</u>	\$2,707.53	<u>1,294,199</u>
Total Revenue		\$10,697,620		\$11,056,620		\$11,056,620.
<u>Expenses:</u>						
Operating	\$1,677.48	\$7,342,328	\$1,673.06	\$7,709,444	\$1,693.93	\$7,805,617
Capital	<u>\$77.77</u>	<u>340,398</u>	<u>\$73.87</u>	<u>340,398</u>	<u>\$73.87</u>	<u>340,398</u>
Total Expenses:	\$1,755.25	\$7,682,726	\$1,746.93	\$8,049,842	\$1,767.80	\$8,146,015
Net Income		<u>\$3,014,894</u>		<u>\$3,006,778</u>		<u>\$2,910,605</u>
Procedures		4,377		4,608		4,608
Cost /Procedure		\$1,755.25		\$1,740.00		\$1,767.80

The following is noted concerning the submitted budget:

- The Current Year reflects the facility's 2023 cost reports.
- Current Year staffing reflects 2023 staffing levels and utilizes 2023 AHCF cost report data. No change is expected in Year One and Year Three.
- Years One and Year Three project an increase in utilization, expense, and revenue, based on the Center's historical performance.
- Years One and Year Three reimbursement rates reflect the Center's 2023 rates.

Utilization by payor for the Current Year, Year One, and Year Three is broken down as follows:

<u>Payor:</u>	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Proc</u>	<u>%</u>	<u>Proc</u>	<u>%</u>	<u>Proc</u>	<u>%</u>
Medicaid - FFS	14	0.32%	14	0.30%	14	0.30%
Medicaid - MC	579	13.23%	591	12.83%	591	12.83%
Medicare – FFS	461	10.53%	470	10.20%	470	10.20%
Medicare - MC	776	17.73%	792	17.19%	792	17.19%
Commercial – FFS	2,073	47.36%	2,164	46.96%	2,164	46.96%
Private Pay	6	0.14%	6	0.13%	6	0.13%
Charity	0	0.00%	93	2.02%	93	2.02%
All Other	<u>468</u>	<u>10.69%</u>	<u>478</u>	<u>10.37%</u>	<u>478</u>	<u>10.37%</u>
Total	4,377	100%	4,608	100%	4,608	100%

### Lease Amendment Two

The applicant has submitted an executed lease agreement for the existing site, the terms of which are summarized below:

Date:	January 7, 2013.
Premises:	3 Atrium Drive, Albany, New York, 12205
Landlord:	Executive Woods, LLC (100% owner of former landlord Huntington Associates of Albany, LLC)
Tenant:	Executive Woods Ambulatory Surgery Center, LLC (Assigned from OrthopedicsNY, LLP - formerly aka Northeast Orthopedics, LLP)
Term:	Renewed through December 31, 2029
Current Rent:	\$230,132 (\$19,177.67 per month) plus an annual escalator of \$8,198.72
Provisions:	Tenant is responsible for taxes, insurance, utilities, and maintenance.

There is no relationship between the landlord and the tenant. The lease has been previously approved.

### Amended and Restated Administrative Service and Billing Agreement

The applicant has submitted an executed administrative service and billing agreement; the terms are summarized below:

Date:	December 13, 2024
Operator:	Executive Woods Ambulatory Surgery Center, LLC
Contractor:	OrthopedicsNY, LLP
Services Provided:	Provide financial management services, including budget preparation, bookkeeping, bank account reconciliation, accounts payable, accounts receivable management, and economic analysis. Provide monthly reports of revenue/expense with budget variance analysis for review. Establishing, monitoring, and presenting key performance indicators monthly. Generate required financial and operational reports, including DOH/SPACS data files, pool reports, and cost reporting. Provide support for the Operator's maintenance of its EHR and Practice Management Software system. Establish and maintain the Operator's IT network infrastructure, including security procedures—aid Operator concerning human resources management and recruitment, interviewing, and evaluating staffing candidates, and supervising, coordinating, and facilitating the performance of the Operator's annual strategic planning functions for the Center, including a yearly governing body meeting. The parties mutually agree in writing to carry out other functions.
Term:	20 years with automatic ten (10) year renewal
Fee:	\$229,000 per year (\$19,083.33 per month), after the first 12 months, the parties will establish a monthly fee for the next six months

The agreement provides that the facility operator will retain ultimate control in all the final decisions associated with the facility. 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.

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 under Article 28 of the Public Health Law concerning the period before the applicant acquiring its interest, without releasing the transferor of its liability and responsibility. As of May 13, 2025, the facility had no outstanding Medicaid overpayment liabilities.

Outside Manager Agreement – Executive Woods Ambulatory Surgery Center, LLC  
The applicant has submitted an executed Outside Manager Agreement as summarized below:

Date:	January 15, 2025 (effective upon the Department's approval)
Operator:	Executive Woods Ambulatory Surgery Center, LLC
Outside Manager:	David Fitzgerald
Services:	The Manager shall devote time to the Company as is reasonably necessary for performing his duties. Shall have the right to vote on all matters presented to the Company's Board of Managers and act in good faith and the Company's best interest. The Manager defers to OrthoNY on all issues that require Facility control.
Term:	3 years with automatic three (3) year renewal (each renewal to be approved by the Department)
Consideration; Reimbursement:	The manager shall have an ongoing affiliation with OrthoNY and further professional development, education, and growth. The manager will be entitled to reimbursement from the Company for all reasonable and documented expenses incurred by the Manager in managing and conducting the business and affairs of the Company, provided all costs are incurred under the Company's policies, procedures, and budgetary limits.

The agreement provides that the facility operator will retain ultimate control in all the final decisions associated with the facility. 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.

#### Unit Redemption Agreement

The applicant has submitted executed Unit Redemption Purchase Agreements as summarized below:

Date:	December 13, 2024
Purchaser:	Executive Woods Ambulatory Surgery Center. LLC
Seller:	Frederick Fletcher, M.D.
Sold:	Frederick Fletcher, M.D., will sell 5.263% of his Executive Woods Ambulatory Surgery Center, LLC membership.
Consideration:	\$225,000 to be funded by the current 18 individual owners of OrthoNY ASC Holdings, LLC., at \$12,500 each (18 X \$12,500 = \$225,000)

BFA Attachment A, Summary of members' net worth, shows sufficient resources to meet the obligation.

#### OrthoNY Master ASC Holdings, LLC Unit Purchase Agreements

The applicant has submitted five (5) executed OrthoNY Master ASC Holdings, LLC Unit Purchase Agreements as summarized below:

Dates:	January 15, 2025, February 5, 2025, and February 10, 2025
Purchaser:	Adam Brod, M.D.; Kevin Emr, M.D.; Stefanos Haddad, M.D.; Andre Johnson, M.D. and Michael Okoli, M.D.
Seller/Company:	OrthoNY Master ASC Holdings, LLC
Purchase:	Each will purchase a 2.632% interest in OrthoNY Master ASC Holding, LLC.
Purchase Price:	Each has placed \$400,000 in escrow.



Amended and Restated OrthoNY Master ASC Holdings, LLC Unit Purchase Agreement  
The applicant has submitted one (1) executed amended and restated OrthoNY Master ASC Holdings, LLC Unit Purchase Agreement as summarized below:

Date:	December 31, 2024
Purchaser:	Mark Coseo, M.D.
Seller/Company:	OrthoNY Master ASC Holdings, LLC
Purchase:	Purchaser previously agreed to purchase a 3.03% interest in OrthoNY Master ASC Holdings, LLC. The Company amended the agreement to sell a 2.632% interest in OrthoNY Master ASC Holdings, LLC.
Purchase Price:	\$400,000 has been placed in escrow

Contribution, Exchange, and Distribution Agreement - OrthoNY Master ASC Holdings, LLC (aka ASC Holdings)

The applicant has submitted an executed Contribution, Exchange, and Distribution Agreement- OrthoNY Master ASC Holdings, LLC (relates to CON 251118, 251131, and 251147) as summarized below:

Date:	December 13, 2024
Contributors:	OrthoNY Master ASC Holdings, LLC – Members Contribution Matrix
Company:	OrthoNY Master ASC Holdings, LLC
Contributed Equity:	CON 251118 Executive Woods Ambulatory Surgery Center, LLC (EWASC) CON 251131 Clifton Part ASC, LLC (CPASC) CON 251147 Everett Road ASC, LLC (ERASC)
Agreed Value of Capital Contributions	\$3,780,202.97 from 32 physician members ( $\$3,780.97 \times 32 = \$120,966,495$ )
Cash Payments:	OrthoNY Master ASC Holdings, LLC will pay \$223,777.55 to 14 CPASC contributor physician members, totaling \$3,132,885. ( $\$223,777.55 \times 14 = \$3,132,885$ )
Funded:	All 38 proposed OrthoNY Master ASC Holdings, LLC members will share equally in funding the \$3,132,885 to the 14 CPASC contributor owners. Each will pay \$82,444.34 ( $38 \times \$82,444.34 = \$3,132,885$ )

BFA Attachment A, Summary of members' net worth, shows sufficient resources to meet the obligation.

Contribution, Exchange, and Distribution Agreement – OrthopedicsNY, LLP (aka OrthoNY)

The applicant has submitted an executed Contribution, Exchange, and Distribution Agreement- OrthopedicsNY, LLP (relates to CON 251118, 251131, and 251147) as summarized below:

Date:	December 13, 2024
Contributors:	OrthopedicsNY, LLP – Members Contribution Matrix
Company:	OrthopedicsNY LLP
Contributed Equity:	CON 251118 Executive Woods Ambulatory Surgery Center, LLC (EWASC) CON 251131 Clifton Part ASC, LLC (CPASC) CON 251147 Everett Road ASC, LLC (ERASC)
Agreed Value of Capital Contributions	\$1,260,067.66 from 32 physician members ( $\$1,260,067.66 \times 32 = \$40,322,165$ )
No Cash Payments (Value assigned for tax purposes and accounting):	OrthoNY is paying \$756,785.07 to 32 physician members for a total of \$24,217,123 ( $\$756,785.07 \times 32 = \$24,217,123$ )

## Capability and Feasibility

There are no project costs or service charges associated with this application. The Center will pay Dr. Fletcher \$225,000 to redeem his 5.263% membership interest in Executive Woods Ambulatory Surgery Center LLC. Six (6) new physician members will each pay \$400,000 for 2.632% membership in OrthoNY Master ASC Holdings LLC. Their payments are held in escrow. The applicant submitted two (2) contribution, exchange and distribution agreements, one for OrthoNY Master ASC Holding members and one for Orthopedics NY LLP. These agreements account for the current members of the OrthoNY's equity contribution into the new member organizations. There was a cash value assigned to these equity contributions but no cash changed hands and the cash value was used solely for book keeping purposes.

The working capital requirement is estimated at \$1,341,641 based on two months of first-year expenses. Funding will be met with equity from the operations and, if necessary, from its members. BFA Attachment A, Net Worth Statement of Proposed Members, and BFA Attachment H, 2023 Certified Financial Statements and December 31, 2024, Internal Financial Statement Executive Woods Ambulatory Surgery Center, LLC, show sufficient resources to meet the equity requirements.

The budget projects a net income of of \$3,006,778 and \$2,910,605, in Year One and Year Three, respectively. The budget appears reasonable.

BFA Attachment H shows a positive working capital position, positive net asset position, and a net income of \$3,092,185 in 2023 and a \$5,230,639 net income as of December 31, 2024.

BFA Attachment G, Executive Woods Ambulatory Surgery Center, LLC Pro Forma Balance Sheet, shows operations will have \$2,351,602 in members' equity as of the first day of operations.

## Conclusion

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

## Attachments

BFA Attachment A	Executive Woods Ambulatory Surgery Center, LLC – Net Worth of Proposed Members
BFA Attachment B	Executive Woods Ambulatory Surgery Center, LLC – Current Members
BFA Attachment C	OrthoNY Master ASC Holdings, LLC – Proposed 38 Members Direct Ownership Interest
BFA Attachment D	OrthoNY Master ASC Holdings, LLC – Proposed 38 Members Indirect Ownership Interest in Executive Woods Ambulatory Surgery Center, LLC
BFA Attachment E	OrthopedicsNY LLP - Proposed 33 Members Direct Ownership Interest
BFA Attachment F	OrthopedicsNY LLP - Proposed 33 Members Indirect Ownership Interest in Executive Woods Ambulatory Surgery Center, LLC
BFA Attachment G	Executive Woods Ambulatory Surgery Center, LLC - Pro Forma
BFA Attachment H	Executive Woods Ambulatory Surgery Center, LLC – 2023 Certified Financial Statement and December 31, 2024, Internal Financial Statement.
BFA Attachment I	Executive Woods Ambulatory Surgery Center, LLC – Current and Post-Transaction Organizational Chart



Project # 251131-E  
OrthoNY Surgical Suites

**Program:** Diagnostic and Treatment Center  
**Purpose:** Establishment

**County:** Saratoga  
**Acknowledged:** March 20, 2025

Executive Summary

Description

Clifton Park ASC, LLC d/b/a OrthoNY Surgical Suites (the Center), an existing New York proprietary, limited liability corporation that operates an Article 28 multi-specialty freestanding ambulatory surgery center (FASC) at 16 Maxwell Drive, Clifton Park (Saratoga County), New York 12065 requests approval to transfer 100% of its membership interest to two (2) proposed new corporate members: OrthoNY Master ASC Holdings, LLC (ASC Holdings) and OrthopedicsNY, LLP (OrthoNY).

The Center is currently owned by 15 individual physician members, each of whom has approximately a 6.667% interest in the Center

The current and proposed ownership is presented below:

Clifton Park ASC, LLC (current):

Members	Percentage Interests
Eric Aronowitz, M.D.	6.667%
James Boler, M.D.	6.667%
Daniel Bowman, M.D.	6.667%
Justin Ferrara M.D.	6.667%
Jonathan Gainor M.D.	6.667%
Thomas Jackson, M.D.	6.667%
Kevin Kleis, M.D.	6.667%
Joseph Larosa, M.D.	6.667%
William O'Connor, M.D.	6.667%
Daniil Polishchuk, M.D.	6.667%
Kevin Rosas, M.D.	6.667%
Laura Scordino, M.D.	6.667%
George Silver, M.D.	6.667%

Tory Speert, M.D.	6.667%
Matthew Stein, M.D.	6.667%
<b>Total:</b>	<b>100.000%</b>

Clifton Park ASC, LLC (proposed):

Members	Proposed Interest
OrthoNY Master ASC Holdings, LLC (ASC Holdings)	75%
OrthopedicsNY, LLP (OrthoNY)	25%
<b>Total</b>	<b>100%</b>

OrthoNY Master ASC Holdings, LLC is comprised of thirty-eight (38) physician members including twenty-four (24) new physician members with direct membership in the LLC. It should be noted that these new members are not current members of Clifton Park, ASC LLC.

OrthopedicsNY LLP is comprised of the 33 physician members.

Eric Aronowitz, M.D., an existing individual member of the Center, proposed member of ASC Holdings, and proposed partner of OrthoNY, will continue to serve as the Center's Medical Director. OrthoNY Surgical Suites has an existing transfer and affiliation agreement with Ellis Hospital, 10.2 miles and 20 minutes travel time from the Center.

OPCHSM Recommendation

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

### 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

There are no project costs or service changes associated with this application. The Center will pay Dr. O'Connor \$450,000 to redeem his 6.667% membership interest in Clifton Park ASC, LLC. Six (6) new physician members will each pay \$400,000 for 2.632% membership in OrthoNY Master ASC Holdings LLC.. Their payments are held in escrow.

<u>Budget:</u>	<u>Current</u>	<u>Year One</u>	<u>Year Three</u>
	<u>Year</u>		
Revenues:	\$15,974,815	\$15,913,819	\$15,913,819
Expenses:	<u>11,543,220</u>	<u>12,082,059</u>	<u>12,246,262</u>
	\$4,431,595	\$3,831,760	\$3,657,557

### 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 three years from the date of its issuance, contingent upon:**

1. 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;
  - 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 **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 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

June 18, 2025

## Program Analysis

### Program Description

Clifton Park ASC, LLC d/b/a OrthoNY Surgical Suites operates an existing Article 28 multi-specialty freestanding ambulatory surgery center located at 16 Maxwell Drive, Clifton Park (Saratoga County), New York 12065 (the Center). The Center is currently owned in equal amounts by 15 individual physician members. The Center is submitting this Certificate of Need Application to transfer 100% of its membership interest to two (2) proposed new corporate members: OrthoNY Master ASC Holdings, LLC (ASC Holdings) and OrthopedicsNY, LLP (OrthoNY). ASC Holdings will own 75% of the Center and OrthoNY will own 25% of the Center. Furthermore, one (1) existing member of the Center, William O'Connor, M.D., will redeem his membership interest and thereby withdraw from the Center. The Center will continue to be operated by Clifton Park ASC, LLC.

The Center is currently owned by 15 individual physician members, each of whom has approximately a 6.667% interest in the Center.

OrthoNY Master ASC Holdings, LLC will own 75% of the Center and will be comprised of 38 physician members, each of whom will own approximately a 2.632% interest in ASC Holdings.

OrthoNY will own 25% of the Center and will be comprised of 33 physician partners. One (1) physician partner, Lee Kaback, will own approximately a 5.888% interest in OrthoNY. The following 32 physician partners will own approximately a 2.941% interest in OrthoNY.

Eric Aronowitz, M.D., an existing individual member of the Center and a proposed member of ASC Holdings and a proposed partner of OrthoNY, will continue to serve as the Center's Medical Director.

### **Clifton Park ASC, LLC (current):**

<b>Members</b>	<b>Percentage Interests</b>
Eric Aronowitz, M.D.	6.667%
James Boler, M.D.	6.667%
Daniel Bowman, M.D.	6.667%
Justin Ferrara M.D.	6.667%
Jonathan Gainor M.D.	6.667%
Thomas Jackson, M.D.	6.667%
Kevin Kleis, M.D.	6.667%
Joseph Larosa, M.D.	6.667%
William O'Connor, M.D. (selling share)	6.667%
Daniil Polishchuk, M.D.	6.667%
Kevin Rosas, M.D.	6.667%
Laura Scordino, M.D.	6.667%
George Silver, M.D.	6.667%
Tory Speert, M.D.	6.667%
Matthew Stein, M.D.	6.667%
<b>Total:</b>	<b>100.000%</b>

**CLIFTON PARK ASC, LLC (proposed):**

<b>Members</b>	<b>Proposed Interest %</b>
OrthoNY Master ASC Holdings, LLC (ASC Holdings)	75%
OrthopedicsNY, LLP (OrthoNY)	25%
<b>Total</b>	<b>100%</b>

**OrthoNY Master ASC Holdings, LLC**

Direct Membership Interest in OrthoNY Master ASC Holdings, LLC:

<b>Members</b>	<b>Percentage Interest</b>
J. David Abraham, M.D.	2.632%
James Alfandre, M.D.	2.632%
Farrukh Ansari, M.D.	2.632%
Eric Aronowitz, M.D.	2.632%
James Boler, M.D.	2.632%
Daniel Bowman, M.D.	2.632%
Adam Brod, M.D.	2.632%
Charles Buttaci, D.O.	2.632%
Frank Congiusta, M.D.	2.632%
Mark Coseo, M.D.	2.632%
Samuel Dellenbaugh, M.D.	2.632%
David Dixon, M.D.	2.632%
Daniel Donovan, M.D.	2.632%
Kevin Emr, M.D.	2.632%
Justin Ferrara, M.D.	2.632%
Kyle Flik, M.D.	2.632%
Jonathan Gainor, M.D.	2.632%
Leonard Goldstock, M.D.	2.632%
Stefanos Haddad, M.D.	2.632%
Thomas Jackson, M.D.	2.632%
Andre Johnson, M.D.	2.632%
Lee Kaback, M.D.	2.632%
Richard Katz, M.D.	2.632%
Kevin Kleis, D.O.	2.632%
Joseph LaRosa, M.D.	2.632%
William Montgomery, M.D.	2.632%
Michael Okoli, M.D.	2.632%
Amar Parikh, M.D.	2.632%
Daniil Polishchuk, M.D.	2.632%
Luke Rigolosi, M.D.	2.632%
Kevin Rosas, M.D.	2.632%
Laura Scordino, M.D.	2.632%
George Silver, M.D.	2.632%
W. James Smith, M.D.	2.632%
Tory Speert, D.O.	2.632%
Matthew Stein, M.D.	2.632%
Adam Suslak, M.D.	2.632%
John Whalen, M.D.	2.632%
<b>Total</b>	<b>100.000%</b>

**OrthopedicsNY, LLP**

Direct Partnerships Interest in OrthopedicsNY, LLP:

<b>Partners</b>	<b>Percentage Interest</b>
J David Abraham, M.D.	2.941%
James Alfandre, M.D.	2.941%
Farrukh Ansari, M.D.	2.941%
Eric Aronowitz, M.D.	2.941%
James Boler, M.D.	2.941%
Daniel Bowman, M.D.	2.941%
Charles Buttaci, D.O.	2.941%
Frank Congiusta, M.D.	2.941%
Mark Coseo, M.D.	2.941%
Samuel Dellenbaugh, M.D.	2.941%
David Dixon, M.D.	2.941%
Daniel Donovan, M.D.	2.941%
Justin Ferrara, M.D.	2.941%
Kyle Flik, M.D.	2.941%
Jonathan Gainor, M.D.	2.941%
Leonard Goldstock, M.D.	2.941%
Thomas Jackson, M.D.	2.941%
Lee Kaback, M.D.	5.888%
Richard Katz, M.D.	2.941%
Kevin Kleis, DO.	2.941%
Joseph LaRosa, M.D.	2.941%
William Montgomery, M.D.	2.941%
Amar Parikh, M.D.	2.941%
Daniil Polishchuk, M.D.	2.941%
Luke Rigolosi, M.D.	2.941%
Kevin Rosas, M.D.	2.941%
Laura Scordino, M.D.	2.941%
George Silver, M.D.	2.941%
W. James Smith, M.D.	2.941%
Tory Speert, D.O.	2.941%
Matthew Stein, M.D.	2.941%
Adam Suslak, M.D.	2.941%
John Whalen, M.D.	2.941%
<b>Total</b>	<b>100.000%</b>



OrthoNY Surgical Suites has an existing transfer and affiliation agreement with Ellis Hospital, 10.2 miles and 20 minutes travel time from the Center.

**Character and Competence:**

Character and competence was completed for the Medical Director and 24 new physician members with a direct membership in OrthoNY Master ASC Holdings, LLC.

**J. David Abraham, M.D.** has been an orthopedic surgeon with OrthoNY since 1995. Prior to this, Dr. Abraham had a solo practice from 1988-1995. Dr. Abraham graduated from Colby College with a bachelor's degree in 1975 and from Albany Medical College with a Doctor of Medicine in 1979.

**James Alfandre, M.D.** has been an orthopedic surgeon with OrthoNY since 2001. Dr. Alfandre also works as a staff physician for Executive Woods Ambulatory Surgery Center, St. Peter's Hospital, Samaritan Hospital, and St. Mary's Hospital in Troy. Dr. Alfandre has been on the OrthoNY Executive Committee since 2008 and has been the medical director of Executive Woods Ambulatory Surgery Center since 2008. Dr. Alfandre graduated from SUNY Health Science Center at Syracuse with a Doctor of Medicine in 1994 and is board certified in Orthopaedic Surgery.

**Farrukh Ansari, M.D.** has worked as an attending physician in pain management since September of 2015. Dr. Ansari has served as the chair of the physician recruitment committee at OrthoNY for four years as well as serving on the executive committee for three years. Dr. Ansari graduated from Stony Brook University School of Medicine with a Doctor of Medicine in 2010, completed an internship at Winthrop University Hospital in 2011, completed a residency in Anesthesiology at New York University School of Medicine in 2014, and completed a fellowship in Pain Medicine at Mount Sinai Beth Israel in 2015. Dr. Ansari is board certified in Anesthesiology and Pain Management.

**Eric Aronowitz, M.D.** will continue to be the medical director of the facility. Dr. Aronowitz has been a partner in orthopedic practice at OrthoNY since 2014. Prior to this, Dr. Aronowitz was a partner in Schenectady Regional Orthopedic Associates from 2000-2014. Dr. Aronowitz graduated from the University of Vermont with a bachelor's degree in 1990, and from SUNY Health Science Center at Syracuse with a Doctor of Medicine in 1994. Dr. Aronowitz is board certified in Orthopaedic Surgery.

**Adam Brod, M.D.** has been a practicing Orthopedic Surgeon at OrthoNY since May of 2023 and has been the chair of the department of orthopedics at Glens Falls Hospital for the last six years with duties including managing the department and sitting on the medical executive committee of the hospital. Prior to this, Dr. Brod worked as an Orthopedic Surgeon at North Country Orthopedic Specialists from 2014-2018. Dr. Brod graduated from the University of Rochester with a bachelor's degree in 2004 and from the State University of New York at Buffalo with a Doctor of Medicine in 2008. Dr. Brod is board certified in Orthopaedic Surgery.

**Charles Buttaci, D.O.** has worked for OrthoNY as a Pain Management Specialist since 2007. Dr. Buttaci graduated from Northeastern University with a bachelor's degree in 1997 and from the University of Medicine and Dentistry of New Jersey with a Doctor of Osteopathic Medicine [https://en.wikipedia.org/wiki/Doctor\\_of\\_Osteopathic\\_Medicine](https://en.wikipedia.org/wiki/Doctor_of_Osteopathic_Medicine) in 1997. Dr. Buttaci is board certified in Physical Medicine and Rehabilitation.

Charles Buttaci disclosed the following lawsuit:

Kathleen Connery-Lacy vs. Charles Buttaci/Albany County Court/Malpractice

Per the applicant, this case was settled on 1/4/19.

**Frank Congiusta, M.D.** has been an Orthopedic Surgeon with OrthoNY since 2007. Dr. Congiusta graduated from Colombia University with a bachelor's degree in 1996 and from Albany Medical College with a Doctor in Medicine in 2000 and is board certified in Orthopaedic Surgery.

Frank Congiusta has disclosed the following lawsuits:

Ruth Dixon vs. Frank Congiusta/Albany County Court/Malpractice

Per the applicant, this case with discontinued on 4/23/2018.

Myriam Barrios vs. Frank Congiusta, OrthopedicsNY, LLP, Rich Dalabo, St. Peter's Hospital/Albany County Court/Malpractice.

Per the applicant this case settled in February of 2020.

Margaret Layuretti-O'neil vs. Frank Congiusta and OrthopedicsNY, LLP/Columbia County Court/Malpractice

Per the applicant this case was settled on 08/11/2023.

Patricia Perella vs. Frank Congiusta, OrthopedicsNY, LLP/Greene County Court/Malpractice

Per the applicant, this case was discontinued in 2023.

**Mark Coseo, M.D.** has worked at OrthoNY since 2021 as a general Orthopedic Surgeon and Spine Surgeon. Prior to this, Dr. Coseo worked as an Orthopedic Surgeon at Naval Medical Center, Portsmouth from 2019-2021 and 2015-2018, and from 2018-2019 worked as the Director of Surgical Services of Navy Role 2 Expeditionary Medical Unit. Dr. Coseo graduated from Cornell University with a bachelor's degree in 2003 and from the Uniformed Services University of the Health Sciences with a Doctor of Medicine 2007. Dr. Coseo completed an internship in Orthopedic Surgery at Naval Medical Center in San Diego in 2008 and a residency in 2012. Dr. Coseo completed a fellowship in Adult and Pediatric Spine Surgery at Norton Leatherman Spine Center in 2015. Dr. Coseo is board certified in Orthopaedic Surgery.

**Samuel Dellenbaugh, M.D.** has worked as an Orthopedic Surgeon for OrthoNY since 2013. Dr. Dellenbaugh graduated from Princeton University with a bachelor's degree in 1996 and from Colombia College with a Doctor of Medicine in 2007. Dr. Dellenbaugh is board certified in Orthopaedic Surgery. Dr. Dellenbaugh disclosed the following lawsuits:

Amy Nicole (Lalosa) vs. Samuel Dellenbaugh, M.D./Albany County Court/Malpractice

Per the applicant, this case settled in February 2025.

Daniel Winters vs. Samuel Dellenbaugh, M.D, OrthopedicsNY, LLP, Joseph Kraut, Chris Sczesniak/Albany County Court/Malpractice

Per the applicant, this case was discontinued on 8/28/2024.

**David Dixon, M.D.** has been an Orthopedic Surgeon with OrthoNY since 2003, specializing in orthopedic foot and ankle reconstruction and trauma surgery. Dr. Dixon graduated from the Holy Cross College with a bachelor's degree in 1991 and from the University of Vermont Medical School with a Doctor of Medicine in 1995. Dr. Dixon is board certified in Orthopaedic Surgery.

Dr. Dixon disclosed the following lawsuits:

Wendy Candiano vs. David Dixon, St. Peter's Hospital

Per the applicant, this case was settled in December of 2022

Kathy Neidrauer vs. David Dixon, OrthopedicsNY, LLP/Albany County Court/Malpractice

Per the applicant, this case is still pending.

**Daniel Donovan, M.D.** has worked as an Orthopedic Surgeon at OrthoNY since 2018. Dr. Donovan graduated from the State University of New York College at Geneseo with a bachelor's degree in 2008, and from the State University of New York at Buffalo School of Medicine with a Doctor of Medicine in 2012. Dr. Donovan completed an Orthopaedic Surgery Residency at Mt. Sinai St. Luke's in 2017 and a Hand and Upper Extremity Surgery Microsurgery Fellowship at the University of California in August of 2018. Dr. Donovan is board certified in Orthopaedic Surgery.

**Kevin Emr, M.D.** is a board certified and licensed physician who performs surgical procedures in the ambulatory surgery center and participates in leadership roles in quality assurance. Dr. Emr graduated from Cornell University with a bachelor's degree in 2010 and from SUNY Upstate with a Doctor of Medicine in 2015. Dr. Emr completed an anesthesiology residency at Albany Medical Center in 2019 and a Pain Medicine Fellowship at Dartmouth Hitchcock Medical Center in 2020. Dr. Emr is board certified in Anesthesiology and Preventative Medicine.

Dr. Emr disclosed the following pending lawsuit which he has been named as a co-defendant:

Colandrea vs. Howe et. al./Albany Supreme Court/ 904218-22/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, the complaint alleges a failure to properly position the plaintiff causing bilateral lower extremity numbness, weakness, and pain. Dr. Emr was the attending anesthesiologist for the surgery and was not involved in the lower extremity positioning.

**Kyle Flik, M.D.** has been an Orthopedic Surgeon with OrthoNY since 2005 and is also the Medical Director of Executive Woods Ambulatory Surgery Center. Dr. Flik graduated from Dartmouth College with a bachelor's degree in 1991 and from the University of Vermont with a Doctor of Medicine in 1999. Dr. Flik is board certified in Orthopaedic Surgery.

Dr. Flik disclosed the following lawsuits:

BURDO, ROBERT JR. vs. FLIK, KYLE R., M.D.; MEMORIAL HOSPITAL/Schenectady Supreme Court/2011-0650/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was discontinued on 7/3/2015

ROSETTI, RICHARD G vs. ORTHOPEDICSNY, LLP/New York Supreme Court/ 805039/2015/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was discontinued on 2/21/19

**Leonard Goldstock, M.D.** is an Orthopedic Surgeon and existing owner at Executive Woods ASC, LLC. Dr. Goldstock graduated from Cornell University with a bachelor's degree in 1985 and from Albany Medical College with a Doctor of Medicine in 1989. Dr. Goldstock completed an Internship in Orthopedics at Albany Medical Center in 1990, a residency at Albany Medical Center in 1994, and a fellowship in Hand and Upper Extremity at Massachusetts General Hospital in 1995. Dr. Goldstock is board certified in Orthopaedic Surgery.

**Stefanos Haddad, M.D.** has been an Orthopedic Surgeon at OrthoNY for two years, completing roughly 500 surgeries at the Center in the last year. Dr. Haddad graduated from SUNY Albany with a bachelor's degree in 2011, and from SUNY Upstate Medical University with a Doctor of Medicine in 2016. Dr. Haddad completed a residency in Orthopedic Surgery at Albany Medical Center in 2021 and a fellowship at Rothman Institute Hand and Upper Extremity Surgery in 2022. Dr. Haddad is board certified in Orthopaedic Surgery.

**Andre Johnson, M.D.** has worked as an Orthopedic Surgeon for OrthoNY since 2023 and has been the Chairman of the Department of Surgery at Glens Falls Hospital since 2018. Prior to this, Dr. Johnson worked for North Country Sports from 2012 to 2023. Dr. Johnson graduated from Northwestern University with a bachelor's degree in 1997 and from Albany Medical College with a Doctor of Medicine in 2001. Dr. Johnson completed a residency in Orthopedic Surgery at Akron General Medical Center in 2006 and a fellowship at in Orthopedic Surgery in Sports Medicine at Nirschl Orthopaedic in 2007. Dr. Johnson is board certified in Orthopaedic Surgery.

The following lawsuits were undisclosed:

LAWSON, MICHAEL J vs. JOHNSON, ANDRE H, MD., NORTH COUNTRY/ Warren Supreme Court/ 62552/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case settled and was closed on 7/26/17.

**Lee Kaback, M.D.** has worked for OrthoNY in various roles since 2013, including Urgent Care Medical Director since 2013, Executive team member since 2022, and Vice President since 2023. Dr. Kaback graduated from the University of Vermont with a bachelor's degree in 1995, from Albany Medical College with a master's degree in 1999, and from the University of Vermont with a Doctor of Medicine in 2004. Dr. Kaback completed a residency in Orthopedic Surgery at the University of Rochester in 2010 and a fellowship in arm and shoulder surgery at Brown University School of Medicine in 2011. Dr. Kaback is board certified in Orthopaedic Surgery.

Dr. Kaback disclosed the following lawsuits:

Scannapieco vs. Alfred M.D. et. al./ Albany Supreme Court/ 908628-23/Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case is still pending.

Stillman vs. Kaback et. al./ Albany Supreme Court/ 904910-21/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case settled in 2023.

**Richard Katz, M.D.** is an existing owner at Executive Woods ASC, LLC. Dr. Katz graduated from Vanier College in 1978 with a Diploma of collegiate studies and from McGill University with a Doctor of Medicine in 1983. Dr. Katz is board certified in Orthopaedic Surgery.

The following lawsuit was undisclosed:

Legace vs. Katz/ Albany Supreme Court/ 904113-22/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case resulted in a defense verdict in favor of Dr. Katz on 9/16/24.

**William Montgomery, M.D.** has been an Orthopedic Surgeon at OrthoNY since 2008. Dr. Montgomery graduated from the University of Vermont with a bachelor's degree in 1993, and from the University of Hawaii with a master's in public health in 1997 and with a Doctor of Medicine in 2001. Dr. Montgomery is board certified in Orthopaedic Surgery.

Dr. Montgomery disclosed the following lawsuit:

Walsh, Roy et al vs. OrthoNY, LLP et al/ Montgomery Supreme Court/ EF2023-188/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case is pending.

**Michael Okoli, M.D.** has worked as an Orthopedic Surgeon at OrthopedicsNY since 2022. Prior to this, Dr. Okoli was a Clinical Research Coordinator at the Department of Neuropsychiatry at the Hospital of the University of Pennsylvania from 2009 to 2012. Dr. Okoli graduated from the University of Pennsylvania with a bachelor's degree in 2009 and from the Feinberg School of Medicine/Northwestern with a Doctor of Medicine in 2016. Dr. Okoli completed an internship in Orthopaedic Surgery at Thomas Jefferson University in 2021 and a fellowship in Hand and Microsurgery at SUNY Stony Brook University Hospital in 2022. Dr. Okoli is board certified in Orthopaedic Surgery.

**Amar Parikh, M.D.** has worked as a Pain Management Specialist at OrthoNY since 2013. Dr. Parikh graduated from Union College with a bachelor's degree in 2004 and from Union University with a Master of Business Administration in 2005. In 2008 Dr. Parikh received a Doctor of Medicine from Albany Medical College and completed a residency and fellowship at Beth Israel Deaconess Medical Center in 2013. Dr. Parikh is board certified in Anesthesiology.

**Luke Rigolosi, M.D.** has worked as a pain management physician since 2005 at OrthoNY. Prior to this, Dr. Rigolosi was the Physician Director of Executive Woods ASC from 2008 to 2012 and an Executive Committee Member of OrthoNY from 2008-2016. Dr. Rigolosi graduated from Brown University with a bachelor's degree in 1995 and from New Jersey Medical School with a Doctor of Medicine in 2000. Dr. Rigolosi completed a residency at Kessler Institute for Rehabilitation in 2004 and a fellowship in Pain Management at Sinai of Baltimore via York in 2005. Dr. Rigolosi is board certified in Physical Medicine and Rehabilitation with a sub certification in Pain Medicine.

**W. James Smith, M.D.** has been an Orthopedic and Hand Surgeon at Northeast Orthopedics since 2012 and is a partner/owner in this facility. Dr. Smith graduated from Boston University School of Medicine with a Doctor of Medicine in 1984. Dr. Smith is board certified in Orthopaedic Surgery with subspecialty in Hand Surgery.

Dr. Smith disclosed the following lawsuit:

Schuppe vs. Daniel J. Bowman, MD, James Smith/Schenectady Court/Malpractice Claim

Per the applicant, this case was discontinued on 9/28/18.

**Adam Suslak, M.D.** is an Orthopedic Surgeon and has ownership in Executive Woods ASC, LLC since 2016 and Everett Road ASC since 2018. Dr. Suslak graduated from the University of Medicine and Dentistry of New Jersey with a Doctor of Medicine in 2005. Dr. Suslak is board certified in Orthopaedic Surgery.

**John Whalen, M.D.** has worked as an Orthopedic Surgeon, Spine Specialist for OrthoNY since 1995. Dr. Whalen graduated from Union College in 1985 with a bachelor's degree and from Yale School of Medicine in 1989 with a Doctor of Medicine. Dr. Whalen is board certified in Orthopaedic Surgery. Dr. Whalen disclosed the following lawsuits:

Gelais vs. John Whalen, MD, Northeast Orthopedics/Rensselaer County/Malpractice Claim

Per the applicant, this case was discontinued on 4/25/14.

Chaney vs. John Whalen, MD, Samaritan Hospital/Albany County/Malpractice Claim

Per the applicant, this case was discontinued on 3/24/24.

Bonneau vs. John Whalen, MD, Northeast Orthopedics/Albany County/Malpractice Claim

Per the applicant, this case was discontinued on 2/25/25.

**The following case names OrthoNY:**

Sayers vs. OrthopedicsNY/Albany Supreme Court/ 911154-24/ Comm-Contract

Per the applicant, this is a class action lawsuit stemming from a potential disclosure of information due to a security incident during which cybercriminals accessed data from a portion of OrthoNY's computer network in December 2023. The lawsuit is pending.

**Compliance with Applicable Codes, Rules and Regulations**

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

### Financial Analysis

The applicant has submitted the Current Year (2023) and the Year One and Year Three projected operating budgets, in 2025 dollars, as summarized below:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
<u>Revenues:</u>	<u>Procedure</u>	<u>Total</u>	<u>Procedure</u>	<u>Total</u>	<u>Procedure</u>	<u>Total</u>
Medicaid – FFS	\$2,082.90	\$20,829	\$2,124.60	\$21,246	\$2,124.60	\$21,246
Medicaid – MC	\$1,693.39	983,859	\$1,692.30	1,003,536	\$1,692.30	1,003,536
Medicare – FFS	\$2,483.57	1,274,072	\$2,484.80	1,299,553	\$2,484.80	1,299,553
Medicare - MC	\$2,993.55	2,867,824	\$2,994.04	2,925,180	\$2,994.04	2,925,180
Commercial- FFS	\$4,159.17	9,512,011	\$4,159.17	9,466,260	\$4,159.17	9,466,260
Private Pay	\$1,354.38	10,835	\$1,381.50	11,052	\$1,381.50	11,052
All Other	\$2,852.25	1,163,717	\$2,853.35	1,186,992	\$2,853.35	1,186,992
Grant Non-Recur		<u>141,668</u>		<u>0</u>		<u>0</u>
Total Revenue		\$15,974,815		\$15,913,819		\$15,913,819
 <u>Expenses:</u>						
Operating	\$2,261.65	\$10,776,782	\$2,307.90	\$11,315,621	\$2,341.39	\$11,479,824
Capital	<u>\$160.85</u>	<u>766,438</u>	<u>\$156.32</u>	<u>766,438</u>	<u>\$156.32</u>	<u>766,438</u>
Total Expenses:	\$2,422.50	\$11,543,220	\$2,464.22	\$12,082,059	\$2,497.71	\$12,246,262
 Net Income						
		<u>\$4,431,595</u>		<u>\$3,831,760</u>		<u>\$3,667,557</u>
 Procedures						
		4,765		4,903		4,903
Cost/Procedure		\$2,423.00		\$2,464.22		\$2,497.71

The following is noted concerning the submitted budget:

- The Current Year reflects the facility's 2023 cost reports.
- Current Year staffing reflects 2023 staffing levels and utilizes 2023 AHCF cost report data. No change is expected in Year One and Year Three
- Years One and Year Three project an increase in utilization, expense, and revenue, based on the Center's historical performance.
- Years One and Year Three reimbursement rates reflect the Center's 2023 rates.

Utilization by payor for the current, first, and third years is summarized below:

<u>Payor:</u>	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
<u>Description</u>	<u>Proc</u>	<u>%</u>	<u>Proc</u>	<u>%</u>	<u>Proc</u>	<u>%</u>
Medicaid - FFS	10	0.21%	10	0.21%	10	0.21%
Medicaid - MC	581	12.19%	593	12.09%	593	12.09%
Medicare – FFS	513	10.77%	523	10.67%	523	10.67%
Medicare - MC	958	20.10%	977	19.93%	977	19.93%
Commercial – FFS	2,287	48.00%	2,277	46.44%	2,277	46.44%
Private Pay	8	0.17%	8	0.16%	8	0.16%
Charity	0	0.00%	99	2.02%	99	2.02%
All Other	<u>408</u>	<u>8.56%</u>	<u>416</u>	<u>8.48%</u>	<u>416</u>	<u>8.48%</u>
Total	4,765	100%	4,903	100%	4,903	100%

### Lease Agreement

The applicant has submitted an executed lease agreement for the existing site, the terms of which are summarized below:

Date:	August 2, 2017
Premises:	16 Maxwell Drive, Clifton Park, 12065
Landlord:	Northside Partnership, LLC
Tenant:	Clifton Park ASC, LLC
Term:	10 years Renewal, three (3) 5-year terms
Rent:	\$127,982 (\$10,665.13 monthly). Rent increases 10% every 5 years
Provisions:	Tenant is responsible for taxes, insurance, utilities, and maintenance.

The Department has previously approved this arms-length lease.

### Amended and Restated Administrative Service and Billing Agreement

The applicant has submitted an executed administrative service and billing agreement; the terms are summarized below:

Date:	December 13, 2024
Operator:	Clifton Park ASC, LLC
Contractor:	OrthopedicsNY, LLP
Services Provided:	Provide financial management services, including budget preparation, bookkeeping, bank account reconciliation, accounts payable, accounts receivable management, and economic analysis. Provide monthly reports of revenue/expense with budget variance analysis for review. Establishing, monitoring, and presenting key performance indicators monthly. Generate required financial and operational reports, including DOH/SPACS data files, pool reports, and cost reporting. Provide support for the Operator's maintenance of its EHR and Practice Management Software system. Establish and maintain the Operator's IT network infrastructure, including security procedures—aid Operator concerning human resources management and recruitment, interviewing, and evaluating staffing candidates, and supervising, coordinating, and facilitating the performance of the Operator's annual strategic planning functions for the Center, including a yearly governing body meeting. The parties mutually agree in writing to carry out other functions.
Term:	20 years with automatic ten (10) year renewal
Fee:	\$224,000 per year (\$18,666.66 per month), after the first 12 months, the parties will establish a monthly fee for the next six months

The agreement provides that the facility operator will retain ultimate control in all the final decisions associated with the facility. 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.

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 under Article 28 of the Public Health Law with concerning the period before the applicant acquiring its interest, without releasing the transferor of its liability and responsibility. As of May 13, 2025, the facility had no outstanding Medicaid overpayment liabilities.



#### Outside Manager Agreement – Clifton Park ASC, LLC

The applicant has submitted an executed Outside Manager Agreement as summarized below:

Date:	January 15, 2025 (effective upon the Department's approval)
Operator:	Clifton Park ASC, LLC
Outside Manager:	David Fitzgerald
Services:	The Manager shall devote time to the Company as is reasonably necessary for performing his duties. Shall have the right to vote on all matters presented to the Company's Board of Managers and shall act in good faith and in the Company's best interest. The Manager defers to OrthoNY on all issues that require Facility control.
Term:	3 years with automatic three (3) year renewal (each renewal to be approved by the Department)
Consideration; Reimbursement:	The manager shall have ongoing affiliation with OrthoNY and further professional development, education, and growth. The manager will be entitled to reimbursement from the Company for all reasonable and documented expenses incurred by the Manager in managing and conducting the business and affairs of the Company, provided all costs are incurred under the Company's policies, procedures, and budgetary limits.

The agreement provides that the facility operator will retain ultimate control in all of the final decisions associated with the facility. 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.

#### Unit Redemption Agreement

The applicant has submitted executed Unit Redemption Purchase Agreements as summarized below:

Date:	December 13, 2024
Purchaser:	Clifton Park ASC, LLC
Seller:	William O'Connor, M.D.
Sold:	William O'Connor, M.D., will sell 6.667% of his Clifton Park ASC, LLC membership.
Consideration:	\$450,000 the current 14 individual owners of OrthoNY ASC Holdings, LLC., at \$32,142.86 each (14 X \$32,142.86 = \$450,000)

BFA Attachment A, Summary of members' net worth, shows sufficient resources to meet the obligation

#### OrthoNY Master ASC Holdings, LLC Unit Purchase Agreements

The applicant has submitted five (5) executed OrthoNY Master ASC Holdings, LLC Unit Purchase Agreements as summarized below:

Dates:	January 15, 2025, February 5, 2025, and February 10, 2025
Purchaser:	Adam Brod, M.D.; Kevin Emr, M.D.; Stefanos Haddad, M.D.; Andre Johnson, M.D. and Michael Okoli, M.D.
Seller/Company:	OrthoNY Master ASC Holdings, LLC
Purchase:	Each will purchase a 2.632% interest in OrthoNY Master ASC Holding, LLC.
Purchase Price:	Each has placed \$400,000 in escrow.

Amended and Restated OrthoNY Master ASC Holdings, LLC Unit Purchase Agreement  
The applicant has submitted one (1) executed amended and restated OrthoNY Master ASC Holdings, LLC Unit Purchase Agreement as summarized below:

Date:	December 31, 2024
Purchaser:	Mark Coseo, M.D.
Seller/Company:	OrthoNY Master ASC Holdings, LLC
Purchase:	Purchaser previously agreed to purchase a 3.03% interest in OrthoNY Master ASC Holdings, LLC. The Company amended the agreement to sell a 2.632% interest in OrthoNY Master ASC Holdings, LLC.
Purchase Price:	\$400,000 has been placed in escrow

Contribution, Exchange, and Distribution Agreement - OrthoNY Master ASC Holdings, LLC (aka ASC Holdings)

The applicant has submitted an executed Contribution, Exchange and Distribution Agreement- OrthoNY Master ASC Holdings, LLC (relates to CON 251118, 251131, and 251147) as summarized below:

Date:	December 13, 2024
Contributors:	OrthoNY Master ASC Holdings, LLC – Members Contribution Matrix
Company:	OrthoNY Master ASC Holdings, LLC
Contributed Equity:	CON 251118 Executive Woods Ambulatory Surgery Center, LLC (EWASC) CON 251131 Clifton Part ASC, LLC (CPASC) CON 251147 Everett Road ASC, LLC (ERASC)
Agreed Value of Capital Contributions	\$3,780,202.97 from 32 physician members ( $\$3,780.97 \times 32 = \$120,966,495$ )
Cash Payments:	OrthoNY Master ASC Holdings, LLC will pay \$223,777.55 to 14 CPASC contributor physician members, totaling \$3,132,885. ( $\$223,777.55 \times 14 = \$3,132,885$ )
Funded:	All 38 proposed OrthoNY Master ASC Holdings, LLC members will share equally in funding the \$3,132,885 to the 14 CPASC contributor owners. Each will pay \$82,444.34 ( $38 \times \$82,444.34 = \$3,132,885$ )

BFA Attachment A, Summary of members' net worth, shows sufficient resources to meet the obligation.

Contribution, Exchange, and Distribution Agreement – Orthopedicsny, LLP (aka OrthoNY)

The applicant has submitted an executed Contribution, Exchange and Distribution Agreement- OrthopedicsNY, LLP (relates to CON 251118, 251131, and 251147) as summarized below:

Date:	December 13, 2024
Contributors:	OrthopedicsNY, LLP – Members Contribution Matrix
Company:	OrthopedicsNY LLP
Contributed Equity:	CON 251118 Executive Woods Ambulatory Surgery Center, LLC (EWASC) CON 251131 Clifton Part ASC, LLC (CPASC) CON 251147 Everett Road ASC, LLC (ERASC)
Agreed Value of Capital Contributions	\$1,260,067.66 from 32 physician members ( $\$1,260,067.66 \times 32 = \$40,322,165$ )
No Cash Payments (Value assigned for tax purposes and accounting):	OrthoNY is paying \$756,785.07 to 32 physician members for a total \$24,217,123 ( $\$756,785.07 \times 32 = \$24,217,123$ )

## Capability and Feasibility

There are no project costs or service charges associated with this application. The Center will pay Dr. O'Connor \$450,000 to redeem his 6.667% membership interest in Clifton Park ASC, LLC. Six (6) new physician members will each pay \$400,000 for 2.632% membership in OrthoNY Master ASC Holdings LLC. Their payments are held in escrow. The applicant submitted two (2) contribution, exchange and distribution agreements, one for OrthoNY Master ASC Holding members and one for Orthopedics NY LLP. These agreements account for the current members of the OrthoNY's equity contribution into the new member organizations. There was a cash value assigned to these equity contributions, but no cash changed hands, and the cash value was used solely for bookkeeping purposes.

The working capital requirement is estimated at \$2,013,677 based on two months of first-year expenses. Funding will be met with equity from the operations and, if necessary, from its members. BFA Attachment A, Net Worth Statement of Proposed Members, and BFA Attachment H, 2023 Certified Financial Statements and December 31, 2024, Internal Financial Statement – Clifton Park ASC, LLC, show sufficient resources to meet the equity requirements.

The submitted budget projects a net income of \$3,831,760 and \$3,667,557 in Year One and Year Three, respectively. The budget appears reasonable.

BFA Attachment H shows a positive working capital position, positive net asset position, and a net income of \$4,431,595 in 2023 and a \$9,011,672 in 2024.

BFA Attachment G, Clifton Park ASC, LLC Pro Forma Balance Sheet shows operations will start with \$2,648,132 in members' equity as of the first day of operations.

## Conclusion

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

## Attachments

BFA Attachment A	Clifton Park ASC, LLC – Net Worth of Proposed Members
BFA Attachment B	Clifton Park ASC, LLC – Current Members
BFA Attachment C	OrthoNY Master ASC Holdings, LLC – Proposed 38 Members Direct Ownership Interest
BFA Attachment D	OrthoNY Master ASC Holdings, LLC – Proposed 38 Members Indirect Ownership Interest in Clifton Park ASC, LLC
BFA Attachment E	OrthopedicsNY LLP - Proposed 33 Members Direct Ownership Interest
BFA Attachment F	OrthopedicsNY LLP - Proposed 33 Members Indirect Ownership Interest in Clifton Park ASC, LLC
BFA Attachment G	Clifton Park ASC, LLC - Pro Forma
BFA Attachment H	Clifton Park ASC, LLC – 2023 Certified Financial Statement and December 31, 2024, Internal Financial Statement.
BFA Attachment I	Clifton Park ASC, LLC – Current and Post-Transaction Organizational Chart



# Department of Health

# Public Health and Health Planning Council

## Project # 251147-E Everett Road Surgery Center

**Program:** Diagnostic and Treatment Center  
**Purpose:** Establishment

**County:** Albany  
**Acknowledged:** March 28, 2025

### Executive Summary

#### Description

Everett Road ASC, LLC d/b/a Everett Road Surgery Center (the Center), an existing New York proprietary, limited liability company that operates an Article 28 multi-specialty freestanding ambulatory surgery center (FASC) at 123 Everett Road, Suite 200 (Albany County), requests approval for OrthoNY ASC Holding, LLC to transfer its entire 66% ownership interest to two (2) proposed new members: OrthoNY Master ASC Holdings, LLC (ASC Holdings) and OrthopedicsNY, LLP (OrthoNY).

The Center is currently owned by the following three (3) members: OrthoNY ASC Holdings, LLC (66%); St. Peter's Hospital of the City of Albany (20%); and AENT ASC Holdings, LLC (14%).

The current and proposed ownership is presented below:

#### Everett Road ASC, LLC (current)

Members	Current Interest
OrthoNY ASC Holdings, LLC	66%
St. Peter's Hospital	20%
AENT Holdings, LLC	14%
<b>Total:</b>	<b>100%</b>

#### Everett Road ASC, LLC (proposed)

Members	Proposed Interest
OrthoNY Master ASC Holdings, LLC (ASC Holdings)	49.5%
OrthopedicsNY, LLP (OrthoNY)	16.5%

St. Peter's Hospital	20%
AENT Holdings, LLC	14%
<b>Total</b>	<b>100%</b>

OrthoNY Master ASC Holdings, LLC, a new corporate member, is comprised of thirty-eight (38) physician members with direct ownership in the LLC.

OrthopedicsNY LLP is comprised of the 33 physician members.

Frank Congiusta, M.D., Board-certified in Orthopedics, will continue to serve as the Medical Director. The Center has negotiated a Transfer and Affiliation Agreement for emergency and backup services with St. Peter's Hospital, 5.1 miles (11 minutes travel time) away.

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

There are no project costs or service charges associated with this application. OrthoNY ASC Holding, LLC will pay Dr. Fletcher \$225,000 to

redeem his 5.263% membership interest in OrthoNY ASC Holding, LLC. Six new physician members will each pay \$400,000 for 2.632% membership in OrthoNY Master ASC Holdings LLC. Their payments are held in escrow.

<u>Budget:</u>	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
Revenues:	\$17,160,970	\$17,233,136	\$17,233,136
Expenses:	\$14,054,733	\$14,666,697	\$14,846,722
Net Income:	\$3,106,237	\$2,566,440	\$2,386,414

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

June 18, 2025

## Program Analysis

### Program Description

Everett Road ASC, LLC d/b/a Everett Road Surgery Center operates an Article 28 multi-specialty freestanding ambulatory surgery center at 123 Everett Road, Albany (Albany County), New York 12205 (the Center). The Center is currently owned by the three (3) members: OrthoNY ASC Holdings, LLC (66%); St. Peter's Hospital of the City of Albany (20%); and AENT ASC Holdings, LLC (14%). The Center is seeking approval for OrthoNY ASC Holdings, LLC to transfer its entire 66% membership interest to two (2) proposed new corporate members: OrthoNY Master ASC Holdings, LLC (ASC Holdings) and OrthopedicsNY, LLP (OrthoNY). OrthoNY ASC Holdings, LLC will withdraw from the Center as a result of this Application. ASC Holdings will own 49.5% of the Center and OrthoNY will own 16.5% of the Center. Furthermore, one (1) existing individual member of OrthoNY ASC Holdings, LLC, Frederick Fletcher, M.D., will redeem his membership interest and thereby withdraw from the Center. The Center will continue to be operated by Everett Road ASC, LLC.

ASC Holdings will own 49.5% of the Center and will be comprised of 38 physician members, each of whom will own approximately a 2.632% interest in ASC Holdings.

OrthoNY will own 16.5% of the Center and will be comprised of 33 physician partners. One (1) physician partner, Lee Kaback, will own approximately a 5.888% interest in OrthoNY. The remaining 32 physician partners will own approximately a 2.941% interest in OrthoNY.

Frank Congiusta, M.D., an existing member of OrthoNY ASC Holdings, LLC, and a proposed member of ASC Holdings and partner in OrthoNY, will continue to serve as the Center's Medical Director.

### **Everett Road ASC, LLC (current ownership)**

Members	Percentage Interests
OrthoNY ASC Holdings, LLC	66%
St. Peter's Hospital of the City of Albany	20%
AENT Holdings, LLC	14%
<b>Total:</b>	<b>100%</b>

### **Everett Road ASC, LLC (proposed ownership)**

Members	Proposed Interest
OrthoNY Master ASC Holdings, LLC (ASC Holdings)	49.5%
OrthopedicsNY, LLP (OrthoNY)	16.5%
St. Peter's Hospital of the City of Albany	20%
AENT Holdings, LLC	14%
<b>Total</b>	<b>100%</b>

**OrthoNY Master ASC Holdings, LLC**

Direct Membership Interest in OrthoNY Master ASC Holdings, LLC (proposed)

<b>Members</b>	<b>Percentage Interest</b>
J. David Abraham, M.D.	2.632%
James Alfandre, M.D.	2.632%
Farrukh Ansari, M.D.	2.632%
Eric Aronowitz, M.D.	2.632%
James Boler, M.D.	2.632%
Daniel Bowman, M.D.	2.632%
Adam Brod, M.D.	2.632%
Charles Buttaci, D.O.	2.632%
Frank Congiusta, M.D.	2.632%
Mark Coseo, M.D.	2.632%
Samuel Dellenbaugh, M.D.	2.632%
David Dixon, M.D.	2.632%
Daniel Donovan, M.D.	2.632%
Kevin Emr, M.D.	2.632%
Justin Ferrara, M.D.	2.632%
Kyle Flik, M.D.	2.632%
Jonathan Gainor, M.D.	2.632%
Leonard Goldstock, M.D.	2.632%
Stefanos Haddad, M.D.	2.632%
Thomas Jackson, M.D.	2.632%
Andre Johnson, M.D.	2.632%
Lee Kaback, M.D.	2.632%
Richard Katz, M.D.	2.632%
Kevin Kleis, D.O.	2.632%
Joseph LaRosa, M.D.	2.632%
William Montgomery, M.D.	2.632%
Michael Okoli, M.D.	2.632%
Amar Parikh, M.D.	2.632%
Daniil Polishchuk, M.D.	2.632%
Luke Rigolosi, M.D.	2.632%
Kevin Rosas, M.D.	2.632%
Laura Scordino, M.D.	2.632%
George Silver, M.D.	2.632%
W. James Smith, M.D.	2.632%
Tory Speert, D.O.	2.632%
Matthew Stein, M.D.	2.632%
Adam Suslak, M.D.	2.632%
John Whalen, M.D.	2.632%
<b>Total</b>	<b>100.000%</b>



## **OrthopedicsNY, LLP**

Direct Partnerships Interest in OrthopedicsNY, LLP

<b>Partners</b>	<b>Percentage Interest</b>
J David Abraham, M.D.	2.941%
James Alfandre, M.D.	2.941%
Farrukh Ansari, M.D.	2.941%
Eric Aronowitz, M.D.	2.941%
James Boler, M.D.	2.941%
Daniel Bowman, M.D.	2.941%
Charles Buttaci, D.O.	2.941%
Frank Congiusta, M.D.	2.941%
Mark Coseo, M.D.	2.941%
Samuel Dellenbaugh, M.D.	2.941%
David Dixon, M.D.	2.941%
Daniel Donovan, M.D.	2.941%
Justin Ferrara, M.D.	2.941%
Kyle Flik, M.D.	2.941%
Jonathan Gainor, M.D.	2.941%
Leonard Goldstock, M.D.	2.941%
Thomas Jackson, M.D.	2.941%
Lee Kaback, M.D.	5.888%
Richard Katz, M.D.	2.941%
Kevin Kleis, DO.	2.941%
Joseph LaRosa, M.D.	2.941%
William Montgomery, M.D.	2.941%
Amar Parikh, M.D.	2.941%
Daniil Polishchuk, M.D.	2.941%
Luke Rigolosi, M.D.	2.941%
Kevin Rosas, M.D.	2.941%
Laura Scordino, M.D.	2.941%
George Silver, M.D.	2.941%
W. James Smith, M.D.	2.941%
Tory Speert, D.O.	2.941%
Matthew Stein, M.D.	2.941%
Adam Suslak, M.D.	2.941%
John Whalen, M.D.	2.941%
<b>Total</b>	<b>100.000%</b>

The Center has an existing transfer and affiliation agreement with St. Peter's Hospital which is located 5.1 miles and 11 minutes travel time from the Center.

### **Character and Competence**

Character and competence was completed for the 38 new physician members with a direct membership in OrthoNY Master ASC Holdings, LLC.

**J. David Abraham, M.D.** has been an orthopedic surgeon with OrthoNY since 1995. Prior to this, Dr. Abraham had a solo practice from 1988-1995. Dr. Abraham graduated from Colby College with a bachelor's degree in 1975 and from Albany Medical College with a Doctor of Medicine in 1979.

**James Alfandre, M.D.** has been an orthopedic surgeon with OrthoNY since 2001. Dr. Alfandre also works as a staff physician for Executive Woods Ambulatory Surgery Center, St. Peter's Hospital, Samaritan Hospital, and St. Mary's Hospital in Troy. Dr. Alfandre has been on the OrthoNY Executive Committee since 2008 and has been the medical director of Executive Woods Ambulatory Surgery Center since 2008. Dr. Alfandre graduated from SUNY Health Science Center at Syracuse with a Doctor of Medicine in 1994 and is board certified in Orthopaedic Surgery.

**Farrukh Ansari, M.D.** has worked as an attending physician in pain management since September of 2015. Dr. Ansari has served as the chair of the physician recruitment committee at OrthoNY for four years as well as serving on the executive committee for three years. Dr. Ansari graduated from Stony Brook University School of Medicine with a Doctor of Medicine in 2010, completed an internship at Winthrop University Hospital in 2011, completed a residency in Anesthesiology at New York University School of Medicine in 2014, and completed a fellowship in Pain Medicine at Mount Sinai Beth Israel in 2015. Dr. Ansari is board certified in Anesthesiology and Pain Management.

**Eric Aronowitz, M.D.** has been a partner in orthopedic practice at OrthoNY since 2014 and is the Medical Director of OrthoNY Surgical Suites. Prior to this, Dr. Aronowitz was a partner in Schenectady Regional Orthopedic Associates from 2000-2014. Dr. Aronowitz graduated from the University of Vermont with a bachelor's degree in 1990, and from SUNY Health Science Center at Syracuse with a Doctor of Medicine in 1994. Dr. Aronowitz is board certified in Orthopaedic Surgery.

**James Boler, M.D.** has been an Orthopedic Surgeon for OrthoNY since 2014. Dr. Boler graduated from Brown University with a bachelor's degree in 1989 and from the University of Maryland School of Medicine at Baltimore with a Doctor of Medicine in 1995. Dr. Boler is board certified in Orthopaedic Surgery with a sub-certification in hand surgery.

Dr. Boler disclosed the following lawsuit:

D'ELIA, FULVIO vs. ELLIS HOSPITAL, SOMOZA, et al./Schenectady Supreme Court/2016-1290/Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was dismissed on 7/28/22.

**Daniel Bowman, M.D.** has been an Orthopedic Surgeon for OrthoNY since 2014. Dr. Bowman graduated from SUNY Buffalo with a bachelor's degree in 1997 and from Buffalo School of Medicine and Biomedical Sciences with a Doctor of Medicine in 2001. Dr. Bowman is board certified in Orthopaedic Surgery.

Dr. Bowman disclosed the following lawsuits:

Schuppe vs. Daniel J. Bowman, MD, James Smith/Schenectady Court/Malpractice Claim  
Per the applicant, this case was discontinued on 9/28/18.

PEARMAN, CEDRIC vs. BOWMAN, DANIEL J., MD, ORTHO NY/Schenectady Supreme Court/0002088/2018/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was discontinued on 8/31/2021.

On 11/16/16 the New York State Office of Professional Misconduct and Physician Discipline issued a censure and reprimand with a \$1,500 fine related to having committed professional misconduct by having been convicted of Aggravated Driving While Intoxicated. The physician had satisfied the terms of conditions on April 7, 2017.

**Adam Brod, M.D.** has been a practicing Orthopedic Surgeon at OrthoNY since May of 2023 and has been the chair of the department of orthopedics at Glens Falls Hospital for the last six years with duties including managing the department and sitting on the medical executive committee of the hospital. Prior to this, Dr. Brod worked as an Orthopedic Surgeon at North Country Orthopedic Specialists from 2014-2018. Dr. Brod graduated from the University of Rochester with a bachelor's degree in 2004 and from the State University of New York at Buffalo with a Doctor of Medicine in 2008. Dr. Brod is board certified in Orthopaedic Surgery.

**Charles Buttaci, D.O.** has worked for OrthoNY as a Pain Management Specialist since 2007. Dr. Buttaci graduated from Northeastern University with a bachelor's degree in 1997 and from the University of Medicine and Dentistry of New Jersey with a Doctor of Osteopathic Medicine [https://en.wikipedia.org/wiki/Doctor\\_of\\_Osteopathic\\_Medicine](https://en.wikipedia.org/wiki/Doctor_of_Osteopathic_Medicine) in 1997. Dr. Buttaci is board certified in Physical Medicine and Rehabilitation.

Charles Buttaci disclosed the following lawsuit:

Kathleen Connery-Lacy vs. Charles Buttaci/Albany County Court/Malpractice  
Per the applicant, this case was settled on 1/4/19.

**Frank Congiusta, M.D.** has been an Orthopedic Surgeon with OrthoNY since 2007 and will continue to be the medical director of Everett Road Surgery Center. Dr. Congiusta graduated from Colombia University with a bachelor's degree in 1996 and from Albany Medical College with a Doctor in Medicine in 2000 and is board certified in Orthopaedic Surgery.

Frank Congiusta has disclosed the following lawsuits:

Ruth Dixon vs. Frank Congiusta/Albany County Court/Malpractice  
Per the applicant, this case with discontinued on 4/23/2018.

Myriam Barrios vs. Frank Congiusta, OrthopedicsNY, LLP, Rich Dalabo, St. Peter's Hospital/Albany County Court/Malpractice.  
Per the applicant this case settled in February of 2020.

Margaret Layuretti-O'neil vs. Frank Congiusta and OrthopedicsNY, LLP/Colombia County Court/Malpractice  
Per the applicant this case was settled on 08/11/2023.

Patricia Perella vs. Frank Congiusta, OrthopedicsNY, LLP/Greene County Court/Malpractice  
Per the applicant, this case was discontinued in 2023.

**Mark Coseo, M.D.** has worked at OrthoNY since 2021 as a general Orthopedic Surgeon and Spine Surgeon. Prior to this, Dr. Coseo worked as an Orthopedic Surgeon at Naval Medical Center, Portsmouth from 2019-2021 and 2015-2018, and from 2018-2019 worked as the Director of Surgical Services of Navy Role 2 Expeditionary Medical Unit. Dr. Coseo graduated from Cornell University with a bachelor's degree in 2003 and from the Uniformed Services University of the Health Sciences with a Doctor of Medicine 2007. Dr. Coseo completed an internship in Orthopedic Surgery at Naval Medical Center in San Diego in 2008 and a residency in 2012. Dr. Coseo completed a fellowship in Adult and Pediatric Spine Surgery at Norton Leatherman Spine Center in 2015. Dr. Coseo is board certified in Orthopaedic Surgery.

**Samuel Dellenbaugh, M.D.** has worked as an Orthopedic Surgeon for OrthoNY since 2013. Dr. Dellenbaugh graduated from Princeton University with a bachelor's degree in 1996 and from Colombia College with a Doctor of Medicine in 2007. Dr. Dellenbaugh is board certified in Orthopaedic Surgery.

Dr. Dellenbaugh disclosed the following lawsuits:

Amy Nicole (Lalosa) vs. Samuel Dellenbaugh, M.D./Albany County Court/Malpractice  
Per the applicant, this case settled in February 2025.

Daniel Winters vs. Samuel Dellenbaugh, M.D, OrthopedicsNY, LLP, Joseph Kraut, Chris Sczesniak/Albany County Court/Malpractice  
Per the applicant, this case was discontinued on 8/28/2024.

**David Dixon, M.D.** has been an Orthopedic Surgeon with OrthoNY since 2003, specializing in orthopedic foot and ankle reconstruction and trauma surgery. Dr. Dixon graduated from the Holy Cross College with a bachelor's degree in 1991 and from the University of Vermont Medical School with a Doctor of Medicine in 1995. Dr. Dixon is board certified in Orthopaedic Surgery.

Dr. Dixon disclosed the following lawsuits:

Wendy Candiano vs. David Dixon, St. Peter's Hospital  
Per the applicant, this case was settled in December of 2022.

Kathy Neidrauer vs. David Dixon, OrthopedicsNY, LLP/Albany County Court/Malpractice  
Per the applicant, this case is still pending.

**Daniel Donovan, M.D.** has worked as an Orthopedic Surgeon at OrthoNY since 2018. Dr. Donovan graduated from the State University of New York College at Geneseo with a bachelor's degree in 2008, and from the State University of New York at Buffalo School of Medicine with a Doctor of Medicine in 2012. Dr. Donovan completed an Orthopaedic Surgery Residency at Mt. Sinai St. Luke's in 2017 and a Hand and Upper Extremity Surgery Microsurgery Fellowship at the University of California in August of 2018. Dr. Donovan is board certified in Orthopaedic Surgery.

**Kevin Emr, M.D.** is a board certified and licensed physician who performs surgical procedures in the ambulatory surgery center and participates in leadership roles in quality assurance. Dr. Emr graduated from Cornell University with a bachelor's degree in 2010 and from SUNY Upstate with a Doctor of Medicine in 2015. Dr. Emr completed an anesthesiology residency at Albany Medical Center in 2019 and a Pain Medicine Fellowship at Dartmouth Hitchcock Medical Center in 2020. Dr. Emr is board certified in Anesthesiology and Preventative Medicine.

Dr. Emr disclosed the following pending lawsuit which he has been named as a co-defendant:

Colandrea vs. Howe et. al./Albany Supreme Court/ 904218-22/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, the complaint alleges a failure to properly position the plaintiff causing bilateral lower extremity numbness, weakness, and pain. Dr. Emr was the attending anesthesiologist for the surgery and was not involved in the lower extremity positioning.

**Justin Ferrara, M.D.** has been a Physician Partner and Orthopedic Surgeon at OrthoNY since 2013. Prior to this, Dr. Ferrara was and Orthopedic Surgeon at Orthopaedic Associates of Saratoga from 2009-2012. Dr. Ferrara graduated from the University of Vermont with a bachelor's degree in 1996 and from Albany Medical College with a Doctor of Medicine in 2003. Dr. Ferrara is board certified in Orthopaedic Surgery.

Dr. Ferrara disclosed the following lawsuits:

CAMPBELL, JAMES vs. ORTHONY, LLC FERRARA/Saratoga Supreme Court/6000289/2021/  
Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was discontinued in November of 2023.

Green vs. Shepard et al./Albany Supreme Court/ 0903400/2022/ Tort-Medical, Dental, or  
Podiatric Malpractice  
Per the applicant, the jury found no cause on 12/12/24.

Arciero, Paul vs. FERRARA, JUSTIN M.D., OrthopedicsNY, LLP/Saratoga County/Malpractice  
Claim  
Per the applicant, this case is pending.

ZEIGER, DONALD A. vs. FERRARA, JUSTIN M.D./Saratoga Supreme Court/ Tort-Medical,  
Dental, or Podiatric Malpractice

**Kyle Flik, M.D.** has been an Orthopedic Surgeon with OrthoNY since 2005 and is also the Medical Director of Executive Woods Ambulatory Surgery Center. Dr. Flick graduated from Dartmouth College with a bachelor's degree in 1991 and from the University of Vermont with a Doctor of Medicine in 1999. Dr. Flik is board certified in Orthopaedic Surgery.

Dr. Flick disclosed the following lawsuits:

BURDO, ROBERT JR. vs. FLIK, KYLE R., M.D.; MEMORIAL HOSPITAL/Schenectady Supreme  
Court/2011-0650/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was discontinued on 7/3/2015

ROSETTI, RICHARD G vs. ORTHOPEDICSNY, LLP/New York Supreme Court/ 805039/2015/  
Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was discontinued on 2/21/19

**Jonathan Gainor, M.D.** has been an Orthopedic Surgeon for OrthoNY since 2010. Dr. Gainor graduated from Albany Medical College in 2000 with a master's degree and in 2004 with a Doctor of Medicine. Dr. Gainor is board certified in Orthopaedic Surgery.

**Leonard Goldstock, M.D.** is an Orthopedic Surgeon and existing owner at Executive Woods ASC, LLC. Dr. Goldstock graduated from Cornell University with a bachelor's degree in 1985 and from Albany Medical College with a Doctor of Medicine in 1989. Dr. Goldstock completed an Internship in Orthopedics at Albany Medical Center in 1990, a residency at Albany Medical Center in 1994, and a fellowship in Hand and Upper Extremity at Massachusetts General Hospital in 1995. Dr. Goldstock is board certified in Orthopaedic Surgery.

**Stefanos Haddad, M.D.** has been an Orthopedic Surgeon at OrthoNY for two years, completing roughly 500 surgeries at the Center in the last year. Dr. Haddad graduated from SUNY Albany with a bachelor's degree in 2011, and from SUNY Upstate Medical University with a Doctor of Medicine in 2016. Dr. Haddad completed a residency in Orthopedic Surgery at Albany Medical Center in 2021 and a fellowship at Rothman Institute Hand and Upper Extremity Surgery in 2022. Dr. Haddad is board certified in Orthopaedic Surgery.

**Thomas Jackson, M.D.** has been an Orthopedic Surgeon with OrthoNY since 2015. Prior to this, Dr. Jackson worked as an Orthopedic Surgeon for Sports Medicine and Injury Care at Carolinas Healthcare System from 2011 to 2015. Dr. Jackson graduated from the University of Pittsburgh with a bachelor's degree in 1998 and from Temple University School of Medicine with a Doctor of Medicine in 2002. Dr. Jackson is board certified in Orthopaedic Surgery with sub-certifications in Sport Medicine and Pain Medicine.

Dr. Jackson disclosed the following lawsuits:

SANTIAGO, CHANDRA A. AND SANTIAG vs. JACKSON, THOMAS R., MD AND ORTHONY/  
Schenectady Supreme Court/0002773/2018/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was discontinued on 11/11/2019.

Walsh, Roy et al vs. OrthoNY, LLP et al/ Montgomery Supreme Court/ EF2023-188/ Tort-Medical,  
Dental, or Podiatric Malpractice  
Per the applicant, this case is pending.

**Andre Johnson, M.D.** has worked as an Orthopedic Surgeon for OrthoNY since 2023 and has been the Chairman of the Department of Surgery at Glens Falls Hospital since 2018. Prior to this, Dr. Johnson worked for North Country Sports from 2012 to 2023. Dr. Johnson graduated from Northwestern University with a bachelor's degree in 1997 and from Albany Medical College with a Doctor of Medicine in 2001. Dr. Johnson completed a residency in Orthopedic Surgery at Akron General Medical Center in 2006 and a fellowship at in Orthopedic Surgery in Sports Medicine at Nirschl Orthopaedic in 2007. Dr. Johnson is board certified in Orthopaedic Surgery.

The following lawsuits were undisclosed:

LAWSON, MICHAEL J vs. JOHNSON, ANDRE H, MD., NORTH COUNTRY/ Warren Supreme  
Court/ 62552/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case settled and was closed on 7/26/17.

**Lee Kaback, M.D.** has worked for OrthoNY in various roles since 2013, including Urgent Care Medical Director since 2013, Executive team member since 2022, and Vice President since 2023. Dr. Kaback graduated from the University of Vermont with a bachelor's degree in 1995, from Albany Medical College with a master's degree in 1999, and from the University of Vermont with a Doctor of Medicine in 2004. Dr. Kaback completed a residency in Orthopedic Surgery at the University of Rochester in 2010 and a fellowship in arm and shoulder surgery at Brown University School of Medicine in 2011. Dr. Kaback is board certified in Orthopaedic Surgery.

Dr. Kaback disclosed the following lawsuits:

Scannapieco vs. Alfred M.D. et. al./ Albany Supreme Court/ 908628-23/Tort-Medical, Dental, or  
Podiatric Malpractice  
Per the applicant, this case is still pending.

Stillman vs. Kaback et. al./ Albany Supreme Court/ 904910-21/ Tort-Medical, Dental, or Podiatric  
Malpractice  
Per the applicant, this case settled in 2023.

**Richard Katz, M.D.** is an existing owner at Executive Woods ASC, LLC. Dr. Katz graduated from Vanier College in 1978 with a Diploma of collegiate studies and from McGill University with a Doctor of Medicine in 1983. Dr. Katz is board certified in Orthopaedic Surgery.

The following lawsuit was undisclosed:

Legace vs. Katz/ Albany Supreme Court/ 904113-22/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case resulted in a defense verdict in favor of Dr. Katz on 9/16/24.

**Kevin Kleis, D.O.** has worked as an Orthopedic Surgeon for OrthoNY since 2019. Prior to this, Dr. Kleis worked as an Orthopedic Surgeon for Riverside Orthopedic Institute from 2016 to 2019 and at Kaiser Permanente from 2014 to 2016. Dr. Kleis graduated from the Hobart and William Smith College with a bachelor's degree in 2006 and from the New York Institute of Technology College of Osteopathic Medicine with a Doctor of Osteopathic Medicine in 2011. Dr. Kleis is board certified in Orthopaedic Surgery.

**Joseph LaRosa, M.D.** has worked for OrthoNY as an Orthopedic Surgeon since 2013. Dr. LaRosa graduated from Plattsburgh State University with a bachelor's degree in 1983 and from Albany Medical College with a Doctor of Medicine in 1987. Dr. LaRosa is board certified in Orthopaedic Surgery.

**William Montgomery, M.D.** has been an Orthopedic Surgeon at OrthoNY since 2008. Dr. Montgomery graduated from the University of Vermont with a bachelor's degree in 1993, and from the University of Hawaii with a master's in public health in 1997 and with a Doctor of Medicine in 2001. Dr. Montgomery is board certified in Orthopaedic Surgery.

Dr. Montgomery disclosed the following lawsuit:

Walsh, Roy et al vs. OrthoNY, LLP et al/ Montgomery Supreme Court/ EF2023-188/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case is pending.

**Michael Okoli, M.D.** has worked as an Orthopedic Surgeon at OrthopedicsNY since 2022. Prior to this, Dr. Okoli was a Clinical Research Coordinator at the Department of Neuropsychiatry at the Hospital of the University of Pennsylvania from 2009 to 2012. Dr. Okoli graduated from the University of Pennsylvania with a bachelor's degree in 2009 and from the Feinberg School of Medicine/Northwestern with a Doctor of Medicine in 2016. Dr. Okoli completed an internship in Orthopaedic Surgery at Thomas Jefferson University in 2021 and a fellowship in Hand and Microsurgery at SUNY Stony Brook University Hospital in 2022. Dr. Okoli is board certified in Orthopaedic Surgery.

**Amar Parikh, M.D.** has worked as a Pain Management Specialist at OrthoNY since 2013. Dr. Parikh graduated from Union College with a bachelor's degree in 2004 and from Union University with a Master of Business Administration in 2005. In 2008 Dr. Parikh received a Doctor of Medicine from Albany Medical College and completed a residency and fellowship at Beth Israel Deaconess Medical Center in 2013. Dr. Parikh is board certified in Anesthesiology.

**Daniil Polishchuk, M.D.** has been an Orthopedic and Pain Management Provider for OrthoNY since 2014. Dr. Polishchuk graduated from Rutgers New Jersey Medical School with a Doctor of Medicine in 2011 and completed a fellowship in hip and knee reconstruction at NYOH Columbia University Medical Center in 2012. Dr. Polishchuk is board certified in Orthopaedic Surgery.

Dr. Polishchuk disclosed the following lawsuits:

Walsh, Roy et al vs. OrthoNY, LLP et al/ Montgomery Supreme Court/ EF2023-188/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case is pending.

Oliver, Debra vs. Daniil Polishchuk, M.D., OrthopedicsNY, LLP, Ellis Hospital/Schenectady County/Malpractice  
Per the applicant, this case was discontinued in July 2022.

**Luke Rigolosi, M.D.** has worked as a pain management physician since 2005 at OrthoNY. Prior to this, Dr. Rigolosi was the Physician Director of Executive Woods ASC from 2008 to 2012 and an Executive Committee Member of OrthoNY from 2008-2016. Dr. Rigolosi graduated from Brown University with a bachelor's degree in 1995 and from New Jersey Medical School with a Doctor of Medicine in 2000. Dr. Rigolosi completed a residency at Kessler Institute for Rehabilitation in 2004 and a fellowship in Pain Management at Sinai of Baltimore via York in 2005. Dr. Rigolosi is board certified in Physical Medicine and Rehabilitation with a sub certification in Pain Medicine.

**Kevin Rosas, M.D.** has been an Orthopedic Surgeon at OrthoNY since 2014. Dr. Rosas graduated from Cornell University with a bachelor's degree in 1991 and from SUNY Downstate with a Doctor of Medicine in 1998. Dr. Rosas is board certified in Orthopaedic Surgery.

Dr. Rosas disclosed the following lawsuits:

CASCINI, JEFFREY vs. ROSAS, KEVIN E. MD WASACZ et al/ Schenectady Supreme Court/ 0001150/2021/ Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case was settled in July of 2023.

O'NEILL, JODY – AS PARENT OF KJO, AN INFA vs. COMMUNITY CARE PHYSICIANS, P.C. CLIFTON et al/ Saratoga Supreme Court/ 7001037/2020/ Tort-Medical, Dental, or Podiatric Malpractice  
This case was discontinued in August 2024.

**Laura Scordino, M.D.** has been an Orthopedic Surgeon with OrthoNY since 2015. Prior to this, Dr. Scordino was a Clinical Instructor of Orthopedic Surgery Residents through Albany Medical College from 2015-2019. Dr. Scordino graduated from Binghamton University with a bachelor's degree in 2004 and from Upstate Medical University with Doctor of Medicine in 2009. Dr. Scordino is board certified in Orthopaedic Surgery.

**George Silver, M.D.** has been an Orthopedic Surgeon at OrthoNY since 2000. Dr. Silver graduated from Union College with a bachelor's degree in 1990 and from Georgetown University with a Doctor of Medicine in 1995. Dr. Silver is board certified in Orthopaedic Surgery.

**W. James Smith, M.D.** has been an Orthopedic and Hand Surgeon at Northeast Orthopedics since 2012 and is a partner/owner in this facility. Dr. Smith graduated from Boston University School of Medicine with a Doctor of Medicine in 1984. Dr. Smith is board certified in Orthopaedic Surgery with subspecialty in Hand Surgery.

Dr. Smith disclosed the following lawsuit:

Schuppe vs. Daniel J. Bowman, MD, James Smith/Schenectady Court/Malpractice Claim  
Per the applicant, this case was discontinued on 9/28/18.



**Tory Speert, D.O.** has worked as a Pain Medicine Specialist for OrthoNY since 2017. Dr. Speert graduated from the College of New Jersey in 2008 with a bachelor's degree and from Rowan University School of Osteopathic Medicine with a Doctor of Osteopathic Medicine in 2012. Dr. Speert completed an internship at CarePoint Health in 2013, a residency at Rutgers/Kessler Institute for Rehabilitation in 2016, and a fellowship at Orthopedic and Spine Specialists in 2017. Dr. Speert is board certified in Physical Medicine and Rehabilitation.

**Matthew Stein, M.D.** has worked as an Orthopedic Surgeon for OrthoNY since 2015. Dr. Stein graduated from Haverford College with a bachelor's degree in 2005 and from NYU School of Medicine with a Doctor of Medicine in 2009. Dr. Stein completed a residency at USF Health in 2014 and a fellowship at Jefferson University in 2015. Dr. Stein is board certified in Orthopaedic Surgery. Dr. Stein disclosed the following lawsuits:

Dalaba, Theodore vs. Stein, Matthew, MD/Saratoga County/Malpractice Claim  
Per the applicant, this case was settled on 6/27/23.

Gallo vs. OrthoNY et al./ Albany Supreme Court/905043-23/Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case is pending.

Morrissey, Kelly vs. OrthoNY et al/Saratoga Supreme Court/EF20233692/Tort-Medical, Dental, or Podiatric Malpractice  
Per the applicant, this case is pending.

**Adam Suslak, M.D.** is an Orthopedic Surgeon and has ownership in Executive Woods ASC, LLC since 2016 and Everett Road ASC since 2018. Dr. Suslak graduated from the University of Medicine and Dentistry of New Jersey with a Doctor of Medicine in 2005. Dr. Suslak is board certified in Orthopaedic Surgery.

**John Whalen, M.D.** has worked as an Orthopedic Surgeon, Spine Specialist for OrthoNY since 1995. Dr. Whalen graduated from Union College in 1985 with a bachelor's degree and from Yale School of Medicine in 1989 with a Doctor of Medicine. Dr. Whalen is board certified in Orthopaedic Surgery.

Dr. Whalen disclosed the following lawsuits:

Gelais vs. John Whalen, MD, Northeast Orthopedics/Rensselaer County/Malpractice Claim  
Per the applicant, this case was discontinued on 4/25/14.

Chaney vs. John Whalen, MD, Samaritan Hospital/Albany County/Malpractice Claim  
Per the applicant, this case was discontinued on 3/24/24.

Bonneau vs. John Whalen, MD, Northeast Orthopedics/Albany County/Malpractice Claim  
Per the applicant, this case was discontinued on 2/25/25.

#### **The following case names OrthoNY**

Sayers vs. OrthopedicsNY/Albany Supreme Court/ 911154-24/ Comm-Contract  
Per the applicant, this is a class action lawsuit stemming from a potential disclosure of information due to a security incident during which cybercriminals accessed data from a portion of OrthoNY's computer network in December 2023. The lawsuit is pending.

### Compliance with Applicable Codes, Rules and Regulations

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

### Operating Budget

The applicant has provided the Current Year (2023) results, and the Year One and Year Three operating budget, in 2025 dollars. The budget is summarized below:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Per</u>		<u>Per</u>		<u>Per</u>	
	<u>Procedure</u>	<u>Total</u>	<u>Procedure</u>	<u>Total</u>	<u>Procedure</u>	<u>Total</u>
Revenues:						
Commercial FFS	\$5,138.11	\$8,858,098	\$5,139.54	\$8,875,979	\$5,139.54	\$8,875,979
Medicare FFS	\$6,210.59	2,664,345	\$6,204.64	2,717,632	\$6,204.64	2,717,632
Medicare MC	\$6,037.98	3,604,674	\$6,037.38	3,676,767	\$6,037.38	3,676,767
Medicaid FFS	\$975.13	7,801	\$994.63	7,957	\$994.63	7,957
Medicaid MC	\$2,022.29	1,257,864	\$2,023.69	1,283,021	\$2,023.69	1,283,021
Private Pay	\$1,251.25	5,005	\$1,276.25	5,105	\$1,276.69	5,105
All Other <sup>1</sup>	\$4,668.59	653,603	\$4,662.06	666,675	\$4,662.06	666,675
Total Revenue		<u>\$17,051,390</u>		<u>\$17,233,136</u>		<u>\$17,233,136</u>
Expenses:						
Operating	\$3,473.12	\$12,239,284	\$3,534.45	\$12,851,247	\$3,583.96	\$13,031,273
Capital	<u>515.17</u>	<u>1,815,449</u>	<u>499.30</u>	<u>1,815,449</u>	<u>499.30</u>	<u>1,815,449</u>
Total Expenses	<u>\$3,988.29</u>	<u>\$14,054,733</u>	<u>\$4,033.75</u>	<u>\$14,666,696</u>	<u>\$4,083.26</u>	<u>\$14,846,722</u>
Net Income/(Loss)		\$2,996,657		\$2,566,440		\$2,386,414
Procedures		3,524		3,636		3,636
Cost/Procedure		\$3,988.29		\$4,033.74		\$4,083.26

<sup>1</sup> All Other includes Workers Compensation, No Fault and Government.

Utilization by payor source during Year One and Year Three is broken down as follows:

	<u>Procedures</u>	<u>Current</u>	<u>Procedures</u>	<u>Year</u>	<u>Procedures</u>	<u>Year</u>
		<u>Year</u>		<u>One</u>		<u>Three</u>
Commercial FFS	1,724	48.92%	1,727	47.50%	1,727	47.50%
Medicare FFS	429	12.18%	438	12.04%	438	12.05%
Medicare MC	597	16.94%	609	16.75%	609	16.75%
Medicaid FFS	8	0.23%	8	0.22%	8	0.22%
Medicaid MC	622	17.65%	634	17.44%	634	17.44%
Private Pay	4	0.11%	4	0.11%	4	0.11%
Charity Care	0	0.00%	73	2.01%	73	2.01%
All Other	<u>140</u>	<u>3.97%</u>	<u>143</u>	<u>3.93%</u>	<u>143</u>	<u>3.93%</u>
Total	3,524	100.00%	3,636	100.00%	3,636	100.00%

The following is noted with respect to the submitted budget:

- The Current Year reflects the Center's 2023 cost report.
- Current Year staffing reflects 2023 staffing levels and utilizes 2023 AHCF cost report data. No change is expected in Year One and Year Three.
- Years One and Year Three project a conservative increase in utilization, expense and revenue, based on the Center's historical performance.
- Years One and Year Three reimbursement rates reflect the Center's actual 2023 rates.
- Medicare Managed Care revenues is based upon the Center's actual 2023 rates.
- The Center confirms that no Charity Cases were provided in 2023. The applicant projects 2% Charity Care utilization for Years One and Year Three.
- The decrease in net income is attributed to a change in payor mix. From the Current Year through Year Three, there is a decrease in the proportion of Commercial procedures and an increase in the proportion of Charity Care procedures.

#### Executed Lease Agreement

The applicant has submitted an executed lease agreement for the existing site, the terms of which are summarized below:

<b>Date:</b>	September 28, 2018
<b>Premises:</b>	123 Everett Road, Albany, New York, 12205
<b>Landlord:</b>	123 Everett Road Real Estate Group LLC
<b>Tenant:</b>	Everett Road ASC, LLC d/b/a Everett Road Surgery Center
<b>Term:</b>	15 Years with two (2) separate consecutive 5-year renewal
<b>Rent:</b>	\$462,420 (\$38,535 per month)
<b>Provisions:</b>	Tenant is responsible for insurance and utilities

The lease between the property owner and the lessee is a non-arm's length arrangement due to common ownership.

#### Amended and Restated Administrative Service Agreement

The applicant has submitted an executed administrative services agreement; the terms are summarized below:

<b>Date:</b>	February 19, 2025
<b>Operator:</b>	Everett Road ASC, LLC
<b>Contractor:</b>	OrthopedicsNY, LLP
<b>Services Provided:</b>	Provide financial management services, including budget preparation, bookkeeping, bank account reconciliation, account payable, account receivable management and financial analysis. Provide monthly reports of revenue/expense with budget variance analysis for review. Establishing, monitoring, and presenting key performances indicators monthly. Generate required financial and operational reports including DOH/SPACS data files, pool reports and cost reporting. Provide support for Operator's maintenance of its EHR and Practice Management Software system. Establish and maintain Operator's IT network infrastructure, including IT security procedures. Aid Operator with respect to human resources management and recruitment, interviewing and evaluation of staffing candidates. Supervising, coordinating, and facilitating the performance of operator's annual strategic planning functions for the Center including an annual meeting of the governing body. The parties mutually agree in writing to carry out other functions.
<b>Term:</b>	10 years with automatic five (5) year renewals
<b>Fee:</b>	\$400,000 per year (\$33,333 per month), the fee will increase by three percent (3%) of the preceding 12-month period

The agreement provides that the facility operator will retain ultimate control in all the final decisions associated with the facility. 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.

#### Unit Redemption Agreement

The applicant has submitted executed Unit Redemption Purchase Agreements as summarized below:

<b>Date:</b>	December 13, 2024
<b>Purchaser:</b>	OrthoNY ASC Holdings, LLC
<b>Seller:</b>	Frederick Fletcher, M.D.
<b>Sold:</b>	Frederick Fletcher, M.D., will sell 5.263% of his OrthoNY ASC Holdings, LLC membership.
<b>Consideration:</b>	\$225,000 to be funded by the current 18 individual owners of OrthoNY ASC Holdings, LLC., at \$12,500 each (18 X \$12,500 = \$225,000)

#### OrthoNY Master ASC Holdings, LLC Unit Purchase Agreements

The applicant has submitted six (5) executed OrthoNY Master ASC Holdings, LLC Unit Purchase Agreements as summarized below:

<b>Dates:</b>	January 15, 2025, February 5, 2025, and February 10, 2025
<b>Purchaser:</b>	Adam Brod M.D.; Kevin Emr M.D.; Stefanos Haddad M.D.; Andre Johnson M.D. and Michael Okoli, M.D.
<b>Seller/Company:</b>	OrthoNY Master ASC Holding, LLC
<b>Purchase:</b>	Each will purchase 2.632% interest in OrthoNY Master ASC Holding, LLC
<b>Purchase Price:</b>	Each has placed \$400,000 in escrow

#### Amended and Restated OrthoNY Master ASC Holdings, LLC Unit Purchase Agreement

The applicant has submitted an executed amended and restated OrthoNY Master ASC Holdings, LLC Unit Purchase Agreement as summarized below:

<b>Date:</b>	December 31, 2024
<b>Purchaser:</b>	Mark Coseo M.D.
<b>Seller/Company:</b>	OrthoNY Master ASC Holding, LLC
<b>Purchase:</b>	Purchaser previously agreed to purchase a 3.03% interest in OrthoNY Master ASC Holdings, LLC. The Company amended the agreement to sell a 2.632% interest in OrthoNY Master ASC Holdings, LLC.
<b>Purchase Price:</b>	\$400,000 has been placed in escrow

Contribution, Exchange, and Distribution Agreement - OrthoNY Master ASC Holdings, LLC (aka ASC Holdings)

The applicant has submitted an executed Contribution, Exchange and Distribution Agreement- OrthoNY Master ASC Holdings, LLC (relates to CON 251118, 251131, and 251147) as summarized below:

<b>Date:</b>	December 13, 2024
<b>Contributors:</b>	OrthoNY Master ASC Holdings, LLC
<b>Company:</b>	OrthoNY Master ASC Holdings, LLC
<b>Contributed Equity:</b>	CON 251147 Everett Road ASC, LLC (ERASC) CON 251118 Executive Woods Ambulatory Surgery Center, LLC (EWASC) CON 251131 Clifton Part ASC, LLC (CPASC)
<b>Agreed Value of Capital Contributions</b>	\$3,780,202.97 from 32 physician members ( $\$3,780,202.97 \times 32 = \$120,966,495$ )
<b>Cash Payments:</b>	OrthoNY Master ASC Holdings, LLC will pay \$223,777.55 to 14 CPASC contributor physician members, totaling \$3,132,885. ( $\$223,777.55 \times 14 = \$3,132,885$ )
<b>Funded:</b>	All 38 proposed OrthoNY Master ASC Holdings, LLC members will share equally in funding the \$3,132,885 to the 14 CPASC contributor owners. Each will pay \$82,444.34 ( $38 \times \$82,444.34 = \$3,132,885$ )

Contribution, Exchange, and Distribution Agreement – OrthopedicsNY, LLP (aka OrthoNY)

The applicant has submitted an executed Contribution, Exchange and Distribution Agreement- OrthopedicsNY, LLP (relates to CON 251118, 251131, and 251147) as summarized below:

<b>Date:</b>	December 13, 2024
<b>Contributors:</b>	OrthopedicsNY, LLP
<b>Company:</b>	OrthopedicsNY LLP
<b>Contributed Equity:</b>	CON 251147 Everett Road ASC, LLC (ERASC) CON 251118 Executive Woods Ambulatory Surgery Center, LLC (EWASC) CON 251131 Clifton Part ASC, LLC (CPASC)
<b>Agreed Value of Capital Contributions</b>	\$1,260,067.66 from 32 physician members ( $\$1,260,067.66 \times 32 = \$40,322,165$ )
<b>No Cash Payments (Value assigned for tax purposes and accounting):</b>	OrthoNY is paying \$756,785.07 to 32 physician members for a total of \$24,217,123 ( $\$756,785.07 \times 32 = \$24,217,123$ )

### Capability and Feasibility

There are no project costs or service charges associated with this application. OrthoNY ASC Holding, LLC will pay Dr. Fletcher \$225,000 to redeem his 5.263% membership interest in OrthoNY ASC Holding, LLC. Six new physician members will each pay \$400,000 for 2.632% membership in OrthoNY Master ASC Holdings LLC. Their payments are held in escrow. The applicant submitted two (2) contribution, exchange and distribution agreements, one for OrthoNY Master ASC Holding members and one for Orthopedics NY LLP. These agreements account for the current members of the OrthoNY's equity contribution into the new member organizations. There was a cash value assigned to these equity contributions but no cash changed hands and the cash value was used solely for book keeping purposes.

The working capital requirement, estimated at \$2,444,449 based on two months of Year One expenses, will be met with equity from operations and, if necessary, its members. BFA Attachment A, Net Worth Statement of Proposed Members, and BFA Attachment I, 2023 Certified Financial Statements and Financial Statement and December 31, 2024, Internal Financial Statement of Everett Road ASC, LLC, show sufficient resources to meet the equity requirements.

The submitted budget projects a net income of \$2,566,440 and \$2,386,414, in Year One and Year Three respectively. The budget appears reasonable.

BFA Attachment I shows a positive working capital position, positive net asset position, and a net income of \$3,106,237 in 2023 and a \$4,485,990 net income as of December 31, 2024.

BFA Attachment H, Everett Road LLC Pro Forma Balance Sheet, shows operations will have \$2,466,976 in members' equity as of the first day of operations.

#### Conclusion

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

## Attachments

BFA Attachment A	Everett Road ASC, LLC – Net Worth of Proposed Members
BFA Attachment B	Everett Road ASC, LLC – Current Members
BFA Attachment C	OrthoNY ASC Holdings, LLC – Current Members Direct Ownership Interest
BFA Attachment D	OrthoNY Master ASC Holdings, LLC – Proposed 38 Members Direct Ownership Interest
BFA Attachment E	OrthoNY Master ASC Holdings, LLC – Proposed 38 Members Indirect Ownership Interest in Executive Woods Ambulatory Surgery Center, LLC
BFA Attachment F	OrthopedicsNY LLP - Proposed 33 Members Direct Ownership Interest
BFA Attachment G	OrthopedicsNY LLP - Proposed 33 Members Indirect Ownership Interest in Everett Road ASC, LLC
BFA Attachment H	Everett Road ASC, LLC - Pro Forma
BFA Attachment I	Everett Road ASC, LLC – 2023 Certified Financial Statement and Financial Statement and December 31, 2024, Internal Financial Statement
BFA Attachment J	Everett Road ASC, LLC – Current and Post-Transaction Organizational Chart



Project # 241290-E  
Elmira Community Health

**Program:** Diagnostic and Treatment Center  
**Purpose:** Establishment

**County:** Chemung  
**Acknowledged:** October 9, 2024

Executive Summary

Description

Cayuga Community Services, Inc. (CCS), an existing New York 501(c)(3) non-profit corporation, requests approval to be established as the operator of a previously approved Article 28 Diagnostic and Treatment Center (D&TC) at 200 Madison Avenue Elmira, NY (Chemung County). The space is currently owned and operated by Arnot Ogden Medical Center (AOMC) as a hospital extension clinic. The site will be known as Elmira Community Health.

CCS will lease the space and be certified for Medical Services – Primary Care, including screenings, family planning, immunizations, well-child services, basic gynecological care and behavioral health services below the 30% threshold. Future services will be determined as the need arises. The goal is to enhance access to office-based clinical care, keeping patients out of emergency rooms and urgent care centers, thereby improving patient satisfaction and quality of care.

AOMC is a 266-bed voluntary not-for-profit corporation at 600 Roe Avenue, Elmira. CCS intends to implement a Federally Qualified Health Center (FQHC) model in place of the current primary care model and change the name to Elmira Community Health.

Michael Leon Berlin, M.D. will serve as the Medical Director. CCS will enter into a transfer and affiliation agreement for backup and

emergency services with Arnot Ogden Medical Center 2.3 mile/9 minutes away.

OPCHSM Recommendation  
Contingent Approval

Need Summary

The applicant projects 43,336 visits in Year One and 45,569 visits in Year Three, with 49.51% Medicaid in Year One and 50.06% Medicaid in Year Three of operations, with no 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

There are no project costs or purchase agreements associated with this application.

Budget:	Year One	Year Three
Revenues	\$4,295,738	\$6,754,663
Expenses	\$3,927,329	4,140,946
Net Income / (Loss)	\$368,409	\$2,613,717

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

The Finger Lakes Health Systems Agency, Common Ground Health, recommends Approval.

Office of Primary Care and Health Systems Management

**Approval contingent upon:**

1. Submission of an executed building lease, acceptable to the Department. [BFA]
2. Submission of an executed working capital loan agreement acceptable to the Department. [BFA]
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]

Council Action Date

June 18, 2025

## Need Analysis

### Project Description

Cayuga Community Services (CCS), a 501(c)(3) not-for-profit organization formed in February of 2019, is seeking approval to be established as the operator of a Diagnostic and Treatment Center (D&TC) currently operated as a hospital extension clinic by Arnot Ogden Medical Center at 200 Madison Avenue, Elmira, NY 14901. The new name of the site will be Elmira Community Health. The facility will be certified for Medical Services – Primary Care. CCS plans to offer primary medical care, screenings, family planning, immunizations, well-child services, and basic gynecological care, as well as other select medical specialty services. Future services will be determined as the need arises.

### Background and Analysis

The primary service area for this project comprises zip codes 14901, 14903, 14904, 14905, 14845, and 14871 in Chemung County. The address is in a Health Professional Shortage Area for Primary Care and Mental Health and within a Medically Underserved Area. The population of Chemung County is projected to decrease to 81,922 by 2030 according to the Cornell Program on Applied Demographics, a 1.06% decrease. Demographics for the primary service area are noted below including a comparison with New York State.

<b>Demographics</b>	<b>PSA – (ZC 14901, 14903,14904, 14905,14845, 14871)</b>	<b>Chemung County</b>	<b>New York State</b>
Total Population	70,440	82,805	19,872,319
Hispanic or Latino (of any race)	3.4%	3.6%	19.6%
White (non-Hispanic)	84.3%	84.5%	53.4%
Black or African American (non-Hispanic)	6.02%	5.8%	13.6%
Asian(non-Hispanic)	1.42%	1.5%	8.8%
Other (non-Hispanic)	4.37%	4.6%	4.6%

Source: 2023 American Community Survey (5-Year Estimates Data Profiles)

In 2023, 95.7% of the population of Chemung County had health coverage as follows:

<b>Health Plans</b>	<b>Chemung County</b>
Employer plans	43.3%
Medicaid	23.3%
Medicare	13.9%
Non-group plans	13.9%
Military or VA plans	1.20%

Source: Data USA

Based on the primary service area of the six specified zip codes within Chemung County, the following data represents the public health coverage of the area:

	<b>Zip Code 14901</b>	<b>Zip Code 14903</b>	<b>Zip Code 14904</b>	<b>Zip Code 14905</b>	<b>Zip Code 14845</b>	<b>Zip Code 14871</b>
Medicare Coverage Alone	4.5%	6.0%	6.4%	3.6%	6.7%	10.1%
Medicaid/Mean-Tested Coverage Alone	34.4%	16.5%	25.8%	20.2%	10.0%	10.0%

Source: 2023 American Community Survey (5-Year Estimates): Table S2704

The projected payor mix includes:

<b>Applicant Projected Payor Mix</b>		
<b>Payor</b>	<b>Year One</b>	<b>Year Three</b>
Commercial	27.88%	27.57%
Medicare	13.87%	13.71%
Medicaid	49.51%	50.06%
Private Pay	7.71%	7.63%
All Other	1.04%	1.02%
Charity Care	0%	0%

Source: Applicant

The applicant projects 43,336 visits in Year One and 45,569 visits in Year Three for the proposed facility.

According to the applicant, they will offer a sliding fee program for self-pay patients. These patients will be asked to pay a nominal fee based upon a percentage of the federal poverty level for each year.

The applicant has a transfer and affiliation agreement with Arnot Ogden Medical Center, 2.6 Miles and 7 Minutes away. The hours of operation proposed are 8:30 am-5:00 pm, Monday through Friday.

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 2022 related to this application.

<b>Hospital Admissions per 100,000 Adults</b>		
<b>PQI Name</b>	<b>Chemung County</b>	<b>New York State</b>
Diabetes Short-Term Complications	96	67
Diabetes Long-Term Complications	80	116
Chronic Obstructive Pulmonary Disease or Asthma	380	238
Hypertension	47	65
Heart Failure	428	359
Bacterial Pneumonia	196	92
Uncontrolled Diabetes	40	46
Urinary Tract Infection	124	103
Prevention Quality Overall Composite	1,285	1,021

Source: Health. Data. NY. Gov

## Conclusion

Approval of this project will allow access to extended medical services for residents of Chemung County.

## Program Analysis

### Project Proposal

<b>Proposed Operator</b>	Elmira Community Health
<b>To Be Known As</b>	Elmira Community Health
<b>Site Address</b>	200 Madison Avenue, Elmira, New York 14901 (Chemung County)
<b>Services</b>	Medical Services - Primary Care
<b>Hours of Operation</b>	Monday - Friday 8:30 am to 5:00 pm
<b>Staffing (1<sup>st</sup> Year / 3<sup>rd</sup> Year)</b>	31.1 FTEs in Year One and Year Three
<b>T&amp;A: Emergency, In-Patient and Backup Support Services Agreement and Distance</b>	Expected to be with Arnot Ogden Medical Center 2.3 Miles / 9 Minutes

The table below shows the projected FTEs will remain unchanged from the Current Year to Year Three after completion of this project.

<b>Staffing Categories</b>	<b>Current Year</b>	<b>First Year</b>	<b>Third Year</b>
Management & Supervision	2.6	2.6	2.6
Technician and Specialist	1.0	1.0	1.0
Registered Nurses	1.0	1.0	1.0
Licensed Practical Nurses	5.4	5.4	5.4
Aides, Orderlies & Attendants	6.8	6.8	6.8
Physicians	5.6	5.6	5.6
Social Workers and Psychologist**	1.5	1.5	1.5
Other - Assistant Physicians (AP)	1.0	1.0	1.0
Clerical and Administrative	6.2	6.2	6.2
<b>Totals Numbers of Employees</b>	<b>31.1</b>	<b>31.1</b>	<b>31.1*</b>

\* CCS budgeted to add additional FTE physicians to its operations to better accommodate the patients' demand for primary care services. Staffing predictions is currently based upon current operations at Eastside PC, Eastside WIC, and Elmira Pediatrics Clinics in and around Elmira, N. Y.

Two (2) additional Primary Care Physicians FTE's will be added after the conversion.

The members of Elmira Community Health are:

<b>Name: Elmira Community Health</b>	<b>Ownership Interest</b>
Martin Stallone / Director	N/A
Robert M. Lawlis / Director-Treasurer	N/A
Michael Berlin, MD / Director-Secretary - proposed Medical Director	N/A

Derrick Murray, as the Chief Executive officer (CEO), will manage and be responsible for financial decisions for Elmira Community Health; and Stensys and Cayuga Health Services will provide administrative services.

### Character and Competence

**Micheal Leon Berlin, MD** is the proposed Medical Director for Elmira Community Health. Dr. Berlin was the Founding Director for the Internal Medicine Residency Training Program at Cayuga Medical Center and acted in an executive role for implementing the health system's strategy in development and execution.

Dr. Berlin completed a Master's in Business Administration from Cornell University in New York in May 2022; received a Medical Degree from Yeshiva University-Albert Einstein College of Medicine in New York in 2014; completed an Internship and Residency in Internal Medicine at New York Presbyterian - Weill Cornell Medical College in New York in 2014; and completed a Bachelor of Science in Chemistry degree from Skidmore College in New York in 2008. Dr. Berlin was re-certified by the American Board of Internal Medicine in 2024.

Currently, Dr. Berlin is an attending physician at Cayuga Medical Center at Ithaca since 2015; is an attending physician at Weill Cornell Medical College since 2015; is a Clinical Assistant Professor of Medicine at Cayuga Medical Center; is an Adjunct Clinical Assistant Professor at Lake Erie College of Osteopathic Medicine since 2019; is a hospitalist at Cayuga Medical Associates since 2014; is the founding program director / Internal Medicine Residency of Cayuga Medical Center 2017 - 2020; is an affiliate site Dean at Weill Cornell Medical College since 2019; is a designated Institutional Official at Cayuga Medical Center since 2019; was an Associate Program Director/Internal Medicine Residency at Cayuga Medical Center from 2020 - 2023; is an Assistant Vice President/Strategy Planning and Business Development at Cayuga Medical Center since 2022; and was an Interim Program Director - Internal Medicine Residency from 2023 - 2024 at Cayuga Medical Center.

**Robert M Lawlis** received a Master's degree in English from Cornell University in New York in 2009; completed a Bachelors in Administration from the University of Maine in Maine in 2008; and completed Associates degree from Bard College at Simon's Rock in Massachusetts in 2004.

Robert Lawlis is the Chief Executive Officer (CEO) for Cayuga Health Partners (CHP) since 2018; and was the Executive Director for Cayuga Health Partners from 2013 to 2018; was a committee chairperson with Care Compass Network (CCN) / ITT from 2014 to 2021; and was a board member from 2015 to 2021.

**Dr. Martin Stallone** is the President and Chief Executive Officer (CEO) of Cayuga Health Services and will become the President and CEO of Centralus Health (pending approval of CON project #241015). Dr. Stallone is a director at affiliated organizations as well. Dr. Stallone graduated from the Naval War College, in Rhode Island, with a Master's in 2009; received a MD/MBA degree from the University of Pennsylvania School of Medicine, in Pennsylvania, in 2004; and completed a Bachelor of Science degree from Cornell University, in New York, in 1998.

Dr. Stallone is currently working at Cayuga Medical Center at Ithaca (CMC) in a variety of roles, and for the Cayuga Health System (CHS) as the President and as Chief Executive Officer (CEO) from 2019 to present; as the Vice President of Physician Operations (VPPO) from 2017 to 2019; Cayuga Medical Associates, P.C (CMA) as President from 2017 to present; and as Medical Director at Cayuga Area Plan/Preferred (CAP) from 2011 to 2019 as the Medical Director at Cayuga Medical Center (CMC) at Ithaca from 2009 to 2017.

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

### Operating Budget

The applicant has submitted an operating budget, in 2025 dollars, for Year One and Year Three, summarized below:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>2023</u>		<u>2025</u>		<u>2027</u>	
<u>Revenues:</u>	<u>Per Visit</u>	<u>Total Rev.</u>	<u>Per Visit</u>	<u>Total Rev.</u>	<u>Per Visit</u>	<u>Total Rev.</u>
Commercial FFS	\$87.26	\$1,033,548	\$157.88	\$1,907,348	\$157.88	\$1,983,643
Medicare FFS	\$98.00	\$577,318	\$112.00	\$673,008	\$152.00	\$949,840
Medicaid MC	\$72.00	\$1,479,240	\$72.00	\$1,544,832	\$159.00	\$3,627,464
Private Pay	\$44.00	\$144,100	\$45.00	\$150,345	\$45.00	\$156,359
All other	\$48.29	<u>\$21,294</u>	\$45.00	<u>\$20,205</u>	\$79.99	<u>\$37,357</u>
Total Rev.		\$3,255,500		\$4,295,738		\$6,754,663
<u>Expenses:</u>						
Operating	\$75.86	\$3,185,850	\$82.15	\$3,560,254	\$82.82	\$3,773,871
Capital	\$0.00	\$0	\$8.47	\$367,075	\$8.06	\$367,075
Total Operating Expenses	\$75.86	<u>\$3,185,850</u>	\$90.63	<u>\$3,927,329</u>	\$90.87	<u>\$4,140,946</u>
Net Income (Loss)		<u>\$69,650</u>		<u>\$368,409</u>		<u>\$2,613,717</u>
Total Visits		41,996		43,336		45,569
Cost per Visit		\$75.86		\$90.63		\$90.87

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

	<u>Current Year</u>	<u>Years One</u>	<u>Year Three</u>
Commercial FFS	28.20%	27.88%	27.57%
Medicare FFS	14.03%	13.87%	13.71%
Medicaid MC	48.92%	49.51%	50.06%
Private Pay	7.80%	7.71%	7.63%
All Other	<u>1.05%</u>	<u>1.04%</u>	<u>1.02%</u>
Total	100.00%	100.00%	100.00%

The following is noted with respect to the submitted budget:

- The number and case mix of staff were determined from the current operations of Arnot Ogden.
- Revenues were determined using the current rates received. CCS will renegotiate the commercial rates for current commercial services.
- Year Three Medicaid MC projections are based on attaining FQHC status and increasing reimbursement rates.
- Expenses are based on the facility's current operations.
- Utilization is based on the current caseload of the physicians who've committed to perform currently at Arnot Ogden.
- Revenue increases between Year One and Year Three can be due to increased evening and weekend hours by. The applicant expects to hire additional physicians and midlevel staff to see patients. They will see patients 7 hours a day more, 5-6 days a week.
- The addition of behavioral health staff for medication management will allow physicians to see more patients

## Lease Agreement

The applicant has submitted a draft lease agreement, summarized below:

Date:	TBD
Premises:	Second floor of a building located on 200 Madison Avenue, Elmira, 14901
Landlord:	Arnot Ogden Medical Center
Tenant:	Cayuga Community Services, Inc.
Term:	5 years with an option of both parties to extend.
Rental:	Base rent for total leased space is \$27,075 per year \$2,256.25 per monthly for the 1st year. Rent will increase no more than 3% of the base year rent, but also depend on the consumer price index.
Provisions:	Tenant is responsible for real estate taxes, insurance, utilities and maintenance fees thru additional rent.

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.

## Capability and Feasibility

There is no project cost or purchase price associated with this application.

The working capital requirement is estimated at \$654,555, based on two months of first year expenses. The working capital requirement will be funded by a \$337,780 gift from Cayuga Health System and a \$316,775 loan from Cayuga Health System. The CFO of Cayuga Health System has submitted a letter of intent for the gift, and a loan letter of interest for \$1,500,000 for a 3-year term with an interest rate estimated at 4.33%.

The submitted budget projects a net income of \$368,409 and \$2,613,717 in Year One and Year Three, respectively.

BFA Attachment A, 2022-2023 Certified Financial Statements of Cayuga Health System Inc., show the entity maintained a positive working capital position in 2022 and a negative working capital position in 2023. The entity achieved a positive net asset position in both years. During 2022 and 2023, the facility experienced operating losses of \$5,378,343 and \$28,367,785, respectively. Losses were due to supply cost increases, workforce shortages, increased salaries, and increased travel costs due to the COVID-19 pandemic.

BFA Attachment B, 2024 Internal Financial Statements of Cayuga Health System, Inc., show the entity maintained a negative working capital position, positive net asset position and incurred an operating loss of \$15,704,315. They continue to see losses due to staffing costs increase and reimbursement rates not keeping up with inflationary costs.

BFA Attachment C, Pro Forma Balance Sheet – Elmira Community Health, shows the entity will have \$337,780 in equity as of the first day of operations.

## Conclusion

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

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## Attachments

HSA Attachment A	Common Ground, Finger Lakes Health Service Agency Review
BHFP Attachment	Map
BFA Attachment A	2022-2023 Certified Financial Statements - Cayuga Health System, Inc.
BFA Attachment B	2024 Internal Financial Statements - Cayuga Health System, Inc
BFA Attachment C	Pro Forma Balance Sheet for Elmira Community Health





Project # 251068-B  
Tri-Med Health Pavilion

**Program:** Diagnostic and Treatment Center    **County:** Queens  
**Purpose:** Establishment and Construction    **Acknowledged:** February 14, 2025

Executive Summary

Description

Tri-Med Health Pavilion LLC (the Center), an existing New York limited liability company, requests approval to establish and construct an Article 28 Diagnostic and Treatment Center (D&TC) in leased space at 14-25 Central Avenue, Far Rockaway (Queens County). The leased space is in an existing mixed-use building and will be comprised of nineteen (19) exam rooms, one (1) phlebotomy lab, seven (7) treatment rooms, one (1) nurse office, waiting areas, offices, storage, and staff areas. The Center will be certified for Primary Care, Other Medical Specialties, and Podiatry O/P. Upon approval, the Center will be known as Tri-Med Health Pavilion.

Ownership of the operations is as follows:

Proposed Operator	
Tri-Med Health Pavilion LLC	
Proposed Members:	Ownership %
Vinod Sinha	50.00%
Nalini Sinha	50.00%
Total	100.00%

The proposed members have interests in a licensed home care services agency and a social adult day care in the same service area.

Vishal Sinha, M.D., will serve as the Medical Director. The applicant is negotiating a transfer agreement for backup and emergency services with St John's Episcopal Hospital South Shore, 0.6 miles (5 minutes travel time) from the proposed Center.

OPCHSM Recommendation  
Contingent Approval

Need Summary

The applicant projects 58,357 visits in Year One and 110,225 visits in Year Three, with 62% Medicaid and 3% Charity Care in Year One and 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 cost of \$4,741,252 will be met with \$4,583,369 in landlord equity and \$157,883 in proposed members' equity.

Budget:	Year One	Year Three
Revenues	\$7,545,850	\$14,501,144
Expenses	\$6,603,968	\$10,921,055
Net Income / (Loss)	\$941,882	\$3,580,089

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. 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]

**Approval conditional upon:**

1. This project must be completed by **December 30, 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 **September 30, 2025**, and construction must be completed by **September 30, 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](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](mailto:hospinfo@health.ny.gov) [HSP]

Council Action Date

June 18, 2025

## Need Analysis

### Project Description

Tri-Med Health Pavilion LLC (the Center) is requesting to establish and construct an Article 28 Diagnostic and Treatment Center in leased space at 14-25 Central Avenue, Far Rockaway, New York 11691 (Queens County). Upon approval of this application, the site will be known as Tri-Med Health Pavilion. The Center will be certified for Medical Services - Primary Care, Medical Services - Other Medical Specialties, and Podiatry O/P.

### Background and Analysis

The Primary Service Area for the Center will be within the Queens Community District 14 – The Rockaways Public Use Microdata Area (PUMA). The Center will be located within Zip Code 11691, Far Rockaway in Queens County. The location is within a Health Professional Shortage Area for Primary Care. The population of Queens County is projected to increase to 2,565,268 by 2030, based upon the Cornell Program of Applied Demographics' estimates, an increase of 10.09%. Demographics for the primary service area (zip code and Queens Community District) are noted below, including a comparison with the county and New York State.

Demographics	Zip Code - 11691	Queens Community District – 14	Queens County	New York State
Total Population-2023 Estimate	68,704	130,570	2,330,124	19,872,319
Hispanic or Latino (of any race)	25.7%	22.7%	27.9%	19.6%
White (non-Hispanic)	23.7%	34.0%	23.6%	53.4%
Black or African American (non-Hispanic)	40.4%	34.3%	16.5%	13.6%
Asian(non-Hispanic)	4.0%	3.9%	25.9%	8.8%
Other (non-Hispanic)	6.2%	5.1%	6.1%	4.6%

Source: American Community Survey (2023 5-year Estimates Data Profiles)

In 2023, 93.3% of the population of Queens Community District – 14 – The Rockaways PUMA, NY had health coverage as follows:

Employee plans	38.5%
Medicaid	34.4%
Medicare	10.2%
Non-group plans	9.71%
Military or VA plans	0.48%

Source: Data USA

The projected payor mix includes:

Applicant Projected Payor Mix		
Payor	Year One	Year Three
Commercial	24%	24%
Medicare	11%	11%
Medicaid	62%	62%
Charity Care	3%	3%

Source: Applicant

The applicant projects 58,357 visits in Year One and 110,225 visits in Year Three. The applicant is proposing to provide primary health and other medical specialties, which will include, but are not limited to, infectious disease, pulmonary, endocrine, cardiology, and behavioral health. These services were selected to fit within the designated program space of the facility and to function at a level that would help alleviate the burden of need for health services in the area.

The Center will be operational 5 days per week initially, Monday through Friday, 8:00 am – 6:00 pm. Hours of operation will increase as demand warrants, increasing operational days to 6 per week, adding Saturday from 8:30 am to 6:00 pm.

The applicant is in negotiations to maintain a transfer and affiliation agreement with St John's Episcopal Hospital South Shore, 327 Beach 119<sup>th</sup> St, Far Rockaway, NY 11691, 0.6 miles and 5 minutes away. This is also the nearest hospital to 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 2022 related to this application, indicating that the zip code where the facility will be situated in the service area (Queens Community District – 14, The Rockaways) has higher PQI rates than Queens County and New York State.

<b>Hospital Admissions per 100,000 Adults</b>			
<b>PQI Name</b>	<b>Zip Code 11691</b>	<b>Queens County</b>	<b>New York State</b>
Diabetes Short-Term Complications	170	59	67
Diabetes Long-Term Complications	195	106	116
Chronic Obstructive Pulmonary Disease or Asthma	505	190	238
Hypertension	177	91	65
Heart Failure	560	322	359
Bacterial Pneumonia	119	47	92
Uncontrolled Diabetes	133	54	46
Urinary Tract Infection	186	95	103
Prevention Quality Overall Composite	1,878	918	1,021

#### Conclusion

Approval of this project will allow the center to carry out its efforts to serve the residents of Queens Community District-14 and help alleviate the burden of need for health services in The Rockaways, Queens County.

## Program Analysis

### Project Proposal

<b>Proposed Operator</b>	Tri-Med Health Pavilion LLC
<b>Site Address</b>	14-25 Central Avenue Far Rockaway, NY 11691 (Queens)
<b>Specialties</b>	Medical Services - Primary Care Medical Services - Other Medical Specialties Podiatry O/P
<b>Hours of Operation</b>	Monday through Friday, 8 AM to 6 PM, extending to a sixth day on Saturday from 8:30 AM to 6:00 PM as volume or needs of the community dictate.
<b>Staffing (1<sup>st</sup> Year / 3<sup>rd</sup> Year)</b>	23.25 FTEs / 43.05 FTEs
<b>Medical Director(s)</b>	Vishal Sinha, MD
<b>Emergency, In-Patient and Backup Support Services Agreement and Distance</b>	Expected to be provided by: St. John's Episcopal Hospital South Shore: 0.6 miles/5 minutes.

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

Position	Year One	Year Three
Management and Supervision	1.25	1.25
Physicians	5.0	9.5
Physicians' Assistants/ Medical Assistants	8.0	15.2
Nurse Practitioners	2.0	3.8
Social Workers and Psychologist	1.0	1.9
Infection Control, Environment	3.0	5.7
Clerical and Other Administrative	3.0	5.7
<b>Totals</b>	<b>23.25</b>	<b>43.05</b>

### Character and Competence

Members of Tri-Med Health Pavilion LLC:

<b>Name</b>	<b>Ownership</b>
Nalini Sinha	50%
Vinod Sinha	50%

**Dr. Vishal Sinha** will serve as the medical director. Dr. Sinha has worked as a Diagnostic and Interventional Radiologist at Vantage Medical Associates, P.C. since July 2024 and as the President of Tri-Med Home Care Services since July 2024. Dr. Sinha graduated from the University of Miami with a Bachelor of Science in Biology, Chemistry, and Mathematics in 2013 and from the University of Miami Miller School of Medicine with a Doctor of Medicine in May 2018. Dr. Sinha completed an Internship in General Surgery at New York Presbyterian Hospital in June 2019 and completed an Integrated Diagnostic Radiology/Interventional Radiology residency at New York Presbyterian, Memorial Sloan Kettering, and Hospital for Special Surgery in June 2024.

The following is a court case naming Dr. Sinha:

SCHMIDT, NORA vs. THE NEW YORK AND PRESBYTERIAN HOSPITAL et al (SINHA M.D., VISHAL KUMAR)/ New York Supreme Court/805385/2021/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, this case occurred when Dr. Sinha was an intern and was not the decision maker, and did not play a significant role in the care of the patient. The applicant expects to be dismissed from the case.

**Nalini Sinha** has been the Senior Vice President of Tri-Med Staffing, Inc., and Tri-Med Home Care Services, Inc. since 2012. Nalini Sinha has also been the President and Chief Executive Officer of Tri-Med Social Adult Day Services, Inc., since 2014. Nalini Sinha graduated from Lucknow University with a master's degree in 1982 and from Conestoga College with a book-keeping degree in 1984.

**Vinod Sinha** is a senior-level operations manager with experience in delivering health care services. Vinod Sinha is the Founder and Chief Executive Officer of Tri-Med Home Care Services, Inc., operating since 2013, the co-founder of Tri-Med Social Adult Day Services Inc., since 2014, and was previously the Executive Administrator for South Island Medical Associates, P.C. from 1977 to 2014. Vinod Sinha graduated from Phoenix University with a Master of Business Administration in 2004.

The following are court cases related to Tri-Med Home Care Services, Inc:

MELENDEZ, MAYRA vs. TRI-MED HOME CARE SERVICES, INC. et al/Kings Supreme Court/ 504552/2020/ Tort-Other

Per the applicant, there is currently a motion to dismiss pending for the judge's action.

SODHI, JITENDRA S. vs. TRI-MED HOME CARE SERVICES, INC. et al/Queens Supreme Court/ 704924/2022/ Tort-Medical, Dental, or Podiatric Malpractice

Per the applicant, Tri-Med did not provide any personal care to the plaintiff in this case, as this relationship was part of their CDPAP program.

#### Compliance with Applicable Codes, Rules, and Regulations

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 is estimated at \$4,741,252, broken down as follows:

New Construction	\$1,196,650
Renovation & Demolition	2,671,600
Design Contingency	96,706
Construction Contingency	193,413
Architect/Engineering Fees	300,000
Other Fees	125,000
Movable Equipment	129,960
Application Fee	2,000
Additional Processing Fee	<u>25,923</u>
Total Project Cost	\$4,741,252

The financing for this project will be as follows:

Landlord Equity	\$4,583,369
Members' Equity	<u>157,883</u>
Total	\$4,741,252

BFA Attachment A, Net Worth Statement of Proposed Members of Tri-Med Health Pavilion LLC, shows sufficient resources to meet the equity requirements.

### Operating Budget

The applicant has submitted an operating budget, in 2025 dollars, for Year One and Year Three, summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
Revenues:				
Commercial FFS	\$225.00	\$1,312,875	\$229.50	\$2,529,549
Commercial MC	\$225.00	\$1,838,250	\$229.50	\$3,541,415
Medicare FFS	\$106.78	186,972	\$108.92	360,184
Medicare MC	\$106.78	498,449	\$108.92	960,418
Medicaid FFS	\$106.78	997,005	\$106.78	1,883,172
Medicaid MC	\$106.78	2,866,296	\$108.92	5,522,348
Less: Bad Debt		<u>(153,997)</u>		<u>(295,946)</u>
Total Revenue		\$7,545,850		\$14,501,144
Expenses:				
Operating	\$88.83	\$5,183,847	\$85.85	\$9,462,716
Capital	<u>24.34</u>	<u>1,420,121</u>	<u>13.23</u>	<u>1,458,339</u>
Total	\$113.17	\$6,603,968	\$99.08	\$10,921,055
Net Income / (Loss)		<u>\$941,882</u>		<u>\$3,580,089</u>
Total Visits		58,357		110,224
Cost per Visit		\$113.16		\$99.08

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

<u>Payor:</u>	<u>Years One</u>		<u>Year Three</u>	
	<u>Visits</u>	<u>%</u>	<u>Visits</u>	<u>%</u>
Commercial FFS	5,835	10.00%	11,022	10.00%
Commercial MC	8,170	14.00%	15,431	14.00%
Medicare FFS	1,751	3.00%	3,307	3.00%
Medicare MC	4,668	8.00%	8,818	8.00%
Medicaid FFS	9,337	16.00%	17,636	16.00%
Medicaid MC	26,843	46.00%	50,703	46.00%
Charity Care	<u>1,753</u>	<u>3.00%</u>	<u>3,307</u>	<u>3.00%</u>
Total	58,357	100.00%	110,224	100.00%

The following is noted with respect to the submitted budget:

- The number and mix of staff were based on the operations of existing Article 28 D&TCs and a review of existing AHCF-1s.
- Revenue projections are based on the Freestanding APG Base Rates using full APG reimbursement as obtained from the New York State Department of Health's website.
- The Medicaid Managed Care rate is based on the Medicaid Fee-For-Service rate and excludes the capital component.
- Medicaid APG base rate has been used as the rate for the Medicaid fee-for-service population in the budget projections. Operating expenses are based on the experience of the proposed physician members and a review of AHCF-1 cost reports for existing and operating Article 28 diagnostic and treatment centers. Utilization is based on a review of AHCF-1 cost reports for existing and operating Article 28 diagnostic and treatment centers.
- 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 Center developed a financial assistance policy to be utilized when operational.

#### Lease Agreement

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

Date	April 29, 2025
Premises:	1425 Central Avenue, Far Rockaway, 11691
Landlord:	1425 Central Ave Corp.
Tenant:	Tri-Med Health Pavilion LLC
Term:	10 years
Rental:	Base rent for total leased space is \$945,996 per year (\$75,833 per month) for the 1st year. Rent will increase by 2% 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 that the lease between the property owner and the lessee is a non-arm's-length arrangement due to common ownership. The applicant has submitted letters from two NYS licensed realtors attesting to the reasonableness of the per square footage rental.

#### Capability and Feasibility

The total project cost of \$4,741,252 will be met with \$4,583,369 in landlord equity and \$157,883 in members' equity. Working capital requirements are estimated at \$1,820,176, based on two months of third-year expenses, and will be funded with members' equity. BFA Attachment A presents the members' personal net worth statements, which indicate sufficient resources overall to fund the equity requirements.

The submitted budget projects a net income of \$941,882 and \$3,580,089 during Year One and Year Three of operations, respectively. The budget appears reasonable.



BFA Attachment B, Pro-Forma Balance Sheet - Tri-Med Health Pavilion LLC, shows the operation will have \$1,950,136 in members' equity on the first day of operations.

#### Conclusion

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

## Attachments

#### Supporting Data

BHFP Attachment	Map
BFA Attachment A	Net Worth Statement of Proposed Members of Tri-Med Health Pavilion LLC
BFA Attachment B	Pro-Forma Balance Sheet – Tri-Med Health Pavillion LLC
BFA Attachment C	Tri-Med Health Pavilion LLC Organizational Chart



Project # 251106-B  
Accelerated Care Inc.

**Program:** Diagnostic and Treatment Center    **County:** New York  
**Purpose:** Establishment and Construction    **Acknowledged:** March 11, 2025

Executive Summary

Description

Accelerated Care Inc., an existing New York State not-for-profit corporation, is seeking to establish and construct an Article 28 Diagnostic and Treatment Center (D&TC) in leased space at 1 Wadsworth Terrace, New York (New York County). The D&TC will be certified for Primary Care, Other Medical Specialties including cardiology, dermatology and urology, and Podiatry. The applicant intends to seek certification as a Federally Qualified Health Center (FQHC) after commencing operations.

Edward Shuster, M.D. will serve as the Medical Director. Accelerated Care Inc. is currently negotiating a transfer and affiliation agreement.

OPCHSM Recommendation  
Contingent Approval

Need Summary

The applicant projects 17,850 visits in Year One and 18,900 visits in Year Three, with Medicaid at 70.0% and Medicare at 5.0%.

Program Summary

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 is \$4,674,388. The landlord will provide a loan of \$3,500,000 for construction, which will be paid back as additional rent over a ten-year period. The equipment purchases of \$706,950 will be financed from HTD 2, with a 12% interest rate and 7-year term. The remaining \$467,438 will be contributed from Shaarei Refuah Inc., a not-for-profit organization.

<u>Budget</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$3,656,463	\$5,020,625
Expenses	<u>3,860,485</u>	<u>4,186,721</u>
Net Income/(Loss)	(\$204,022)	\$183,904

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 equipment loan agreement, acceptable to the Department. [BFA]
3. Submission of an executed building lease, acceptable to the Department. [BFA]
4. Submission of an executed subvention loan agreement, acceptable to the Department. [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 **May 1, 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 **January 1, 2026**, and construction must be completed by **February 1, 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. 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]
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](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](mailto:hospinfo@health.ny.gov) [HSP]

Council Action Date

June 18, 2025

## Need Analysis

### Project Description

Accelerated Care Inc., an existing New York State not-for-profit corporation, is requesting to establish and construct an Article 28 Diagnostic and Treatment Center (D&TC, the "Center"). Upon approval, Accelerated Care Inc. will change its name to Accelerated Health Inc. The D&TC will be in the cellar and first floors of a newly constructed building at 1 Wadsworth Terrace, New York (New York County), New York 10040. It is the intent of the applicant to seek certification as a Federally Qualified Health Center after commencing operations.

### Background & Analysis

The applicant is located in New York County with a service area serving zip codes 10032, 10033, 10034, and 10040, representing the Washington Heights, Fort George, and Inwood neighborhoods. The facility will be within a Health Professional Shortage Area for Dental, Mental, and Primary Care Health, and is part of a Medically Underserved Area.

The population of New York County is estimated to increase to 1,727,631 by 2030, per projection data from the Cornell Program on Applied Demographics, an increase of 6.1%. Demographics for the service area are noted below, including a comparison with New York State:

Demographics	Service Area (Zip Codes 10032, 10033, 10034, 10040)	New York County	New York State
Total Population – 2023 Estimate	189,808	1,627,788	19,872,319
Hispanic or Latino (of any race)	65.35%	24.30%	19.60%
White (non-Hispanic)	21.23%	46.30%	53.40%
Black or African American (non-Hispanic)	6.73%	12.50%	13.60%
Asian (non-Hispanic)	3.45%	12.30%	8.80%
Other (non-Hispanic)	3.17%	4.60%	4.60%

Source: 2023 American Community Survey (5-Year Estimates Data Profiles)

In addition to serving the general population, the proposed D&TC will improve access to medical services for residents of two nearby Residential Health Care Facilities (RHCs). The center will be located 0.5 miles from Fort Tryon Center for Rehabilitation and Nursing, a 205-bed RHC, and 0.4 miles from Isabella Geriatric Center, a 705-bed RHC. According to the applicant, due to the limited existing D&TC resources in the proposed service area, residents of these RHCs often have difficulty accessing medical visits promptly when needed.

In 2023, 95.7% of the population of New York County had health coverage as follows:

Employer plans	52.4%
Medicaid	19.3%
Medicare	11.0%
Non-group plans	12.8%
Military or VA plans	0.284%

Source: Data USA

The following data represents the public health coverage of the primary service area:

Zip Code	10032	10033	10034	10040
Medicaid Coverage Alone	27.00%	25.10%	24.00%	26.40%
Medicare Coverage Alone	3.90%	2.90%	4.50%	4.80%

Source: 2023 American Community Survey (5-Year Estimates); Table S2704

The number of projected visits is 17,850 in Year One and 18,900 visits in Year Three, with Medicaid at 80.0% and Medicare at 5%. There is currently only one other D&TC located in zip code 10040 that provides primary care services, the New York Neuro & Rehab Center, located 0.4 miles away.

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

<b>Applicant Projected Payor Mix</b>		
<b>Payor</b>	<b>Year One</b>	<b>Year Three</b>
	<b>Inpatient</b>	
Medicare	5.00%	5.00%
Medicaid	70.00%	70.00%
Private Pay	10.00%	10.00%
Other	15.00%	15.00%

Source: Applicant

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 adult rates for 2022 related to this application.

<b>Hospital Admissions Per 100,000 Adults</b>					
<b>PQI Name</b>	<b>10032</b>	<b>10033</b>	<b>10034</b>	<b>10040</b>	<b>New York State</b>
Prevention Quality Overall Composite	1,689	1,271	1,366	1,401	1,021

Source: HealthData.NY.Gov (values have been rounded)

The facility will be open 9 am to 5 pm Monday through Friday, and Telehealth services will be available 7 days a week from 7 am to 9 pm. The Center expects to enter into a Patient Transfer Agreement with a hospital for backup services but does not have one set up at this time.

## Conclusion

Approval of this project will provide improved access to care in an outpatient setting for the residents of Washington Heights, Fort George, and Inwood neighborhoods.

## Program Analysis

### Project Proposal

<b>Proposed Operator</b>	Accelerated Care Inc.
<b>Site Address</b>	1 Wadsworth Terrace, New York, NY 10040 (New York County)
<b>Specialties</b>	Medical Services- Primary Care Medical Services- Other Medical Specialties Podiatry O/P
<b>Hours of Operation</b>	Monday through Friday, from 9:00 A.M. to 5:00 P.M., with additional evening and weekend hours to be added as needed. Telehealth services will also be available from 7:00 A.M. to 9:00 P.M., seven (7) days a week.
<b>Staffing (1<sup>st</sup> Year / 3<sup>rd</sup> Year)</b>	14.50 FTEs / 16.51 FTEs
<b>Medical Director(s)</b>	Edward Shuster, M.D.
<b>Emergency, In-Patient and Backup Support Services Agreement and Distance</b>	To be determined

The table below shows the projected FTEs in Year One and Year Three following completion of this project:

<b>Position</b>	<b>First Year</b>	<b>Third year</b>
Management and Supervision	2.00	2.00
Aides, Orderlies & Attendants	3.50	3.71
Physicians	1.00	1.50
Nurse Practitioners	2.50	3.50
Social Workers and Psychologist	1.00	1.06
Clerical and Other Administrative	2.00	2.12
Case Manager	1.00	1.06
SUD Provider	1.00	1.06
Podiatrist	0.50	0.50
<b>Totals</b>	<b>14.50</b>	<b>16.51</b>

### Membership Structure

<b>Member</b>	<b>Position Held</b>
Sara Kagan	Board Member
Florence Kramer	Board Member, Chairperson
Mark Schuster	Board Member

### Character and Competence

**Edward Shuster, M.D.** will be the medical director of the facility. Dr. Shuster has worked as an in-house physician at Fountain View Retirement Community since 2000 and has also worked at Helen Hayes Hospital as a consultant internist at the rehabilitation hospital since 2020. Dr. Shuster graduated from Brooklyn College in 1984 with a focus in pre-med and from New York Medical College with a Doctor of Medicine in 1988. Dr. Shuster completed an Internal Medicine Residency at Maimonides Medical Center in 1992.

**Sara Kagan** currently works as a Supervisor/Case Manager at Amudim Community Resources providing short term counselling to parents of children struggling with addiction and mental health issues as well as victims of trauma and those suffering from addictions, mental health issues and/or eating disorders to provide support, case management, psychoeducation, short term counseling and referrals. Prior to this, Sara Kagan worked at Yeled V'Yalda Head Start Program from 2013 to 2015 as a Mental Health Consultant. Sara Kagan graduated from Touro College with a bachelor's degree in 2003 and from Brooklyn College with a master's in education in 2010.

**Florence Kramer** is a Pediatric Physician's Assistant currently working for CHEMED Health Center since July 2023. Prior to this, Florence Kramer worked as a Physician's Assistant for Pediatric Affiliates from January 2011 to June 2023. Florence Kramer graduated from Touro College with a bachelor's degree in 2008.

**Mark Schuster** has worked as a Supervising Physician Assistant at Monsey Urgent Care Center since 2016. Prior to this, Mark Schuster worked as a Physician Assistant at Long Island Jewish Hospital Emergency Room from 2015-2023, and as a Physician Assistant at Queens General Hospital Emergency Room from 2014-2018. Mark Schuster graduated from Touro College with a Bachelor of Science in Biology in 2011 and from SUNY Downstate Medical Center with a Bachelor of Science in Physician Assistant Studies in 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.

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, which is for new construction and moveable equipment, is estimated at \$4,674,388, further broken down as follows:

Renovation & Construction	\$2,916,667
Design Contingency	\$291,666
Construction Contingency	\$291,666
Architect Fees/Engineering Fees	\$233,334
Construction Manager Fees	\$145,834
Other Fees	\$53,000
Movable Equipment	\$714,663
Total Basic Cost of Construction	\$4,646,830
Application Fee	\$2,000
Processing Fee	<u>\$25,558</u>
Total Project Cost with CON Fees	\$4,674,388

The project is estimated at \$4,674,388 and will be funded as follows:

Landlord Bank Loan (Levon Capital LLC to Cozy Terrace LLC)	\$3,500,000
Equipment will be financed by HDT2 LLC (LOI sent to the DOH)	\$706,950
Equity contribution from Shaarei Refuah, Inc.	<u>\$467,438</u>
Total	\$4,674,388

The applicant submitted a letter attesting that there is no relationship between the applicant and Shaarei Refuah, Inc. or the landlord. Shaarei Refuah, Inc has a commitment and desire to improve the access to health care services and health outcomes.

### Operating Budget

The applicant has submitted an operating budget, in 2025 dollars, for Years One and Year Three, summarized below:

	<u>First Year</u>		<u>Third Year</u>	
Revenue - Outpatient	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Revenue</u>
Medicare MC	\$150.00	\$133,950	\$150.00	\$141,750
Medicaid FFS	\$262.27	3,277,063	\$300.00	3,969,000
Private Pay	\$100.00	178,500	\$100.00	189,000
All Other	\$25.00	66,950	\$25.00	70,875
*FQHC Rev.	-	-	-	\$650,000
Total Rev.	-	<u>\$3,656,463</u>	-	<u>\$5,020,625</u>
Expenses:				-
Operating	\$123.37	\$2,202,250	\$133.37	\$2,520,710
Capital	\$92.89	1,658,235	\$88.15	1,666,011
Total Operating Exp.	\$216.26	\$3,860,485	\$221.52	\$4,186,721
Operating Income		<u>(\$204,022)</u>		<u>\$833,904</u>
Cost per Visit		\$216.26		\$221.52



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

	<u>Visits</u>	<u>%</u>	<u>Visits</u>	<u>%</u>
Medicare MC	893	5.00%	945	5.00%
Medicaid FFS	12,495	70.00%	13,230	70.00%
Private Pay	1,785	10.00%	1,890	10.00%
All Other	2,678	15.00%	2,835	15.00%
Total	17,851	100.00%	18,900	100.00%

- The basis of revenues, expenses, and projected utilization is based on the existing providers in the proposed service area. The operating budget projects they will operate at 85% of capacity (17,850 visits) in the Year One and 90% of capacity (18,900 visits) by the Year Three.
- The applicant projects 14.50 FTEs in Year One and 16.61FTEs in Year Three.
- The applicant expects to have obtained FQHC status by Year Three of operations.

#### Lease Rental Agreement

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

<b>Premises:</b>	1 Wadsworth Terrace – approx. 9,195 sq. ft.
<b>Lessor:</b>	Cozy Terrace, LLC
<b>Lessee:</b>	Accelerated Health Inc.
<b>Term of Lease:</b>	10-Years
<b>Rental Amount:</b>	Year One \$55.00 sq. ft. - Annual \$505,725 Year Two \$56.38 sq. ft. - Annual \$518,414 Year Three \$57.79 sq. ft. - Annual \$531,379 Year Four \$45.38 sq. ft. - Annual \$544,620 Year Five \$60.71 sq. ft. - Annual \$558,228 Year Six \$62.23 sq. ft. - Annual \$572,205 Year Seven \$63.79 sq. ft. - Annual \$586,549 Year Eight \$65.38 sq. ft. - Annual \$601,169 Year Nine \$67.01 sq. ft. - Annual \$616,157 Year Ten \$68.89 sq. ft.- Annual \$631,605
<b>Additional Rent:</b>	Landlord has provided a letter of interest from Levon Capital in the amount of \$3,500,000 to loan COZY Terrace LLC the same amount at the same term and interest on order for the Lessee to fund the fit-out for this project. This amount will be paid back at \$569,608 annualized for a term of 10-years at a rate of 10%.
<b>Provisions:</b>	Utilities are included in base rent, and the landlord will charge for the construction costs 10% per annum after three (3) months the center commences operations over 120 months for the \$3,500,000. An extension clause is in the loan application for 2 (6) month terms which if exercised will increase the interest rate by (1%).

The applicant has provided two (2) letters of rent reasonableness from licensed NYS Realtors. Additionally, an executed affidavit has been submitted stating the lease is an arm's length agreement as the Lessor and Lessee are not related.

### Equipment Purchase

The applicant has submitted a letter of interest agreement to financing the equipment loan which is summarized below:

<b>Borrower:</b>	Accelerated Care, Inc.
<b>Lender:</b>	HTD 2, LLC
<b>Loan Amount:</b>	\$706,950
<b>Term:</b>	7-Years
<b>Interest Rate:</b>	Estimated at 12% and could change depending on market conditions when executed.
<b>Provisions:</b>	Letter of interest is for up to \$1,000,000, however the amount needed is \$706,950 and the interest rate is estimated. The monthly payment with interest is projected to be \$154,905 annually.

There is no relationship between HDT 2, LLL and the applicant.

### Subvention Loan Agreement

The applicant has submitted a draft subvention agreement for the working half of the working capital portion of the project:

<b>Subvention Loan Grantor:</b>	Shaarei Refuah's, Inc.
<b>Subvention Loan Grantee:</b>	Accelerated Care, Inc.
<b>Amount:</b>	\$348,893
<b>Term:</b>	5-Years
<b>Rate:</b>	8.5%

There is no relationship between Accelerated Health, Inc, Shaarei Refuah, Inc. nor the landlord, COZY Terrace LLC.

### Capability and Feasibility

The total project cost is \$4,674,388. \$3,500,000 will be funded with a landlord loan from Levon Capital and paid back through extra lease payments for a 10-year term at an estimated interest rate of 10%. \$706,950 will be financed for equipment costs through a loan from HTD2, LLC. The applicant provided a letter of interest, stating terms at approximately 12% interest for a seven (7)-year term. The remaining \$467,439 will be funded through a contribution from Shaarei Refuah.

The working capital requirement is estimated at \$697,787, based on two months of third year expenses, and will be funded with a \$348,894 equity contribution from Shaarei Refuah, Inc. The remainder, \$348,893 will be covered through a subvention loan from Shaarei Refuah, Inc. with a 5-year term at 8.5% interest. BFA Attachment A, Bank Statement - Shaarei Refuah, Inc., indicates sufficient resources for the contribution and working capital working capital requirements.

The budget shows an operating loss of (\$204,022) in Year One and Net Income of \$833,904 in Year Three. The budget appears reasonable. Shaarei Refuah, Inc. submitted an affidavit stating that the corporation will cover the Year One loss through a contribution and provided a bank statement (BFA Attachment A) indicating sufficient resources to cover the loss.

Attachment B, Pro Forma Balance Sheet, indicates a net equity asset position of \$934,879 as of the first day of operations.

### Conclusion

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

Attachments
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BHFP Attachment	Map
BFA Attachment A	Bank Statement – Shaarei Refuah, Inc.
BFA Attachment B	Pro Forma Balance Sheet
BFA Attachment C	Organizational Chart



Project # 251114-E  
Bronx Renal Services LLC

**Program:** Diagnostic and Treatment Center  
**Purpose:** Establishment

**County:** Bronx  
**Acknowledged:** March 25, 2025

Executive Summary

Description

Bronx Renal Services, LLC d/b/a Bronx Kidney Care, an existing New York limited liability company, is seeking approval to become the established operator of St. Barnabas Hospital Hemodialysis Center, a 40-station end-stage renal dialysis extension clinic at 4451 Third Avenue, Bronx, New York (Bronx County). There will be no changes to services or the number of stations per this application.

The proposed members of Bronx Renal Services, LLC are as follows:

Proposed Owners of Bronx Renal Services, LLC	
Member	Ownership %
Miles Davis	1%
Raizy Davis	1%
Mandr BRC Holdings LLC	49%
BRC Holdings LLC	49%
Total	100%

Miles Davis is the Sole Member and Manager of Mandr BRC Holdings, LLC, and Raizy Davis, is the Sole Member and Manager of BRC Holdings LLC.

Dr. Bessy Suyin Flores Chang, who is Board-Certified in Internal Medicine and Nephrology, is the proposed Medical Director.

OPCHSM Recommendation

Contingent Approval

Need Summary

The facility currently sees 22,052 visits annually and expects 25,272 in Year One and 33,696 in Year Three, with 75% Medicare and 10% Medicaid.

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 is no project cost associated with this application. The purchase price of \$3,200,000 will be paid with \$2,240,000 in members' equity and a draft promissory note for \$960,000 between Bronx Renal, LLC and St. Barnabas Hospital with a 1-year term and a 5% interest rate.

Budget:	<u>Year One</u>	<u>Year Three</u>
Revenues	\$8,451,589	\$11,268,785
Expenses	<u>\$6,872,185</u>	<u>\$7,038,360</u>
Net Income	\$1,579,404	\$4,230,425

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 building lease acceptable to the Department of Health. [BFA]
2. Submission of an executed promissory note acceptable to the Department of Health. [BFA]
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 clinical space must be used exclusively for the approved purpose; 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/hospitals/docs/hcs\\_access\\_forms\\_new\\_clinics.pdf](https://www.health.ny.gov/facilities/hospitals/docs/hcs_access_forms_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](mailto:hospinfo@health.ny.gov) [HSP]

Council Action Date

June 18, 2025

## Need Analysis

### Project Description

Bronx Renal Services is seeking approval for Bronx Renal Services LLC d/b/a Bronx Kidney Care to become the established operator of the existing 40-station SBH Hemodialysis Center, at 4451 Third Avenue, Bronx, New York 10457 (Bronx County). SBH Hemodialysis Center is an extension clinic of St. Barnabas Hospital. There will be no changes in services or the number of existing dialysis units through the approval of this project.

### Background and Analysis

The primary service area for the facility remains Bronx County. The population of the county is estimated to increase to 1,604,168 by 2030 per projection data from the Cornell Program on Applied Demographics, an increase of 13.0%. The facility is in a Health Professional Shortage Area for Dental Health, Mental Health, and Primary Care, and is within a Medically Underserved Area.

Demographics	Bronx County	New York State
Total Population	1,419,250	19,872,319
Hispanic or Latino (of any race)	54.9%	19.6%
White (non-Hispanic)	8.8%	53.4%
Black or African American (non-Hispanic)	29.1%	13.6%
Asian (non-Hispanic)	4.0%	8.8%
Other (non-Hispanic)	3.2%	4.6%

Source: 2023 American Community Survey (5-Year Estimates Data Profiles)

The population aged 65 and over was 13.9% of the total population in Bronx County in 2023. By 2030, Cornell PAD estimates the 65 and over cohort will be 16.4% of the total population, an increase of 2.5%. The non-white population percentage was 91.2%, which is significantly higher than the New York State percentage of 46.6%. The aged 65 and over population and the minority population are two groups most in need of end-stage renal dialysis services.

In 2023, 92.7% of the population in Bronx County had health coverage as follows.

Employer Plans	29.5%
Medicaid	43.4%
Medicare	7.06%
Non-Group Plans	12.3%
Military or VA	0.392%

Source: Data USA

The applicant's projected payor mix is below.

Applicant Projected Payor Mix		
Payor	Year One	Year Three
	Outpatient	
Commercial	15.00%	15.00%
Medicare	75.00%	75.00%
Medicaid	10.00%	10.00%

Source: Applicant

The facility currently sees 22,052 visits annually and expects 25,272 in Year One and 33,696 in Year Three. The applicant plans to work with community leaders, religious leaders, and local groups to provide outreach and information about dialysis and the center.

The table below shows the nearby dialysis centers within 1.5 miles of the applicant.

	<b>CMS Overall Quality Rating (as of 1/2025)</b>	<b>Number of Dialysis Stations</b>	<b>Distance to other Dialysis Centers</b>
St. Barnabas Hospital-Hemodialysis	2	40	N/A
South Bronx Dialysis Center	4	20	5 min/0.6 miles
University Heights Dialysis	2	21	10 min/1.2 miles
Grand Concourse Dialysis Facility	3	27	9 min/1.3 miles
Citadel Renal Care LLC	1	15	12 min/1.5 miles
Beth Abraham Center for Renal Dialysis	N/A	24	13 min/2.4 miles

Source: CMS Compare, HFIS, and Google Maps

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 adult rates for 2022 related to this application.

<b>Hospital Admissions per 100,000 Adults</b>		
<b>PQI Name</b>	<b>Bronx County</b>	<b>New York State</b>
Diabetes Short-Term Complications	113	67
Diabetes Long-Term Complications	228	116
Uncontrolled Diabetes	103	46
Hypertension	134	65
Prevention Quality Overall Composite	1,697	1,021

Source: HealthData.NY.Gov (values have been rounded)

The applicant plans to continue offering services to residents in an area most in need of ESRD services.

### Conclusion

There will be no change in the number of stations or the dialysis services provided as a result of this application.

## Program Analysis

### Project Proposal

<b>Proposed Operator</b>	Bronx Renal Services LLC
<b>Doing Business As</b>	Bronx Kidney Care
<b>Site Address</b>	4451 Third Ave, Bronx, NY 10457 (Bronx County)
<b>Shift/Hours/Schedule</b>	Monday to Friday from 6:30 AM-7:00 PM Saturday 6:30 AM- 12:30 PM
<b>Approved Services</b>	Renal Dialysis-Chronic O/P (40)
<b>Staffing (1<sup>st</sup> Year/3<sup>rd</sup> Year)</b>	37.50 FTEs/40.50 FTEs
<b>Medical Director(s)</b>	Bessy Suyin Flores Chang, MD
<b>Emergency, In-Patient, and Backup Support Services Agreement and Distance</b>	<b>Proposed:</b> St. Barnabas Hospital 305 ft./1 minute

There will be no programmatic changes, changes in stations or services as a result of this proposed change in ownership.

### Character and Competence

The proposed members of Bronx Renal Services, d/b/a Bronx Kidney Care, are as follows:

<b>Member Name</b>	<b>Ownership/Percentage</b>	<b>Title</b>
Miles Davis	1%	Member /Manager
Raizy Davis	1%	Member /Manager
Mandr BRC Holdings LLC	49%	Member
BRC Holdings LLC	49%	Member

**Mandr BRC Holdings LLC - sole member is Miles Davis.**

**BRC SB Holdings LLC - sole member is Raizy Davis**

**Miles Davis** received a BS degree from Rabbinical College Bobover Yeshiva in 1995. Miles Davis has been managing member and CEO of Williamsburg Dialysis Center, Brooklyn New York since 2016, a Member of Quality Kidney Care, Queens New York since 2016, and Kings Harbor Dialysis Center Bronx, New York from 2002 to present where they performed project planning and feasibility research for a 9-station dialysis center project in a 720-bed skilled nursing facility, and project management. Additional duties include day-to-day operations, financial management, budgeting, reporting, human resources, reimbursement, auditing, quality oversight, policy and procedure implementation, compliance monitoring, environmental management, and bio-med rounds and auditing, Regulatory updates in-service, and implementation. Miles Davis discloses membership in the following facilities:

Kings Harbor Health Services, LLC: 2004 - present

Quality Kidney Care: 2016 - present

Williamsburg Dialysis Center: 2020 - present



**Raizy Davis** attended Touro College from 2007-2008 and is the owner and CFO of Geripro Dialysis Consultants DBA Renalliance Group, managing 20 dialysis centers in New York State. Raizy Davis is currently employed at Kings Harbor Dialysis Center. Duties Raizy Davis discloses membership in the following:

Renalliance Billing Group  
Kings Harbor Health Services, LLC: 2004 - present  
Quality Kidney Care: 2016 - present  
Williamsburg Dialysis Center: 2020 - present

**Bessy Suyin Flores Chang, MD**, the proposed Medical Director, received a Doctor of Medicine from Universidad de El Salvador in 2011, and is Board Certified in Internal Medicine since 2017 and Board Certified in Nephrology since 2021, and has been a Nephrology Attending at St. Barnabas Hospital from July 2020 to present, Co-Director Nephrology Department- St. Barnabas Hospital, July 2020 to September 2024, Chief of Nephrology Department- St. Barnabas Hospital, September 2024-present, Affiliate Assistant Medical Professor, Department of Clinical Medicine -CUNY School of Medicine July 2020 to present. Dr. Flores Chang is registered through August 31, 2025.

Facility Name	Address	Star Rating
Williamsburg Center for Renal Dialysis	722 Myrtle Ave Brooklyn, NY 11205	2 Star
Cassena Kidney Care at Peninsula	50-15 Beach Channel Drive Far Rockaway, NY 11691	1 Star
Kings Harbor Dialysis Center	2020 East Gunhill Road Bronx, NY 10469	3 Star

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.

#### Compliance with Applicable Codes, Rules and Regulations

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 2025 dollars, for Year One and Year Three after the ownership change, summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Treatment</u>	<u>Total</u>	<u>Per Treatment</u>	<u>Total</u>
Revenue:				
Commercial - MC	\$449.98	\$1,705,860	\$450.04	\$2,274,480
Medicare - MC	\$325.00	\$6,160,050	\$325.00	\$8,213,400
Medicaid - MC	\$300.02	<u>\$758,160</u>	\$299.96	<u>\$1,010,880</u>
Deduction from Revenue		(\$172,481)		(\$229,975)
Total by Payor		\$8,451,589		\$11,268,785
Expenses:				
Operating Expense	\$212.76	\$5,376,832	\$192.85	\$6,498,202
Capital Expenses	\$59.17	<u>\$1,495,353</u>	\$16.03	<u>\$540,158</u>
Total Expenses	\$271.93	\$6,872,185	\$208.88	\$7,038,360
Net Income		\$1,579,404		\$4,230,425
Patients		162		216
Treatments		25,272		33,696

The following is noted with respect to the submitted operating budget:

- Revenues are based partially on the St. Barnabas Hospital Hemodialysis Center's historical experience and the proposed owners' experience in running other New York State D&TCs. The proposed owners have been able to incorporate the most current reimbursement values into the overall projections
- Expenses are based on the proposed owners' experience in running several other New York State D&TCs.
- Utilization assumptions assume that the Dialysis Center will return to full capacity with this ownership change. Currently, the clinic is operating severely below capacity due to SBH's desire to divest itself from the operations, which began prior to COVID.

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

	<u>Year One</u>	<u>Year Three</u>
	<u>(2026)</u>	<u>(2028)</u>
Commercial MC	15%	15%
Medicare MC	75%	75%
Medicaid MC	<u>10%</u>	<u>10%</u>
Total	100.00%	100.00%

### Asset Purchase Agreement

The applicant submitted an executed APA to acquire certain assets related to the operations of the D&TC and to be effectuated upon PHHPC approval, summarized below:

Date:	June 20, 2024
Sellers:	St. Barnabas Hospital
Purchaser:	Bronx Renal Services, LLC
Acquired Assets:	All assets and properties of every kind, character and description (other than excluded assets) used in or for the benefit of the business, whether tangible, intangible, real, personal or mixed, including any assets of any of Seller's affiliates which are used in the dialysis business, which include all tangible property, equipment, drug inventories, tenant improvements, goodwill, software, intellectual property, assigned contracts, assigned personal property leases, books and records and all patient medical records being treated at the Center as of closing and within one year prior to closing date. Telephone and fax numbers and all licenses and permits.
Excluded Assets:	Seller's Medicaid and Medicare Numbers, cash accounts receivable, tax refunds, deposits, security deposits, prepaid expenses, any ownership interests in third parties, all recovery claims from Medicare and Medicaid or any third-party payor related to the operations of the dialysis business prior to the closing date. Cost report claims, insurance proceeds, contracts, and leases not assigned to the buyer, and inventory and supplies disposed of through the closing date in the ordinary course of business consistent with past practice.
Assumed Liabilities:	All obligations arising from events occurring on or after the closing date under those agreements and contracts, approved by buyer in its sole discretion.
Excluded Liabilities:	Buyer shall not assume or become liable for any of the debts, obligations or liabilities of seller arising prior to the closing date and of whatever type or nature
Purchase Price:	\$3,200,000
Payment of Purchase Price:	\$2,240,000 payable at closing and \$960,000 through a promissory note- with a One Year term and a 5% Interest rate to be paid over twelve-monthly payments of \$82,183.18 beginning the first day of the first month following closing.

### Lease Rental Agreement

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

Premises:	4451 Third Avenue, Bronx, New York
Landlord:	Saint Barnabas Hospital
Tenant:	Bronx Renal Services, LLC
Term:	Ten Years, with (two) five-year Renewal options
Rent:	Year One Rent is \$509,075 per annum, payable in equal monthly installments of \$42,422.92. Rent increases three percent per Annum after year one
Provisions:	Triple Net NNN Lease

The applicant has provided an affidavit stating that the lease is an arm's 's-length agreement.

### Capability and Feasibility

There is no project cost associated with this application. The purchase price of \$3,200,000 will be paid with \$2,240,000 in members' equity and a draft promissory note for \$960,000 between Bronx Renal, LLC and St. Barnabas Hospital with a 1-year term and a 5% interest rate. BFA Attachment A, Personal Net Worth Statements of Proposed Members', shows sufficient resources to fund the equity contribution.

Working capital requirements are estimated at \$1,173,060, which is equivalent to two months of third-year expenses. The applicant will provide equity from operations to meet the working capital requirement.

BFA Attachment B, Pro Forma Balance Sheet of Bronx Renal Services, LLC, indicates \$1,173,060 in members' equity as of the first day of operations.

The submitted budget indicates a net income of \$1,579,403 and \$4,230,425 during Year One and Year Three, respectively. Revenues are based on current reimbursement methodologies for Hemodialysis services. The submitted budget appears reasonable.

#### Conclusion

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

## Attachments

BFA Attachment A	Personal Net Worth Statements of Proposed Members'
BFA Attachment B	Pro Forma Balance Sheet of Bronx Renal Services, LLC
BFA Attachment C	Organizational Chart

## MEMORANDUM

**To:** Colleen Leonard, Executive Secretary  
Public Health and Health Planning Council

**From:** Sarah Gold, Senior Attorney  
Bureau of Program Counsel

**Date:** May 28, 2025

**Subject:** Approval of the Amendments to the Certificate of Incorporation for Finger Lakes Migrant Health Care Project, Inc.

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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 attorney John Kelepurovski, Jr. requesting consent to the proposed Certificate of Amendment of the Certificate of Incorporation of Finger Lakes Migrant Health Care Project, Inc. dated December 4, 2024.
- 3) Proposed Certificate of Amendment of the Certificate of Incorporation of Finger Lakes Migrant Health Care Project, Inc.
- 4) A photocopy of the original Certificate of Incorporation of Finger Lakes Migrant Health Care Project, Inc. dated January 21, 2000.
- 5) A photocopy of the Certificate of Amendment of the Certificate of Incorporation of Finger Lakes Migrant Health Care Project, Inc. adding Article 28 language to the Certificate of Incorporation dated January 30, 2004.
- 6) A photocopy of the approval of the Yates County Supreme Court approving the amendment dated August 12, 2004.
- 7) A photocopy of the approval of the amendment by the Public Health Council dated July 16, 2004.

## MEMORANDUM

**To:** Public Health and Health Planning Council

**From:** Kathy Marks *KSM*  
General Counsel  
Division of Legal Affairs

**Date:** May 28, 2025

**Subject:** Approval of the Amendments to the Certificate of Incorporation for Finger Lakes Migrant Health Care Project, Inc.

Finger Lakes Migrant Health Care Project, Inc. requests approval to amend their Certificate of Incorporation permitting them to operate their health care facilities as "Finger Lakes Health Care Project, Inc." pursuant to Article 28 of the Public Health Law. Approval of the Public Health and Hospital Council ("PHHPC") is now requested and required.

Finger Lakes Migrant Health Care Project, Inc. is a non-profit corporation formed on January 24, 2000 which operates Diagnostic and Treatment Center Clinics in the Finger Lakes region (Cert # 5861200R), to support the region's agricultural workers by ensuring them access to medical and health related and supportive care. In 2004, the Public Health Council approved amendments to Finger Lakes Migrant Health Care Project, Inc.'s Certificate of Incorporation in connection with its establishment under Article 28 of the Public Health Law.

Finger Lakes Migrant Health Care Project, Inc. seeks to change its name to reflect its broader reach to the community beyond the migrant community.

Pursuant to NYS Not-For-Profit Law § 804(a)(i) and 10 NYCRR § 600.11(a)(1), PHHPC must consent to the requested changes prior to the filing of the Certificate of Amendment of the Certificate of Incorporation.

There is no legal objection to the proposed Certificate of Amendment of the Certificate of Incorporation or the proposed new name, and both are legally acceptable.

Attachments.

**BARCLAY DAMON** <sup>LLP</sup>

**John Kelepurovski, Jr.**  
*Partner*

December 4, 2024

**VIA ELECTRONIC MAIL**

[phhpc@health.ny.gov](mailto:phhpc@health.ny.gov)

New York State Department of Health, Public Health  
and Health Planning Council Unit  
Corning Tower, Room 1805  
Albany, New York 12237  
Attn: The Division of Legal Affairs

Re: Finger Lakes Migrant Health Care Project, Inc. DOS ID 2465220  
Consent to Amend Certificate of Incorporation to Effectuate a Name Change.

To whom it may concern:

Pursuant to the NYS Department of State's letter dated December 3, 2024 regarding the above entity (a copy of which is enclosed), I am writing to request the consent of the Public Health and Health Planning Council to amend the Certificate of Incorporation of Finger Lakes Migrant Health Care Project, Inc. to change its name to Finger Lakes Health Care Project, Inc.

Finger Lakes Migrant Health Care Project, Inc. is a domestic not-for-profit corporation that was formed on January 24, 2000. Its principal address is located at 14 Maiden Lane, P.O. Box 423, Penn Yan, NY 14527. The corporation's main focus is to support its' region's agricultural workers by ensuring them access to medical and health related and supportive care.

Attached is a copy of the proposed Certificate of Amendment for which consent is being sought.

If you have any questions or need additional information, please do not hesitate to contact me. Otherwise, if you could please forward to my attention the requested consent as soon as possible, that would be very much appreciated. Thank you.

Respectfully submitted



John Kelepurovski, Jr.

JK:amc  
Enclosures

Barclay Damon Tower - 125 East Jefferson Street - Syracuse, New York 13202 barclaydamon.com  
JKelepurovski@barclaydamon.com Direct: (315) 425-2739 Fax: (315) 425-8582

**CERTIFICATE OF AMENDMENT  
OF THE  
CERTIFICATE OF INCORPORATION  
OF  
FINGER LAKES MIGRANT HEALTH CARE PROJECT, INC.**

Under Section 803 of the Not-for-Profit Corporation Law

**FIRST.** The name of the Corporation is **FINGER LAKES MIGRANT HEALTH CARE PROJECT, INC.**

**SECOND.** The Certificate of Incorporation of the Corporation was filed on January 24, 2000.

**THIRD.** The Corporation was formed under the New York State Not-for-Profit Corporation Law.

**FOURTH.** The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law.

**FIFTH.** The amendment of the Certificate of Incorporation of the Corporation effected by this Certificate of Amendment is to amend the name of the Corporation.

**SIXTH.** To effectuate the foregoing, the Certificate of Incorporation is amended as follows:

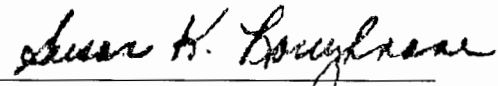
a. Article First of the Certificate of Incorporation is hereby amended in its entirety, to read as follows:

**“FIRST:** The name of the Corporation is Finger Lakes Community Health, Inc. (the “Corporation”).”

**SEVENTH.** 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:

14 Maiden Lane, PO Box 423  
Penn Yan, New York 14527

**EIGHTH.** The foregoing amendment to the Certificate of Incorporation of the Corporation was authorized at a meeting of the Board of Directors of the Corporation at which a quorum was present, by the vote of at least a majority of the directors entitled to vote thereon, there being no members entitled to vote.

By:   
Name: Susan Loughnane  
Title: Board Chair



**CERTIFICATE OF AMENDMENT  
OF THE  
CERTIFICATE OF INCORPORATION  
OF  
FINGER LAKES MIGRANT HEALTH CARE PROJECT, INC.**

Under Section 803 of the Not-for-Profit Corporation Law

John Kelepurovski, Jr., Esq.  
Barclay Damon, LLP  
Barclay Damon Tower  
125 East Jefferson Street  
Syracuse, New York 13202  
Ref. 3068828

**CERTIFICATE OF INCORPORATION**

**OF**

**FINGER LAKES MIGRANT HEALTH CARE PROJECT, INC.**

**F000124001343**

**Under Section 402 of the Not-for-Profit Corporation Law**

**We, the undersigned, for the purpose of forming a corporation with no members under Section 402 of the Not-for-Profit Corporation Law of the State of New York, hereby certify:**

**FIRST:** The name of the corporation is **FINGER LAKES MIGRANT HEALTH CARE PROJECT, Inc. (the "Corporation").**

**SECOND:** The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law.

**THIRD:** The Corporation shall be a type B corporation under Section 201 of the Not-for-Profit Corporation Law.

**FOURTH:** The Corporation is formed for the following exclusive purposes:

**Identify migrant and seasonal farm workers and their families ("Migrants") in need of medical attention; ensure access to medical and health related and supportive care, services and information to Migrants in the Finger Lakes Region of New York State and by so doing promote health and provide relief to the poor.**

**Advocate on behalf of individual Migrants for their medical treatment by the medical provider health system.**

Promote community awareness of and sensitivity to migrant and seasonal farm worker culture and lifestyle.

**FIFTH:** The Corporation shall have all the powers enumerated in Section 202 of the Not-for-Profit Corporation Law, and other powers that are hereafter premitted by the law, including the power to solicit grants and contributions for any corporate purpose and the power to maintain a fund or funds of real and personal property in furtherance of such purposes listed in paragraph FOURTH provided, that the Corporation may not use such powers unless and except to do so serves or furthers the purpose of the Corporation as stated above in paragraph FOURTH.

**SIXTH:** The office of the Corporation is to be located in the County of Yates and State of New York.

**SEVENTH:** The duration of the Corporation is to be perpetual.

**EIGHTH:** The Secretary of State is designated as the agent of the Corporation upon whom process against the Corporation 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 546, Penn Yan, New York 14527.

**NINTH:**

(A) The Corporation is organized exclusively for the purposes as specified in section 501(c)3 of the Internal Revenue Code of 1986, as amended and shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code of 1986, as amended.

(B) Nothing contained in this Certificate shall authorize the Corporation directly or indirectly, to engage in or include among its purposes, any of the activities described in subsections 404(b)-(u) of the Not for Profit Corporation Law.

(C) No part of the income of the Corporation shall inure to the benefit of any

2

director or officer of the Corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), and no director or officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

(D) No part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

(E) In the event of dissolution, all of the remaining assets and property of the Corporation shall after necessary expenses thereof be distributed to such organizations as shall qualify under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, subject to an order of Justice of the Supreme Court of the State of New York.

**TENTH:** The names and addresses of the directors until the first organizational meeting are:

Peter Deckman, St Michael's Rectory, 210 Keuka St. Penn Yan, New York 14527

Lew Papenfuse, 80 St. Paul Street, Rochester, New York 14604

Brenda Lucey, 5535 Wells Curtiss Road, Canandaigua, New York 14424

**ELEVENTH:** Prior to the delivery of this Certificate of Incorporation to the Department of State for filing, all approvals or consents required by the Not-for-Profit Corporation Law or any other statute of the State of New York will be endorsed upon or annexed to this Certificate.

**TWELFTH:** Nothing contained in the Certificate of Incorporation shall authorize the corporation to:

(1) establish or operate a hospital or to provide hospital service or health related service, a home health agency, a hospice, a health maintenance organization, or a comprehensive health services plan, as provided for by Articles 28, 36, 40 and 44 respectively, of the Public Health Law or to solicit, collect or otherwise raise or obtain any funds, contributions or grants, from any source, for the establishment or operation of any hospital;

(2) engage in the practice of the profession of medicine or any other profession required to be licensed by Title 8 of the Education Law;

(3) establish or operate a school; or

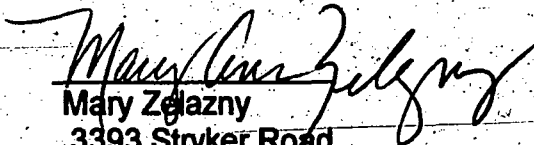
(4) engage in the practice of law.

**THIRTEENTH:** The incorporators are natural persons of the age of eighteen years or older.

**IN WITNESS WHEREOF,** this certificate has been signed by the incorporators this    day of January, 2000.



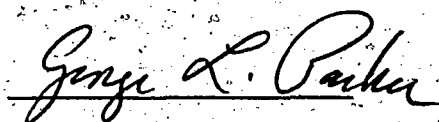
Patricia Rios  
3799 Bath Road,  
Penn Yan, New York 14527



Mary Zelazny  
3393 Stryker Road  
Penn Yan, NY 14527

STATE OF NEW YORK }  
COUNTY OF MONROE } ss.:

On this 21<sup>st</sup> day of January, 2000, before me personally came Patricia Rios and Mary Zelazny each to me personally known to be the person described in; and who executed, the foregoing Certificate of Incorporation and she duly acknowledged to me that she executed the same.



GEORGE L. PARKER  
Notary Public, State of New York  
Monroe County  
My Commission Expires  
12/31/02

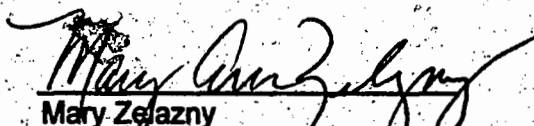
**AFFIDAVIT OF AUTHORIZATION OF INCORPORATION**

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF MONROE )

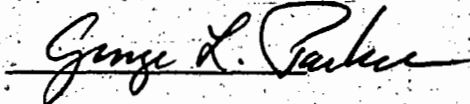
Patricia Rios, and Mary Zelazny, each for herself, being duly sworn, does depose and say:

I am one of the subscribers of the Certificate of Incorporation of FINGER LAKES MIGRANT HEALTH CARE PROJECT, INC.; that this certificate of incorporation is the incorporation of an existing unincorporated organization, namely FINGER LAKES MIGRANT HEALTH CARE PROJECT, the subscribers of this certificate of incorporation are a majority of the members of a committee duly authorized to incorporate FINGER LAKES MIGRANT HEALTH CARE PROJECT.

  
Patricia Rios

  
Mary Zelazny

Severally sworn and subscribed to before me this 21 day of January, 2000.



GEORGE L. PARKER  
Notary Public, State of New York  
Monroe County  
My Commission Expires  
12/31/00

117.CI

F 000124001343

CERTIFICATE OF INCORPORATION  
OF FINGER LAKES MIGRANT HEALTH

CARE PROJECT, INC.

Formed Pursuant to §402

NYS Not-for-Profit Corporation

Law

Filed By:

George L. Parker  
Attorney at Law  
267 Mulberry St  
Rochester, NY 14620  
(716) 244-1040

*mark per  
type B*

1cc  
STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED JAN 24 2000 1/24/00

TAXS  
BY: MAR

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FILED

000124001393

CERTIFICATE OF AMENDMENT  
OF THE  
CERTIFICATE OF INCORPORATION  
OF

FINGER LAKES MIGRANT HEALTH CARE PROJECT, INC.

16040819000430

Under Section 803 of the Not-for-Profit Corporation Law

We, the undersigned, being the President and Secretary, do hereby certify:

1. The name of the corporation is Finger Lakes Migrant Health Care Project, Inc.
2. The certificate of incorporation of Finger Lakes Migrant Health Care Project, Inc. was filed by the Department of State on January 24, 2000. The corporation was formed under the Not-for-Profit Corporation Law of the State of New York.
3. Finger Lakes Migrant Health Care Project, Inc. is a corporation as defined in subparagraph (a)(5) of section 102 of the Not-for-Profit Corporation Law and is a Type B corporation under section 201 of said law.
4. The certificate of incorporation is hereby amended to add the following additional purposes to Article Fourth:

Establish, maintain, and operate a diagnostic and treatment facility as defined in Article 28 of the Public Health Law and to solicit funds for such purposes, provided, however, that the corporation shall not establish or operate such diagnostic and treatment facility or solicit funds therefore without the prior written approval of the New York State Department of Health.
5. The certificate of incorporation is also amended to revise Article Ninth, section (B) to read as follows:


Nothing contained in this Certificate shall authorize the Corporation directly or indirectly, to engage in or include among its purposes, any of the activities described in subsections 404(b)-(u) of the Not-for-Profit Corporation Law, except that the Corporation shall be authorized to establish, maintain and operate a diagnostic and treatment facility as defined in Article 28 of the Public Health Law and to raise funds for that purpose.
6. The certificate of incorporation is also amended to revise the first line of Article Twelve to read as follows:

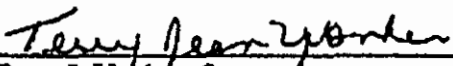
Except as necessary to carry out the purposes authorized herein, nothing in the Certificate of Incorporation shall authorize the corporation to:
7. The Secretary of State is designated as the agent of the Corporation upon whom process against it may be served. The post office address within the State 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 546, Penn Yan, New York 14527.



8. This amendment to the certificate of incorporation of was authorized by the consent of a majority of the members of the entire Board of Directors of the corporation voting in person at a meeting duly called therefore.

IN WITNESS WHEREOF, the undersigned have subscribed this certificate and affirm the statements herein as true under the penalties of perjury this 20 day of January, 2004

  
James F. Schmidt, President  
80 St. Paul Street,  
Rochester, NY 14604

  
Terry J. Yonker, Secretary  
2933 Sandhill Road  
Newark, NY 14513

\\N117011\Content of Amendment.rpt

SUPREME COURT  
COUNTY OF ~~TOMPKINS~~ <sup>YATES</sup> : STATE OF NEW YORK

In the Matter of an Application  
for the Approval of the Certificate of  
Amendment of the Certificate of Incorporation of

FINGER LAKES MIGRANT HEALTH CARE  
PROJECT, INC.

Pursuant to the Not-For-Profit  
Corporation Law.

APPROVAL OF JUSTICE  
OF SUPREME COURT,  
~~NINTH~~ JUDICIAL DISTRICT  
<sup>SEVENTH</sup>

The undersigned, a Justice of the Supreme Court of the State of New York, Seventh Judicial District, does hereby approve the foregoing Certificate of Amendment of the Certificate of Incorporation of FINGER LAKES MIGRANT HEALTH CARE PROJECT, INC. and consents that the same be filed.

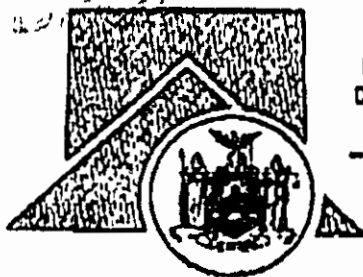
Dated: August 12, 2004

*acting* W. Robert Tabor  
JUSTICE, SUPREME COURT  
~~NINTH~~ JUDICIAL DISTRICT  
<sup>SEVENTH</sup>

THE ATTORNEY GENERAL HAS NO OBJECTION  
TO THE GRANTING OF JUDICIAL APPROVAL  
HEREON, ACKNOWLEDGES RECEIPT OF  
STATUTORY NOTICE AND DEMANDS SERVICE  
OF THE FILED CERTIFICATE. SAID NO OBJECTION  
IS CONDITIONED ON SUBMISSION OF THE  
MATTER TO THE COURT WITHIN 30 DAYS HEREAFTER.

William E. Miller  
ASSISTANT ATTORNEY GENERAL

8.2.04  
DATE



STATE OF NEW YORK  
DEPARTMENT OF HEALTH  
CORNING TOWER BUILDING  
ALBANY, N.Y. 12237

# PUBLIC HEALTH COUNCIL

July 16, 2004

Ms. Patricia Rios  
Executive Director  
Finger Lakes Migrant Health Care Project  
165 Main Street  
P.O. Box 423  
Penn Yan, New York 14527

Re: Certificate of Amendment of the Certificate of Incorporation of Finger Lakes Migrant Health Care Project, Inc.

Dear Ms. Rios:

AFTER INQUIRY and INVESTIGATION and in accordance with action taken at a meeting of the Public Health Council held on the 14<sup>th</sup> day of May, 2004, I hereby certify that the Public Health Council consents to the filing of the Certificate of Amendment of the Certificate of Incorporation of Finger Lakes Migrant Health Care Project, Inc., dated January 30, 2004.

Sincerely,

  
Karen S. Westervelt  
Executive Secretary

/md

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## MEMORANDUM

**To:** Colleen Leonard, Executive Secretary  
Public Health and Health Planning Council

**From:** Sarah Gold, Senior Attorney  
Bureau of Program Counsel

**Date:** May 28, 2025

**Subject:** Proposed Assumed Name for the Community Health Center of Buffalo Inc. (dba "Community Health Center of Western New York, Inc.")

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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 resolution of the Board of Directors authorizing the submission of the Certificate of Assumed name for The Community Health Center of Buffalo Inc. dated June 24, 2024.
- 3) A photocopy of the Board of Director meeting minutes reflecting the vote of the resolution dated June 24, 2024.
- 4) A proposed Certificate of Assumed Name.
- 5) A photocopy of the Restated Certificate of Incorporation of CHC Buffalo Development Corp. containing a name change to Community Health Center of Buffalo Inc. dated December 15, 1999.
- 6) A photocopy of the letter from the Public Health Council consenting to the filing of the Restated Certificate of Incorporation of CHC Buffalo Development Corp. dated February 9, 2000.
- 7) A photocopy of the letter from the Office of the Attorney General consenting to the filing of the Restated Certificate of Incorporation of CHC Buffalo Development Corp. dated February 15, 2000.
- 8) A photocopy of the approval from Erie County Supreme Court consenting to the filing of the Restated Certificate of Incorporation of CHC Buffalo Development Corp. dated February 16, 2000.
- 9) A photocopy of the Bylaws of the Community Health Center of Buffalo, Inc.
- 10) A photocopy of the Operating Certificate for the Community Health Center of Buffalo Inc.

## MEMORANDUM

**To:** Public Health and Health Planning Council

**From:** Kathy Marks *KSM*  
General Counsel  
Division of Legal Affairs

**Date:** May 28, 2025

**Subject:** Approval of Proposed Assumed Name for the Community Health Center of Buffalo Inc. (dba "Community Health Center of Western New York, Inc.")

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Community Health Center of Buffalo Inc. ("CHCB") requests Public Health and Health Planning Council ("PHHPC") approval to file a Certificate of Assumed Name permitting them to operate their health care facilities as "Community Health Center of Western New York, Inc" pursuant to Article 28 of the Public Health Law.

CHCB is a not-for-profit corporation formed on April 26, 1999 under the name CHC of Buffalo Development Corp. which operates Diagnostic and Treatment Center Extension Clinics in Buffalo, Cheektowaga, Lockport, Niagara Falls and North Tonawanda (Cert # 1401230R). In 2000, the Public Health Council ("PHC") approved amendments to CHCB's Certificate of Incorporation which included approval of the entity's current name.

CHCB has undertaken a rebranding campaign to increase awareness about its services and would like to use a uniform name which will cover its current locations and allow for expansion. Authorization to submit the proposed Certificate of Assumed Name was demonstrated by a Resolution of the Board of Directors dated June 24, 2024.

Pursuant to NYS Not-For-Profit Law § 804(a)(i) and 10 NYCRR § 600.11(a)(2), PHHPC must consent to the requested changes prior to the filing of the Certificate of Assumed Name.

There is no legal objection to the proposed Certificate of Assumed Name, and it is in legally acceptable form.

Attachments

**RESOLUTION  
OF THE  
BOARD OF DIRECTORS**

**Authorization to Submit Certificate of Assumed Name with New York State  
Division of Corporations, State Records and Uniform Commercial Code**

**Recommendation:** The Community Health Center of Buffalo Inc. (CHCB) has been providing services in Buffalo, Niagara Falls, Lockport, Cheektowaga, BFNC using site specific names. Focus groups were held when planning new sites in Niagara Falls and Lockport when residents indicated that they did not like "Buffalo" in the name. Thus, DBAs were filed for the Community Health Center of Niagara (CHCN), Community Health Center of Lockport (CHCL), etc.

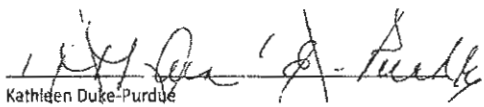
CHCB wants to undertake a branding campaign to increase awareness about our services in Erie and Niagara Counties and need a uniform name. Given the possibilities with telehealth, we need a name that covers current locations and allows for expansion.

Therefore, the executive leadership is recommending filing a Certificate of Assumed Name to use the assumed name "Community Health Center of Western New York, Inc." (CHCWNY) for use across the Community Health Center of Buffalo Inc. service area.

**NOW THEREFORE BE IT**

**RESOLVED**, that the Community Health Center of Buffalo Inc. (CHCB) Board of Directors approves filing a Certificate of Assumed Name to be the Community Health Center of Western New York, Inc. (CHCWNY) for use across the Community Health Center of Buffalo Inc. service area.

Accepted this 24<sup>th</sup> day of June 2024

BY:   
Kathleen Duke-Purdue

COMMUNITY HEALTH CENTER OF BUFFALO, INC.

Secretary, Board of Directors



**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:**

Community Health Center of Buffalo, Inc.

**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:**

Community Health Center of Western New York

**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:**

34 Benwood Ave Buffalo, NY 14214

**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 checked="" 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 checked="" 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 checked="" type="checkbox"/> Chautauqua  | <input type="checkbox"/> Columbia   | <input checked="" type="checkbox"/> Erie | <input checked="" 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 checked="" type="checkbox"/> Niagara |
| <input type="checkbox"/> Oneida              | <input checked="" 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 checked="" type="checkbox"/> Wyoming |
| <input type="checkbox"/> Onondaga            | <input type="checkbox"/> Oswego                 | <input type="checkbox"/> Rensselaer | <input type="checkbox"/> Saratoga        | <input type="checkbox"/> Seneca             | <input type="checkbox"/> Tioga     | <input type="checkbox"/> Washington  | <input type="checkbox"/> Yates              |
| <input type="checkbox"/> Ontario             | <input type="checkbox"/> Otsego                 | <input type="checkbox"/> Richmond   | <input type="checkbox"/> Schenectady     | <input type="checkbox"/> Steuben            | <input type="checkbox"/> Tompkins  | <input type="checkbox"/> Wayne       |   |
| <input type="checkbox"/> Orange              | <input type="checkbox"/> Putnam                 | <input type="checkbox"/> Rockland   | <input type="checkbox"/> Schoharie       | <input type="checkbox"/> Suffolk            | <input type="checkbox"/> Ulster    | <input type="checkbox"/> Westchester |   |

**6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON, CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE. (Use page 2 if needed. The address(es) must be a number and street, city, state and zip code. The address(es) must be within the county(ies) indicated in paragraph 5.) If none, check this box ☐: No New York State Business Location.**

Community Health Center of Niagara Falls 2715 Highland Ave. Niagara Falls, NY 14305

Community Health Center of 100 Main Street Lockport, NY 14094

Print or Type Name of Signer: Dr. LaVonne Ansari

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

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## Certificate of Assumed Name

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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)

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Community Health Center of Cheektowaga, 934 Cleveland Drive NY 14225

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Community Health Center of 227 Ridge Road Lackawanna, NY 14218

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Community Health Center of Buffalo BFNC 421 Monroe St., Buffalo, NY 14212

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Filer's Name and Mailing Address:

Dr. LaVonne Ansari

*Name:*

Community Health Center of Buffalo, Inc.

*Company, if Applicable:*

34 Benwood Avenue

*Mailing Address:*

Buffalo, NY 14214

*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.

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(For office use only)



**Community Health Center of Buffalo, Inc.**  
**BOD MEETING MINUTES**  
**June 24, 2024 @ 6:00 pm**

**Attendance** Mark King, Chair; Steve Bojdak, Treasurer; Rev. Raymond Allen; Denise Dennis-Coke, MD; John Torrey, Ph.D.; Michael Ikpeze

**Staff:** LaVonne Ansari, Kenyani Davis, Arvela Heider, Jonathan Mohr, Josephine Wilton, Shilpa Kapoor, Alfred Hammonds

**Excused:** Kathleen Duke-Purdue

**Guests:**

**Quorum:** Yes

Topic	Discussion	Action/Responsible Party
Call to Order	The meeting was called to order by M. King at 6:02 pm.	Noted.
Minutes	The May 20, 2024 minutes were reviewed and approved as written.	J. Torrey motioned to accept the May minutes. Rev. Allen seconded. Motion carried.
Medical A. May CMO Report	K. Davis presented the May CMO Report. Highlights included: <ul style="list-style-type: none"><li>• Ongoing EMR optimization is going well. In-house medications section has been added to EMR and implementation will begin in July.</li><li>• Clinical mapping in Azara shows a 7/8% increase in breast cancer screenings (ages 50-74); hypertension control is just shy of the 70% target (69.8%).</li><li>• CMO is planning to move the current Director of Behavioral Health to a BH Strategist.</li><li>• (1) Pediatric Physician resigned. Her last day is set for June 28, 2024.</li></ul>	J. Torrey motioned to accept the May CMO Report. D. Dennis-Coke seconded. Motion carried.

<p><b>B. Dental Report</b></p>	<ul style="list-style-type: none"> <li>• (2) Physician Interviews completed; both declined the position.</li> </ul> <p><b><u>FTCA Report Out:</u></b></p> <ul style="list-style-type: none"> <li>• No report outs</li> </ul> <p>S. Kapoor presented the May Dental Report. Highlights included:</p> <ul style="list-style-type: none"> <li>• Hiring for Lockport is complete. The only vacancy is for Dental front desk.</li> <li>• Dr. Briana Kim has joined CHCB full-time. She will be covering two days in NF and two days in Buffalo. She is enrolled in Medicare as of May 1, 2024.</li> <li>• Apprenticeship participants Chloe Barrett and Beyanca McDaniels graduated in May 2024. Chloe got into Dental Hygiene School and Beyanca got into an Advanced Infection Control Certificate Program.</li> <li>• Dental UDS measure for sealants were discovered to be mapped incorrectly. Dental has worked with eCW to make sure it is now being mapped correctly and flows through Azara.</li> <li>• We are planning a Father/Son Dental Day at the Resiliency Center for July 1<sup>st</sup>.</li> </ul> <p>M. King inquired about future plans for the apprenticeship program. S. Kapoor stated that the program is completed. CHCB intends to continue the program. S. Kapoor will meet with BEOC leadership to discuss future parameters of the program.</p>	<p><b>M. Ikpeze motioned to accept the May Dental Report. Rev. Allen seconded. Motion carried.</b></p>
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<b>C. May CEO Report</b>	<p>L. Ansari presented the May CEO Report. Highlights included:</p> <ul style="list-style-type: none"> <li>• The Emmett Till program was a success.</li> <li>• L. Ansari participated in several 5/14 activities including the premiere of Pain and Peace, a documentary produced by Rais Bhuiyan at World Without Hate. The documentary also featured Garnell Whitfield.</li> </ul>	<b>J. Torrey motioned to approve the May CEO Report. Rev. Allen seconded. Motion carried.</b>
<p><b>Strategic Plan</b></p> <p><b>A. Change in Scope: Add Service—Substance Use Column I and III</b></p> <p><b>B. Change in Scope: Add Location—Resiliency Center</b></p> <p><b>C. Reentry Grant Submission</b></p>	<p>A. Heider requested board approval for adding Substance Use services (Behavioral Health) to Columns I and III on Form 5A.</p> <p>A. Heider requested board approval for adding the Resiliency Center (1001 E. Delavan Avenue) to CHCB's scope.</p> <p>A. Heider requested board approval for submission of an application for a grant for completing pre-release assessments for justice involved individuals. The grant would be for \$500k per year for two years.</p>	<p><b>S. Bojdak motioned to accept the Change in Scope: Add Service—Substance Use Column I and III. J. Torrey seconded. Motion carried.</b></p> <p><b>S. Bojdak motioned to accept the Change in Scope: Add Location—Resiliency Center. Rev. Allen seconded. Motion carried.</b></p> <p><b>J. Torrey motioned to accept the Reentry Grant submission. D. Dennis-Coke seconded. Motion carried.</b></p>
<b>Adjournment</b>	The meeting was adjourned at 7:27 pm. The next meeting is scheduled for July 22 <sup>nd</sup> @ 6 pm.	

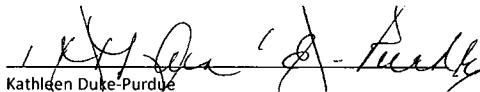
  
Kathleen Duke-Purdue

EXHIBIT A

CERTIFICATE OF INCORPORATION

1000217000671

RESTATED CERTIFICATE OF INCORPORATION  
OF

CHC OF BUFFALO DEVELOPMENT CORP.

Under Section 805 of the Not-for-Profit Corporation Law

**THE UNDERSIGNED**, being the Vice President of CHC OF BUFFALO DEVELOPMENT CORP. (the "Corporation"), hereby certifies as follows:

**FIRST:** The name of the Corporation is CHC OF BUFFALO DEVELOPMENT CORP. ("the "Corporation").

**SECOND:** The Certificate of Incorporation of the Corporation was filed with the New York Department of State on April 26, 1999. The law under which the Corporation was formed is the Not-For-Profit Corporation Law.

**THIRD:** The Certificate of Incorporation of the Corporation is hereby amended to change the name of the Corporation by deleting the entire Article 1, which prior to this amendment read:

1. The name of the corporation is CHC OF BUFFALO DEVELOPMENT CORP.

and replacing it with a new Article 1, such that Article 1 shall now read:

1. The name of the Corporation is COMMUNITY HEALTH CENTER OF BUFFALO, INC.

**FOURTH:** The Certificate of Incorporation of the Corporation is hereby further amended to change the corporate type from a Type A corporation to a Type B corporation by:

(i) deleting the entire Article 2, which prior to this amendment read:

2. The corporation is a corporation as defined in subparagraph (a)(5) of Section 102; the corporation is a Type A corporation.

and replacing it with a new Article 2, such that Article 2 shall now read:

/

2. The Corporation is a corporation as defined in subparagraph (a)(5) of section 102 of the Not-for-Profit Corporation Law, and it is not formed for pecuniary profit or financial gain, and no part of the assets, income or profit of the corporation shall be distributable to, or shall inure to the benefit of, its members, directors or officers except to the extent permitted under the New York Not-for-Profit Corporation Law.

and (ii) by enumerating the following as Article 4 and Article 5 of the Certificate of Incorporation of the Corporation with the succeeding Articles sequentially renumbered as required such that Articles 4 and 5 shall now read:

4. The Corporation shall have the powers enumerated in section 202(a) of the Not-for-Profit Corporation Law of the State of New York.

5. The Corporation shall be a Type B corporation under section 201 of the New York Not-for-Profit Corporation Law.

**FIFTH:** The Certificate of Incorporation of the Corporation is hereby further amended to change the purposes and powers of the Corporation set forth in Article 3 of the Certificate of Incorporation of the Corporation by deleting the entire Article 3, which prior to this amendment read:

3. The purpose or purposes for which this corporation is organized are as follows, to wit:

To exercise, promote and protect the privileges and interests of the residents of the community; to enhance the public health and welfare of the residents of the community.

To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors or officers.

In furtherance of its corporate purposes, the Corporation shall have all general powers enumerated in Section 202 of the Not-For-Profit Corporation Law, together with the powers to solicit grants and contributions for corporate purposes.

Nothing contained in this certificate shall authorize or empower the corporation to perform or engage in any act or practice prohibited by General Business Law, Section 340 or any other antimonopoly statute of the State of New York.



and replacing it with a new Article 3, such that Article 3 shall now read:

3. The purposes for which the Corporation is formed are:

A. To supplement health care services presently offered in the City of Buffalo, New York by establishing a Community Health Center as defined under applicable federal law that will provide prevention, diagnosis and treatment of human disease, pain, injury, deformity or physical condition on an outpatient basis in a geographic area where patients are medically underserved by existing institutions.

B. To establish, maintain and operate a diagnostic and treatment center pursuant to Article 28 of the Public Health Law of the State of New York for the prevention, diagnosis and treatment of human disease, pain, injury, deformity, or physical condition on an outpatient basis.

C. In furtherance of corporate purposes, to coordinate the aforesaid activities with the activities of other federal, State and local health services delivery projects and programs serving the Buffalo, New York area, and to establish collaborative relationships with such projects and programs.

D. To take and hold by bequest, devise, gift, purchase or lease, either absolutely or in trust, for any of its purposes, any property, real or personal, without limitation as to the amount or value, and to sell, mortgage, convey and dispose of any such property and to invest and reinvest the principal thereof.

E. To acquire, and obtain voluntary grants, gifts and other contributions from individuals, institutions, organizations and agencies to perpetuate and encourage the purposes for which the Corporation has been formed.

F. To do any other act or thing incidental to or connected with the foregoing purposes and objectives or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors or officers, except as permitted under Article 5 of the Not-for-Profit Corporation Law; provided, however, that nothing herein shall authorize the Corporation, directly or indirectly, to own or operate a hospital, hospital service, or a health-related service other than as authorized by Article 3 hereof, a drug maintenance program, a certified home health agency, a hospice, a health maintenance organization, or a comprehensive health services plan, as provided for by Articles 28, 33, 36, 40, and 44, respectively, of the Public Health Law, or to solicit, collect, or otherwise raise or obtain any funds, contributions, or grants from any source for the establishment or operation of any facility other than the Corporation.

SIXTH: The Certificate of Incorporation of the Corporation is hereby further amended to effectuate the modification of the purposes and powers of the Corporation by deleting the entire first Article 4, which prior to this amendment read:

4. Notwithstanding any other provisions of these articles, the corporation is organized exclusively for one or more of the purposes as specified in Section 501 (c) (3) of the Internal Revenue Code of 1954, and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Internal Revenue Code Section 501 (c) (3) or corresponding provisions of any subsequent Federal tax laws.

No part of the net earnings of the corporation shall inure to the benefit of any member, trustee, director, officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation), and no member, trustee, director, officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

No substantial part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by the Internal Revenue Code Section 501[h] or participating in or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidates for public office.

In the event of dissolution, all of the remaining assets and property of the corporation shall after payment of necessary expenses thereof be distributed to another organization exempt under Internal Revenue Code Section 501 (c) (3), or corresponding provisions of any subsequent Federal Tax Laws, or to the Federal government, or state or local government for a public purpose, subject to the approval of a Justice of the Supreme Court of the State of New York.

In any taxable year in which the corporation is a private foundation as described in Internal Revenue Code Section 509 (a), the corporation shall distribute its income for said period at such time and manner as not to subject it to tax under Internal Revenue Code Section 4942, and the corporation shall not (a) engage in any act of self-dealing as defined in Internal Revenue Code Section 4941(d), retain any excess business holdings as defined in Internal Revenue Code Section 4943 (c), (b) make any investments in such manner as to subject the corporation to tax under Internal Revenue Code Section 4944, or (c) make any taxable expenditures as defined in Internal Revenue Code Section 4945 (d) or corresponding provisions of any subsequent Federal tax laws.

And restating the provisions of Article 4 in Articles 8, 9, 10, 11, and 12 of the Certificate of Incorporation of the Corporation with the succeeding Articles sequentially renumbered, as required, such that Articles 8, 9, 10, 11 and 12 shall now read:

8. The Corporation shall neither have, nor exercise, any power, nor shall it engage directly or indirectly in any activity, that would invalidate its status (i) as a corporation that is exempt from Federal income taxation as an organization described in section 501(c)(3) of the United States Internal Revenue Code (the "Code"); or (ii) as a corporation contributions to which are deductible under section 170(c)(2) of the Code.

9. No part of the net earnings or the assets of the Corporation shall inure to the benefit of or be distributed to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of enumerated corporate purposes.

10. No part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

11. Upon the dissolution of the Corporation, it shall, after paying, or making provisions for the payment of, all of the debts, expenses and liabilities of the corporation, distribute all of its assets to such organization or organizations that are: (i) organized and operated exclusively for charitable, educational or scientific purposes to support the delivery of health care in Buffalo, New York to medically underserved populations, and which shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Code; and (ii) affiliated with Erie County Medical Center in the City of Buffalo, County of Erie, State of New York, subject to the approval of a Justice of the Supreme Court of the State of New York. If eligible distributee corporations do not exist, or are deemed ineligible by a final order of a court of competent jurisdiction, all available assets on dissolution shall be distributed by order of a Justice of the Supreme Court of the State of New York, Erie County to such organization or organizations, as said Court shall determine, which are organized and operated in such manner as, in the judgment of the Court, will best accomplish the enumerated purposes for which the Corporation was formed.

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12. All references herein to provisions of the Internal Revenue Code or the Code shall be deemed to include the corresponding provisions of future United States Internal Revenue Laws.

**SEVENTH:** The Certificate of Incorporation is hereby further amended to consolidate the second Article 4 addressing the location of the office of the Corporation and Article 6 addressing the designated agent for service and the succeeding Articles are sequentially renumbered such that the entire second Article 4 is deleted which prior to this amendment read:

4. The office of the corporation is to be located in the County of Erie.

and the entire Article 6 is deleted which prior to this amendment read:

6. The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is:

c/o Damon & Morey LLP  
1000 Cathedral Place  
298 Main Street  
Buffalo, NY 14202

and replacing Article 4 and Article 6 of the Certificate of Incorporation of the Corporation with a new Article 7, such that Article 7 shall now read:

7. The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address within this state to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is:

Community Health Center of Buffalo, Inc.  
Attn.: Vincent J. Thompson, M.D.  
Chief Executive Officer and Medical Director  
462 Grider Street  
Buffalo, New York 14215

**EIGHTH:** The Certificate of Incorporation of the Corporation is hereby further amended to delete reference to the initial Board of Directors set forth in Article 5 of the Certificate of Incorporation of the Corporation, and the succeeding Articles are sequentially renumbered as required.

**NINTH:** The Certificate of Incorporation of the Corporation is hereby further amended to add the rights and powers of the Board of Directors of the Corporation and the succeeding Articles are sequentially renumbered such that Article 13 shall now read:

13. This Certificate may be amended only by the affirmative vote of at least two-thirds (2/3) the entire Board of Directors of the Corporation.

**TENTH:** The text of the Certificate of Incorporation of the Corporation, as amended, is hereby restated as amended, to read as herein set forth in full:

**CERTIFICATE OF INCORPORATION**  
**OF**  
**COMMUNITY HEALTH CENTER OF BUFFALO, INC.**

**Under Section 402 of the**  
**Not-for-Profit Corporation Law**

The undersigned, for the purpose of forming a corporation under section 402 of the New York Not-for-Profit Corporation Law, does hereby certify:

1. The name of the Corporation is COMMUNITY HEALTH CENTER OF BUFFALO, INC.

2. The Corporation is a corporation as defined in subparagraph (a) (5) of section 102 of the Not-for-Profit Corporation Law, and it is not formed for pecuniary profit or financial gain, and no part of the assets, income or profit of the corporation shall be distributable to, or shall inure to the benefit of, its members, directors or officers except to the extent permitted under the New York Not-for-Profit Corporation Law.

3. The purposes for which the Corporation is formed are:

A. To supplement health care services presently offered in the City of Buffalo, New York by establishing a Community Health Center as defined under applicable

federal law that will provide prevention, diagnosis and treatment of human disease, pain, injury, deformity or physical condition on an outpatient basis in a geographic area where patients are medically underserved by existing institutions.

B. To establish, maintain and operate a diagnostic and treatment center pursuant to Article 28 of the Public Health Law of the State of New York for the prevention, diagnosis and treatment of human disease, pain, injury, deformity, or physical condition on an outpatient basis.

C. In furtherance of corporate purposes, to coordinate the aforesaid activities with the activities of other federal, State and local health services delivery projects and programs serving the Buffalo, New York area, and to establish collaborative relationships with such projects and programs.

D. To take and hold by bequest, devise, gift, purchase or lease, either absolutely or in trust, for any of its purposes, any property, real or personal, without limitation as to the amount or value, and to sell, mortgage, convey and dispose of any such property and to invest and reinvest the principal thereof.

E. To acquire, and obtain voluntary grants, gifts and other contributions from individuals, institutions, organizations and agencies to perpetuate and encourage the purposes for which the Corporation has been formed.

F. To do any other act or thing incidental to or connected with the foregoing purposes and objectives or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors or officers, except as permitted under Article 5 of the Not-for-Profit Corporation Law; provided, however, that nothing herein shall authorize the Corporation, directly or indirectly, to own or operate a hospital, hospital service, or a health-related service other than as authorized by Article 3 hereof, a drug maintenance program,

a certified home health agency, a hospice, a health maintenance organization, or a comprehensive health services plan, as provided for by Articles 28, 33, 36, 40, and 44, respectively, of the Public Health Law, or to solicit, collect, or otherwise raise or obtain any funds, contributions, or grants from any source for the establishment or operation of any facility other than the Corporation.

4. The Corporation shall have the powers enumerated in section 202(a) of the Not-for-Profit Corporation Law of the State of New York.

5. The Corporation shall be a Type B corporation under section 201 of the New York Not-for-Profit Corporation Law.

6. The Office of the Corporation is located in the County of Erie.

7. The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address within this state to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is:

Community Health Center of Buffalo, Inc.  
Attn.: Vincent J. Thompson, M.D.  
Chief Executive Officer and Medical Director  
462 Grider Street  
Buffalo, New York 14215

8. The Corporation shall neither have, nor exercise, any power, nor shall it engage directly or indirectly in any activity, that would invalidate its status (i) as a corporation that is exempt from Federal Income taxation as an organization described in section 501(c)(3) of the United States Internal Revenue Code (the "Code"); or (ii) as a corporation contributions to which are deductible under section 170(c)(2) of the Code.

9. No part of the net earnings or the assets of the Corporation shall inure to the benefit of or be distributed to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for

services rendered and to make payments and distributions in furtherance of enumerated corporate purposes.

10. No part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

11. Upon the dissolution of the Corporation, it shall, after paying, or making provisions for the payment of, all of the debts, expenses and liabilities of the corporation, distribute all of its assets to such organization or organizations that are: (i) organized and operated exclusively for charitable, educational or scientific purposes to support the delivery of health care in Buffalo, New York to medically underserved populations, and which shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Code; and (ii) affiliated with Erie County Medical Center in the City of Buffalo, County of Erie, State of New York, subject to the approval of a Justice of the Supreme Court of the State of New York. If eligible distributee corporations do not exist, or are deemed ineligible by a final order of a court of competent jurisdiction, all available assets on dissolution shall be distributed by order of a Justice of the Supreme Court of the State of New York, Erie County to such organization or organizations, as said Court shall determine, which are organized and operated in such manner as, in the judgment of the Court, will best accomplish the enumerated purposes for which the Corporation was formed.

12. All references herein to provisions of the Internal Revenue Code or the Code shall be deemed to include the corresponding provisions of future United States Internal Revenue Laws.

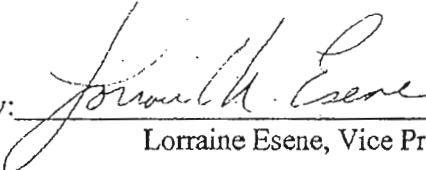


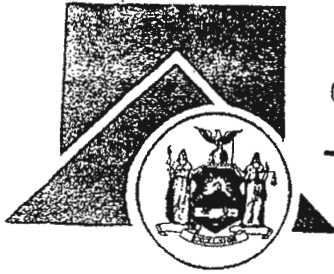
13. This Certificate may be amended only by the affirmative vote of at least two-thirds (2/3) of the entire Board of Directors of the Corporation.

IN WITNESS WHEREOF, the undersigned has executed this Restated Certificate of Incorporation of COMMUNITY HEALTH CENTER OF BUFFALO, INC., as authorized by the Unanimous Written Consent of the Board of Directors of the Corporation, and affirm that the statements made herein are true, under penalties of perjury, this 15 day of Dec., 1999.

CHC OF BUFFALO DEVELOPMENT CORP.

By:

  
Lorraine Esene, Vice President



STATE OF NEW YORK  
DEPARTMENT OF HEALTH  
CORNING TOWER BUILDING  
ALBANY, N.Y. 12237

# PUBLIC HEALTH COUNCIL

February 9, 2000

Dr. Vincent J. Thompson  
Chief Executive Officer  
Community Health Center of Buffalo, Inc.  
462 Grider Street  
Buffalo, New York 14215

Re: Restated Certificate of Incorporation of CHC of Buffalo Development Corp.

Dear Dr. Thompson:

AFTER INQUIRY and INVESTIGATION, and in accordance with action taken at a meeting of the Public Health Council held on the 22nd day of October, 1999, I hereby certify that the Public Health Council consents to the filing of the Restated Certificate of Incorporation of CHC of Buffalo Development Corp., dated December 15, 1999.

Sincerely,

*Donna Peterson*  
Karen S. Westervelt *for*  
Executive Secretary



STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL

ELIOT SPITZER  
Attorney General

REGIONAL OFFICE DIVISION  
BUFFALO REGIONAL OFFICE

(716) 853-8480

February 15, 2000

Mary C. Raymond  
Damon & Morey  
1000 Cathedral Place  
298 Main Street  
Buffalo NY 14202-4096

Re: **Restated Certificate of Incorporation of CHC of Buffalo Development Corp.**

Dear Ms. Raymond:

This letter will confirm our receipt and review of the proposed Restated Certificate of Incorporation of CHC of Buffalo Development Corp. and the Department of Health and Public Health Council's approvals. Please be advised that the Attorney General has no objection to the filing of the Restated Certificate of Incorporation with the Secretary of State upon judicial approval.

Please provide this office with a copy of the judicially approved restated certificate and with proof of its filing with the Secretary of State so that we may complete our file in the matter. If you have any questions, please feel free to contact me at the above number.

Thank you for your cooperation.

Very truly yours,

WILLIAM D. MALDOVAN  
Assistant Attorney General

WDM:cmo

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SUPREME COURT  
STATE OF NEW YORK :: COUNTY OF ERIE

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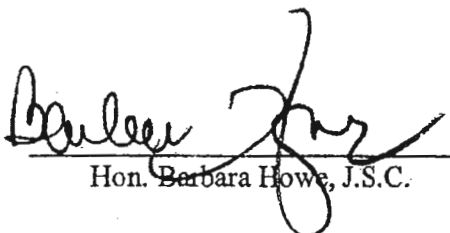
In the Matter of the Application for the Approval of  
the filing of A Restated Certificate of Incorporation  
of CHC of Buffalo Development Corp.

APPROVAL OF THE  
FILING OF A RESTATED  
CERTIFICATE OF  
INCORPORATION BY A  
JUSTICE OF THE  
SUPREME COURT

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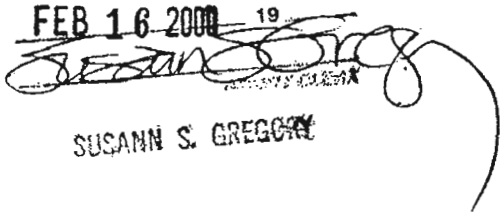
I, Barbara Howe, Justice of the Supreme Court of the State of New York for the Eighth  
Judicial District, in which the office of the corporation is located, hereby approve the foregoing  
Restated Certificate of Incorporation of CHC of Buffalo Development Corp., and consent that  
the same be filed.

 Dated: February 16<sup>th</sup>, 2000

  
Hon. Barbara Howe, J.S.C.

GRANTED

FEB 16 2000 19

  
SUSANN S. GREGORY

BYLAWS  
OF  
COMMUNITY HEALTH CENTER  
OF BUFFALO, INC.

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**BY-LAWS  
OF  
COMMUNITY HEALTH CENTER OF BUFFALO, INC.**

**ARTICLE I**

**CORPORATE NAME**

The name of the Corporation shall be the **COMMUNITY HEALTH CENTER OF BUFFALO, INC.** (the "Health Center").

**ARTICLE II**

**SERVICE AREA**

The primary service area of the Health Center will be the Counties of Erie and Niagara, New York, and shall be further defined by any geographic mandates or restrictions, by catchment area or otherwise, that are applicable under federal or state laws or regulations. The Health Center may maintain additional sites at such other places as the Board of Directors may designate.

**ARTICLE III**

**PURPOSES**

With the belief that all citizens are entitled to the highest quality of health and health-related care, it is the goal of the Health Center to provide a comprehensive family health service for the citizens of the Counties of Erie and Niagara, New York who are, medically underserved as defined by applicable statutes and regulations.

**Mission**

The Health Center will provide quality, culturally sensitive, preventive, and primary health care to the underserved of our community through state of the art clinical and business practices in a clinical teaching environment to reduce health disparities.

**Vision**

The Health Center envisions a model primary care integrated delivery system that promotes prevention and wellness while ensuring that all people have access to quality, comprehensive and coordinated healthcare.

In pursuit of this mission, vision, and goals, the Health Center is established for the following purposes:

A. Ensure the Health Center operates in compliance with all requirements imposed upon health centers as set forth in Public Health Service Act Section 330(k)(3)(H) of the PHS Act; 42 CFR 51c.303(i), 42 CFR 56.303(i), 42 CFR 51c.304(d), and 42 CFR 56.304(d); and 45 CFR 75.507(b)(2) and otherwise assuring that the Health Center's activities are conducted in compliance with applicable federal, state, and local laws.

B. Ensure a governing Board of Directors operates in compliance with Chapter 751 of Title 10 of the New York Code of Rules and Regulations (Governing Authority - Diagnostic and Treatment Centers) and the New York Not-For-Profit Corporation Law.

C. To supplement health care services presently offered in the Counties of Erie and Niagara, New York, by establishing a Community Health Center, as defined under applicable federal law, that will provide prevention, diagnosis, and treatment of human disease, pain, injury, deformity or physical condition on an outpatient basis in a geographic area where patients are medically underserved by existing institutions.

D. To establish, maintain, and operate a diagnostic and treatment center pursuant to Article 28 of the Public Health Law of the State of New York to prevent, diagnose, and treat human disease, pain, injury, deformity, or physical condition on an outpatient basis.

E. In furtherance of corporate purposes, coordinate the activities described above with other federal, State and local health services delivery projects and programs serving the Counties of Erie and Niagara, New York area, and establish collaborative relationships with such projects programs.

F. To increase community residents' effective use of medical, dental, and psychosocial services by disseminating information to the community about such services.

G. To ensure that the Health Center services meet community needs by promoting and encouraging the employment of qualified adult community residents in all aspects of the delivery of health services.

H. To improve health standards by conducting informational campaigns about health facilities and services available to residents of the area; by promoting and encouraging the development of new or expanded health services; by promoting and encouraging agreements with other health care organizations; by promoting and participating in health planning and development; by promoting more effective local municipal, county, state and federal health-related services within the area; and by promoting equality of care in all health institutions which serve the Health Center patients.

I. The Health Center shall be nonpartisan and nonsectarian, shall take no part in or lend its influence or facilities directly to the nomination, election, or appointment of any



candidate for office or religious movement or any commercial enterprise, and shall adhere to the restrictions on its activities necessary to obtain and maintain tax-exempt status as a public charity, as set forth in its Certificate of Incorporation.

## **ARTICLE IV**

### **MEMBERSHIP**

The Health Center shall have no members, and its Board of Directors shall be nominated and elected in accordance with these Bylaws, the provisions of the New York Not-for-Profit Corporation Law, and the requirements of applicable federal and state laws and regulations.

## **ARTICLE V**

### **BOARD OF DIRECTORS**

#### **Section 1. Number**

The Health Center's affairs' governance and direction shall be vested in a Board of Directors having nine to fifteen (9-15) voting members. The number of Directors may be increased by an amendment to these Bylaws, adopted by a two-thirds vote of the entire board, with the minimum number of Directors being no less than nine (9) at any time. As used in these bylaws, the term "entire Board" means the number of Directors within the aforementioned range as fixed by the board from time to time, or, if not so fixed, then the number of Directors that were elected or appointed as of the most recently held election of Directors, as well as any Directors whose terms have not yet expired; provided that in either case, the term "entire Board" shall include any vacancies which have not been filled in accordance with these Bylaws. No decrease in the number of Directors will shorten the term of any incumbent Director. All of the Directors will be at least 18 years of age.

#### **Section 2. Meetings**

A. The board of directors' annual meeting shall be held within six (6) months of the fiscal year-end in place of the regular board meeting. Regular meetings of the board shall be held at least once per month. Regular meetings of the board may be held without notice if the Board Annual Report fixes the time and place of such meetings. At the annual meeting of the board, the Chair and Treasurer will present to the board a report, verified by the Chair and Treasurer, showing in appropriate detail the following:

- (1) the assets and liabilities, including the trust funds, of the Health Center as of the end of a 12-month fiscal period of the Health Center terminating not more than six months before said meeting;
- (2) the principal changes in assets and liabilities, including trust funds, during the said fiscal period;

- (3) the revenue or receipts of the Health Center, both unrestricted and restricted to particular purposes, during the said fiscal period; and
- (4) For both general and restricted purposes, the expenses or disbursements of the Health Center during said fiscal period.

Such a report will be filed with the minutes of the annual meeting of the board.

B. Special meetings of the Board of Directors may be held upon the Chair's designation or the written request of any Director upon the written demand of not less than one-fifth of the entire board.

C. Except as otherwise set forth in these Bylaws, a notice of each regular or special meeting of the board stating the time and place of the meeting will be given by the Chair, a Vice-Chair or the Secretary to each director at least three (3) days before the meeting, by mailing the notice, postage prepaid, addressed to each director at his or her residence or usual place of business, or at least two (2) days before the meeting, by delivering the notice to each director personally, by facsimile, by electronic communication or by telephone. A Director's attendance at a meeting without protesting, before or at the commencement of such meeting, the lack of notice to him or her constitutes waiver of notice. A Director also may waive notice by submitting a waiver of notice before or after a meeting. Such waiver of notice may be written or electronic. If written, the waiver must be executed by the director signing such waiver or causing his or her signature to be affixed to such waiver by any reasonable means, including but not limited to facsimile signature. If electronic, the transmission of the consent must be sent by electronic mail and set forth, or be submitted with, information from which it can reasonably be determined that the director authorized the transmission.

D. The board's performance shall be periodically evaluated at least once a year.

E. Meetings shall be conducted according to simplified parliamentary procedure based on Robert's Rules of Order. The Chair's ruling on the point of order may be overridden by a two-thirds (2/3) vote of those present.

F. Unless otherwise stated in these Bylaws or the New York Not-for-Profit Corporation Law, at all Board of Directors meetings, a quorum for the business transaction shall be at least one-third or a minimum of (5) members of the entire number of members. If a quorum is present at the meeting's commencement, a quorum shall be deemed present throughout such proceedings.

G. Each voting member of the board shall be entitled to one (1) vote on each matter before the board for action. The action of a majority of the voting Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as otherwise specifically provided by statute or by these Bylaws. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time or place without notice other than announcement at the meeting of the time and place to which the meeting is adjourned.

H. Any action required or permitted to be taken by the Board of Directors, or any committee thereof may be taken without a meeting if all members of the Board of Directors, or the committee thereof, consent in writing to the adoption of a resolution authorizing the action. If written, the consent must be executed by the director by signing such consent or causing his or her signature to be affixed to such consent by any reasonable means including, but not limited to, facsimile signature. If electronic, the transmission of the consent must be sent by electronic mail and set forth, or be submitted with, information from which it can reasonably be determined that the director authorized the transmission. The resolution and unanimous written consent thereto by the board of directors or committee shall be filed with the minutes of the proceedings of the Board of Directors or committee.

I. Any one or more board members, or of any committee thereof, may participate in a meeting of such board or committee by means of a conference, video, telephone, or similar equipment, allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting as long as all persons participating in the meeting can hear each other at the same time. Each director can participate in all matters before the board or committee, including, without limitation, the ability to propose, object to, and vote upon a specific action to be taken by the board or committee.

J. Executive Session meetings shall be held when dealing with confidential matters such as but not limited to individual matters, disciplinary actions, legal and critical business issues. Members of the Board of Directors shall be allowed to attend Executive Sessions of any board or committee unless there is a conflict of interest with respect to the matter being discussed. Barring a conflict of interest, members of the Board of Directors shall be granted access to the Executive Session's approved minutes. The Chair may invite the Chief Executive Officer and such other persons as he or she deems appropriate to attend an executive session. However, members of the public and any staff members shall be excluded from executive sessions, except when specifically invited to give testimony or advice, after which they will be excused. After approval of the Executive Session Minutes, they will be retained in the board book.

K. The board's Secretary or another designee shall maintain complete and accurate minutes of each Board of Directors and committee meeting and distribute such minutes to all board members. It shall retain each notice sent and each resolution and unanimous written consent of the Directors. Said documents shall accurately reflect all business conducted, including findings, conclusions, and recommendations, and shall be maintained in the Health Center's permanent records.

### **Section 3. Composition**

The Board of Directors shall always be constituted in compliance with Section 330 of the Public Health Service Act, as amended, as well as all applicable federal and state regulations and without limiting the foregoing:

A. A majority of the Board of Directors shall be individuals who are served by the Health Center and who, as a group, represent the individuals who live in the Health Center's

service area in terms of demographic factors such as race, ethnicity, and gender, consistent with the requirements of the Federal Bureau of Primary Health Care (such members of the board shall be designated as "Consumer Representatives"). The majority (at least 51%) of the health center board members must be a patient. A patient is an individual who has received at least one service in the past 24 months that generated a health center visit, where both the service and the site where the service was received are within the HRSA-approved scope of the project. A legal guardian of a Health Center consumer who is a dependent child or adult or a legal sponsor of an immigrant consumer may be considered a Consumer Representation for board composition purposes.

B. The remaining (non-Consumer) Board members shall be representative of the community-at-large, shall live or work in the Health Center's Service Area, and shall be selected for their expertise in health care, community affairs, local government, finance and banking, legal affairs, social services, trade unions, and other commercial and industrial concerns (such non-Consumer members of the board shall be designated "Community-at-Large Representatives"). No more than one-half ( $\frac{1}{2}$ ) of these Community-at-Large Representatives shall be individuals who earn more than ten percent (10%) of their annual income from the health care industry, consistent with the requirements of the Federal Bureau of Primary Health Care; and

C. No Board member may be either an employee of the Health Center or an immediate family member (including spouse, child, parent, or sibling by blood or marriage) of such an employee.

#### **Section 4. Election and Terms of Office**

A. The board shall be classified into three classes of approximately equal size. The election of such classes of Directors will be staggered so that approximately one-third of the board shall be elected or re-elected each year. Members of the class of Directors whose term is expiring at the time of an annual meeting shall be elected at such annual meeting by a majority vote of the board. They shall serve terms of three (3) years or until his/her successor has been elected and qualified.

B. No Board member shall serve more than nine (9) consecutive years as an officer or director.

C. Rotation of Board Members shall be staggered. Board members shall serve staggered terms of one and two years or one (1), two (2), or three (3) years. Thereafter, Board members shall serve two years or three-year terms with approximately half (one third) of the Directors elected at each annual meeting. Each director shall hold office until the annual meeting when his/her term expires and/or until his/her successor is elected or qualified.

#### **Section 5. Absence**

Each Board member is expected to communicate with the Chair or other designee in advance of all Board meetings, stating whether or not s/he can attend or participate by conference telephone or other agreed upon means of communication. Any Board member who is

absent from (3) successive Board meetings or fails to participate for a full year shall be deemed to have resigned due to non-participation, and his/her position shall be declared vacant unless the board affirmatively votes to retain that director as a member of the board.

#### **Section 6. Vacancies**

Vacancies on the Board, including those created by an increase in the number of Directors, may be filled for the unexpired term at any duly constituted meeting by a majority vote of the board. All vacancies shall be filled within ninety (90) days of notification of the vacancy and shall be made in a manner that assures compliance with federal regulations regarding Board composition. Any Director so elected by the board members shall hold office until the next succeeding annual meeting of the board or until his/her successor is elected and qualified.

#### **Section 7. Compensation**

No member of the board will receive a salary or compensation for services as a Board member, except that the members serving on the board may be reimbursed for transportation cost and other costs incidental to attending Board and Committee meetings and other such official functions as may be authorized by the board.

#### **Section 8. Removal and Resignation**

##### **A. Removal**

Any Director may be removed for cause at any time by a majority vote of the Board. In the board's discretion, cause for removal may include, but is not limited to: unexplained absence from three (3) consecutive Board meetings; conduct detrimental to the interests of the Health Center; refusing to render reasonable assistance in carrying out the Health Center's purposes, or suspension or debarment from participation in any federal or state health care program.

##### **B. Resignation**

Except as otherwise required by law, any Director may resign at any time by giving written notice of such resignation to the board. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective.

#### **Section 9. Appointments to Medical Staff**

The Board of Directors **may** approve the appointment and reappointment of ~~all~~ Medical Staff members at the Medical Director's recommendation. The Medical Director will review each current Medical Staff member's clinical privileges and give his/her recommendation to the board concerning such reappointments at least every two (2) years, in accordance with Article 28 of the New York Public Health Law and 10 NYCRR, Chapter 751, and as further set forth in Article VIII of these Bylaws. The By-Laws, rules, and regulations of the Medical Staff shall also be subject to the board's approval.



## **Section 10. Board Role Upon Dissolution**

No Board member, officer, or employee shall be entitled to share in the distribution of any of the corporate assets upon the Health Center's dissolution. All such persons shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Health Center, whether voluntary or involuntary, all of the assets of the Health Center then remaining in the hands of the board, after all, debts have been satisfied, shall be promptly and appropriately distributed, transferred, conveyed, delivered and paid over, as required by the Health Center's Certificate of Incorporation and in accordance with the New York Not-for-Profit Corporation Law.

## **Section 11. Independent Directors**

A. As used in these bylaws, the term "Independent Director" shall have the meaning set forth in Section 102(a) (21) of the NPCL, as amended from time to time. As of May 27, 2017, "Independent Director" means a Director who: (i) is not, and has not been within the last three years, an employee or a Key Person of the Health Center or an Affiliate of the Health Center, and does not have a Relative who is, or has been within the last three years, a Key Person of the Health Center or an Affiliate of the Health Center; (ii) has not received, and does not have a Relative who has received, in any of the last three fiscal years, more than ten thousand dollars in direct compensation from the Health Center or an Affiliate of the Health Center; (iii) is not a current employee of or does not have a substantial financial interest in, and does not have a Relative who is a current officer of or has a substantial financial interest in, any entity that has provided payments, property or services to, or received payments, property or services from, the Health Center or an Affiliate of the Health Center if the amount paid by the Health Center to the entity or received by the Health Center from the entity for such property or services, in any of the last three fiscal years, exceeded the lesser of ten thousand dollars or two percent of such entity's consolidated gross revenues if the entity's consolidated gross revenue was less than five hundred thousand dollars; twenty-five thousand dollars if the entity's consolidated gross revenue was five hundred thousand dollars or more but less than ten million dollars; one hundred thousand dollars if the entity's consolidated gross revenue was ten million dollars or more; or (iv) is not and does not have a Relative who is a current owner, whether wholly or partially, director, officer or employee of the Health Center's outside auditor or who has worked on the Health Center's audit at any time during the past three years.

B. For purposes of this section, the terms: "compensation" does not include reimbursement for expenses reasonably incurred as a Director or reasonable compensation for service as a Director as permitted by paragraph (a) of section 202 (General and special powers) of the New York Not-For-Profit Corporation Law; and "payment" does not include charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the Corporation at fixed or non-negotiable rates or amounts for services received, provided that such services by and to the Corporation are available to individual members of the public on the same terms, and such services received by the Corporation are not available from another source.

C. For purposes of this section, the term "Affiliate" shall have the meaning set forth in Section 102(a)(19) of the NPCL, as amended from time to time. As of May 27, 2017, an Affiliate of a corporation means any entity controlled by, or in control of, such Corporation.

D. For purposes of this section, the term "Key Person" shall have the meaning set forth in Section 102(a)(25) of the NPCL, as amended from time to time. As of May 27, 2017, "Key Person" means any person, other than a Director or officer, whether or not an employee of the Corporation, who (i) has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of Directors and officers; (ii) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or (iii) alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

E. For purposes of this section, the term "Relative" shall have the meaning set forth in Section 102(a)(22) of the NPCL, as amended from time to time. As of May 27, 2017, "Relative" of an individual means (i) his or her spouse or domestic partner as defined in section twenty-nine hundred ninety-four-a of the public health law; (ii) his or her ancestors, brothers, and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren; or (iii) the spouse or domestic partner of his or her brothers, sisters, children, grandchildren, and great-grandchildren.

## **Section 12. Powers of the Board**

The board shall have the following specific powers and responsibilities:

- Develop and approve bylaws that specify the responsibilities of the board;
- Assure that the center is operated in compliance with applicable Federal, State, and local laws and regulations;
- Hold monthly meetings and record in meeting minutes the board's attendance, key actions, and decisions;
- The health center must develop its overall plan for the Health Center Program project under the direction of the governing board;
- Approve the hiring, annual evaluation, and dismissal of the Project Director/Chief Executive Officer (CEO) of the Health Center who is an agent of, and accountable to, the board;
- Adopt and periodically update the Health Center's policies for the conduct of the Health Center Program project, including scope and availability of services, location and hours of services, decisions whether to sub-award or contract for a substantial portion of services;

- Adopt and periodically update the Health Center's policies for financial management practices, including a system to assure accountability for center resources including periodically reviewing the financial status of the health center and the results of the annual audit to ensure appropriate follow-up actions are taken;
- Adopt policy for eligibility for services, including criteria for partial payment schedules;
- Adopt and periodically update the Health Center's personnel policies and procedures, including selection and dismissal procedures, salary and benefit scales, employee grievance procedures, and equal opportunity practices;
- Adopt health care policies including quality-of-care audit procedures;
- Review and approve the annual budget, priorities, and eligibility for services (including criteria for partial payment schedules) and applications;
- Review and approve health center services;
- Review and approve location and hours of operation of health center sites annually;
- Select an independent auditor and officially accept the annual audit report, except as delegated to the Audit Committee;
- Evaluate the Health Center's activities, including service utilization patterns, productivity, patient satisfaction, and achievement of objectives, and developing a process for hearing and resolving patient grievances;
- Approve the annual plan, including approving the annual budget, which outlines the proposed uses of both Health Center Program award and non-Federal resources and revenue;
- Conduct and approve an annual strategic planning process and translating strategic planning goals into operational planning objectives;
- Provide direction for long-range planning, including but not limited to identifying health center priorities and adopting a three-year plan for financial management and capital expenditures;
- Ensure that a process is developed for hearing and resolving patient grievances;



- Evaluate the Health Center's achievements at least annually, and using the knowledge gained to revise its mission, goals, objectives, plans, and budgets as may be appropriate and necessary;
- Approve applications related to the Health Center Program and projects;
- Approve the Health Center's Change in Scope (CIS) request before submission to HRSA.

### **Section 13. Reserved Powers/No Third-Party Power**

The board shall reserve to itself all management powers not otherwise delegated in these Bylaws. No third party may be granted approval or veto rights regarding any of the board's powers.

### **Section 14. Action by Individual Board Member**

No individual Board member shall act for the board, except as may be specifically authorized by the board. Board members shall refrain from giving personal advice or directives to any Health Center staff.

## **ARTICLE VI**

### **OFFICERS AND DUTIES**

#### **Section 1. Officers**

The Health Center officers shall consist of a Chair, Vice Chair, Secretary, Treasurer, and Chief Executive Officer. The board may also elect such other officers as it may from time to time determine. Except for the Chief Executive Officer, all officers shall be elected by the board by majority vote, shall be chosen from among the Directors. Except for the Chief Executive Officer, no officer of the Health Center shall be compensated for the performance of his or her duties. For the avoidance of doubt, no employee of the Health Center shall serve as Chair or Vice-Chair of the Board or hold any other title with similar responsibilities except if the board approves such employee's service by a two-thirds vote of the entire board, and the board contemporaneously documents in writing the basis for its approval.

#### **Section 2. Chair**

The Chair shall preside at all meetings of the Board and Executive Committee; shall prepare an agenda for Board meetings in consultation with the Chief Executive Officer; shall be an *ex-officio* member of all committees except the Nominating Committee and the Audit Committee (unless the Chair qualifies as an Independent Director), and shall perform all such duties as are incidental to the office and are properly required.

The Chair shall execute the directions of the board, provide the board with such advice, information or reports as may be appropriate or as the board may require, represent the Health Center in its relationships with other agencies and organizations, appoint committee chairpersons and execute documents on behalf of the Health Center, including contracts, deeds, mortgages, bonds or other instruments, except where the board expressly delegates the signing of such document or instrument to another officer or agent of the Health Center or as otherwise required by law. The Chair shall discharge all duties incident to the office of Chair and such other duties as may be prescribed by the board from time to time.

### **Section 3. Vice-Chair**

The Vice-Chair of the Health Center shall act as Chair in the Chair's absence, and in so acting shall have all the rights and responsibilities of the Chair. The Vice-Chair shall have such other powers and perform such other duties as prescribed by the Board or the Chair.

### **Section 4. Secretary**

The Secretary shall have charge of all papers, keep such records, make such reports and perform such duties as are incidental to the office and properly required by the Health Center. With staff support, the Secretary shall keep accurate minutes of all meetings of the Board and Executive Committee; shall be responsible for all correspondence of the board; and shall keep up-to-date membership rosters of the board and the board's committees.

### **Section 5. Treasurer**

The Treasurer shall oversee the Health Center's fiscal affairs and shall serve as Chairperson of the Budget and Finance Committee and shall keep or cause to be kept correct and accurate accounts of the properties and financial transactions of the Health Center. The Treasurer shall ensure:

- (1) that the Health Center maintains complete and accurate financial records;
- (2) that proper controls are effectively used over all the Health Center's funds and other assets;
- (3) that an annual budget is prepared by the Chief Executive Officer and is submitted to the board at least sixty (60) days before the beginning of the budget year; and
- (4) An account of the Health Center's financial condition is made at all regular and annual meetings of the board.

The Treasurer shall also perform all duties incident to the office and other duties as may be prescribed by the Board or the Chair.

## **Section 6. Chief Executive Officer**

The Board of Directors shall select and employ a qualified person to serve as the Chief Executive Officer for the Health Center. The Chief Executive Officer shall be the chief executive officer of the Health Center, shall act as the board's direct representative in the day-to-day management of the Health Center, and shall supervise all of its activities, subject only to the policies enacted by the board, or any committee of persons to which the board has specifically delegated supervisory authority for a specific action.

The Chief Executive Officer shall attend such Board meetings as the board shall invite him or her to attend; shall report to the board on the management and operational activities of the Health Center; and shall act as the duly authorized representative of the board in all day-to-day operational matters, except those in which the board has formally designated another person to act.

The Chief Executive Officer shall be responsible for the general and active management of the Health Center's business and shall ensure that all directives, orders, and resolutions of the board are carried into effect. The Chief Executive Officer shall perform such other duties as prescribed by the Board or the Chair. The Chief Executive Officer, as an officer of the Health Center, may delegate some of his or her duties to other officers or employees of the Health Center as he or she may see fit; however, the Chief Executive Officer shall always remain ultimately responsible for the proper performance of any duty which he or she may delegate.

As an employee of the Health Center, the Chief Executive Officer shall be compensated for services performed on behalf of the Health Center.

The Chief Executive Officer shall not be permitted to hold Chair, Vice-Chair, Secretary, or Treasurer of the Health Center.

## **Section 7. Tenure of Officers**

Except for the Chief Executive Officer, who will serve at the discretion of the board and may be removed with or without cause, officers shall be elected for a term of one (1) year and shall serve until their successors are duly elected and qualified and shall not be elected for more than three (3) consecutive terms in the same office. Any officer may be removed for cause at any time by a majority vote of the board. Any officer may resign by giving written notice of such resignation to the Secretary (or, in the case of the Secretary's resignation, to the Chair).

## **Section 8. Officer Vacancies**

If any Board office becomes vacant for any reason, the board has the power to fill such vacancy by majority vote.

## **ARTICLE VII**

### **COMMITTEES**

#### **Section 1. Committees of the Board**

The board, by resolution or resolutions adopted by the board, may designate and appoint an Executive Committee and such other committees of the Board as it may deem advisable; provided that in the case of the Executive Committee or similar committee, such designation shall be made by a majority of the entire board. If so designated in these Bylaws, one or more Directors who are the holders of certain positions in the Corporation shall be ex-officio members of specific Committees. Each such Committee of the Board will consist of three (3) or more Directors, and all members of committees of the board must be Directors. Each Committee of the Board will serve at the pleasure of the board and will have, to the extent provided in the resolution establishing the committee, all the board's authority except as otherwise provided by law. The board may not delegate the matters specified in Section 712(a) of the NPCL to any Committee of the Board.

#### **Section 2. Committees of the Corporation**

In addition to Committees of the Board, the board may create committees of the Corporation to serve at the board's pleasure and perform tasks assigned by the board. Persons other than Directors may be members of committees of the Corporation. Committees of the Corporation have no authority to act on behalf of the board or bind the board. The board may not delegate the matters specified in Section 712(a) of the NPCL to any Committee of the Board.

#### **Section 3. Executive Committee**

A. The Health Center shall have an Executive Committee, which will consist of three or more Directors who are also the Chair, Vice-Chair, Treasurer, and Secretary of the Health Center. Except as otherwise provided by law, the Executive Committee members shall be appointed by a majority of the entire board or a higher vote, if required by law. In the interim between the board meetings, the Executive Committee has all the authority of the board except as otherwise provided by law. All acts of power and authority conferred by the Executive Committee within the scope of its authority are deemed to be and may be specified as being the acts of and under the board's authority.

B. The Executive Committee shall have active control of the conduct of the Health Center's business when the board is not in session, shall act at all times consistent with established Board policies and/or direction, and shall at each meeting of the board report its actions. The Executive Committee shall not have authority over matters specified in Section 712(a) of the NPCL.

C. The Executive Committee may act on a majority vote of its members, and its meetings may be called at any time by the Chair, or in his/her absence, the Vice-Chair.

D. Minutes of all Executive Committee meetings shall be kept and available to all Board members for inspection, except for minutes relating to the evaluation of the Chief Executive Officer, which minutes shall not be made available to such Chief Executive Officer. These minutes shall report committee members' names present and absent, and each motion considered and action is taken thereupon.

#### **Section 4. Budget and Finance Committee**

The Budget and Finance Committee shall be a Committee of the Corporation chaired by the Treasurer. The Chief Executive Officer and Comptroller shall be responsible for preparing the annual budget and planning to meet the Health Center's present and future needs. Monthly financial statements of the Health Center will be made available for the Committee's examination and comment. In addition, the Committee reviews the annual budget for approval by the Board. The Committee shall be appointed by the Board, in consultation with the Treasurer, and shall consist of the Treasurer plus not more than three (3) members (in addition to the Treasurer and any other ex-officio members), all of whom shall be Board members. All recommendations of the Committee are subject to the review and approval of the full board.

#### **Section 1. Audit Committee**

The Audit Committee will be a Committee of the Board and will consist solely of Independent Directors. The Audit Committee shall oversee the accounting and financial reporting processes of the Health Center and any audit of the Health Center's financial statements. The Audit Committee shall annually retain or renew the retention of an independent auditor to conduct the audit and, upon completion thereof, review the results of the audit and any related management letter with the independent auditor.

In addition, such Audit Committee shall:

A. Review with the independent auditor the scope and planning of the audit before the audit's commencement;

B. Upon completion of the audit, review and discuss with the independent auditor: (A) any material risks and weaknesses in internal controls identified by the auditor; (B) any restrictions on the scope of the auditor's activities or access to requested information; (C) any significant disagreements between the auditor and management, and (D) the adequacy of the Corporation's accounting and financial reporting processes;

C. Annually consider the performance and independence of the independent auditor; and

D. Report on the Audit Committee's activities to the board.

## **Section 2. Governance Committee**

The Governance Committee shall be a Committee of the Corporation responsible for reviewing the health center's governance structures and practices. The Committee shall be appointed by the board and shall consist of at least three (3) members (not including any ex-officio members), all of whom shall be Board members.

A) Oversee Board orientation and ongoing Board development, recruitment, and Board self-evaluation processes. (i) The Governance Committee should ensure that the board's composition reflects the demographics of the community served and provides the particular talents needed to accomplish the strategic plan.

B. Review personnel practices and other governance policies and procedures and make recommendations as appropriate.

C. Update the existing job description for the Chief Executive Officer and conduct an annual performance review of the Chief Executive Officer. The outcome of this yearly review would be communicated for inclusion in its compensation review.

D. Review Bylaws of the organization at least every few years and whenever the committee or the board is aware of a change in the law or governance practice inconsistent with one or more provisions of the governing documents.

All recommendations of the Committee are subject to the review and approval of the full board.

## **Section 3. Other Committees**

In addition to other committees of the Board, the board may, as it deems desirable or necessary, establish various other committees of the Corporation, which shall have only those powers specifically delegated to them by the board and in no case shall powers which are not authorized for the Executive Committee or Committees of the Board. The members of such committees shall be appointed by the Chair of the Corporation if there is no Chair with the board's consent.

Provisions Applicable to all Committees:

Reports: Duties It shall be the duty of each committee to make such reports as from time to time may be requested by the board or the Chairperson, or as required by these Bylaws, each committee shall perform such other duties as may be requested by the board.

Procedure. Subject to the By-Laws' provisions and any relevant action of the board, each committee shall establish its own rules and procedures.

Meetings Except as otherwise provided in these Bylaws, each committee shall meet upon the call of the Chairperson thereof, which call shall indicate the date, time, and place of the meeting. If duly recorded in the Minutes of the meeting, each committee member in attendance may waive such notice of the meeting.

Quorum and Voting Requirements. The presence in person of a majority of the committee members shall be sufficient to constitute a quorum for the transaction of business. Action by the majority of the committee members present at such meeting shall constitute the action of the committee.

Minutes. All committees shall maintain the minutes of the meetings.

## **ARTICLE VIII**

### **INDEMNIFICATION**

A. The Health Center shall indemnify, to the maximum extent permitted by law, any person made or threatened to be made, a party to any action or proceeding, whether civil or criminal, by reason of the fact that:

(1) Such person, his/her testator or intestate, was a Director or officer of the Health Center; or

(2) Such person, his/her testator or intestate, served another corporation, partnership, joint venture, trust, employee benefit plan or other enterprises in any capacity, providing such person, his/her testator or intestate, was a Director or officer of the Health Center and served such other Corporation, partnership, joint venture, trust, employee benefit plan or other enterprises at the request of the Health Center.

B. Such indemnification shall include the payment of any judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys' fees, actually and necessarily incurred due to such action or proceeding or any appeal therein.

C. Such indemnification shall, in any case, however, apply only when such director or officer acted in good faith for a purpose which he/she reasonably believed to be in the best interests of the Health Center, or, in the case of service for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprises, not opposed to the best interests of the Health Center, and in the case of criminal actions or proceedings, in addition, had no reasonable cause to believe that his/her conduct was unlawful.

D. The Health Center is hereby authorized and directed to purchase and maintain insurance for such indemnification of its Directors and officers to the maximum extent permitted by law, in such amounts as are deemed prudent from time to time.

## **ARTICLE IX**

### **AMENDMENTS**

These Bylaws may be amended by the affirmative vote of at least two-thirds (2/3) of the entire board, at any regular or special meeting of the board, provided a copy of the proposed amendment(s) has been sent to each Board member at least five (5) days before being voted upon. Any Board member shall have the right to offer Bylaw amendments for consideration by the board.

## **ARTICLE X**

### **NONDISCRIMINATION**

No person shall be discriminated against in consideration for any appointment, the position of employment, or treatment by reason of his or her gender, race, creed, age, sexual orientation, disability, or national origin. The Health Center shall adhere to the federal Bureau of Primary Health Care requirements with respect to employment, management, staffing, grant eligibility, and related matters.

These bylaws were reviewed and approved at a meeting of the board of Directors by a two-thirds (2/3) majority voted on February 22, 2021.

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Board Secretary



Facility Id. 7885  
Certificate No. 1401230R



Effective Date: 04/03/2023  
Expiration Date: NONE

State of New York  
Department of Health  
Office of Primary Care and Health Systems Management  
OPERATING CERTIFICATE

Diagnostic and Treatment Center  
Community Health Center of Buffalo

34 Benwood Avenue

Buffalo, New York 14214

Operator: Community Health Center of Buffalo 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:

Dental O/P

Medical Services - Primary Care

Other Authorized Locations

Diagnostic and Treatment Center Extension Clinic

CHCB-BFNC  
Facility ID 15499  
421 Monroe Street  
Buffalo, New York 14214

Community Health Center of Cheektowaga  
Facility ID 9895  
934 Cleveland Drive  
Cheektowaga, New York 14225

Community Health Center of Lockport  
Facility ID 9415  
38 Heritage Court  
Lockport, New York 14094

Community Health Center of Niagara  
Facility ID 9166  
2715 Highland Ave  
Niagara Falls, New York 14303

School Based Diagnostic and Treatment Center Extension Clinic

Community Health Center of Buffalo, Inc - School  
Based Mobile Dental Equipment  
Facility ID 10027  
34 Benwood Avenue  
Buffalo, New York 14214

Mobile Diagnostic and Treatment Center Extension Clinic

Community Health Center of Buffalo Mobile Van  
Facility ID 10014  
35 Industrial Drive  
North Tonawanda, New York 14120

*John Malloy*

Deputy Commissioner, Office of Primary  
Care and Health Systems Management

This certificate must be conspicuously displayed on the premises.

*John Malloy*

Commissioner

20231124

## MEMORANDUM

**To:** Colleen Leonard, Executive Secretary  
Public Health and Health Planning Council

**From:** Alexa Nagy, Senior Attorney  
Bureau of Program Counsel  
Division of Legal Affairs

**Date:** May 28, 2025

**Subject:** Amended and Restated Certificate of Incorporation of Finger Lakes Health Foundation, Inc.

---

Please include this matter on the next Establishment and Project Review Public Health and Health Planning Council agenda.

The attachments relating to the matter include the following:

- 1) A Memorandum to the Public Health and Health Planning Council (“PHHPC”) from Kathy Marks, Department of Health General Counsel;
- 2) An August 1, 2023, letter to Colleen Leonard (Frost) requesting approval to amend the name and powers and purposes stated in Finger Lakes Health Foundation, Inc.’s Certificate of Incorporation from the legal counsel’s firm for the Corporation, and a signed affidavit sworn to on July 31, 2023;
- 3) A Proposed Amended and Restated Certificate of Incorporation of Finger Lakes Health Foundation, Inc., signed and dated July 31, 2023;
- 4) A Certificate of Merger of Soldiers and Sailors Memorial Hospital Foundation, Inc. into Geneva Regional Health Foundation, Inc., to be renamed Finger Lakes Health Foundation Inc., and annexed documents (including Public Health Council (“PHC”) Approval Letter and Attorney General approval letter);
- 5) A Certificate of Amendment of the Certificate of Incorporation of Finger Lakes Health Foundation, Inc., and annexed documents (including Public Health Council (“PHC”) Approval Letter);
- 6) A photocopy of the original Certificate of Incorporation, and accompanying documents, for Finger Lakes Health Foundation, Inc., originally filed as Waterloo Memorial Hospital, dated March 25, 1920, and filed April 23, 1920;
- 7) A photocopy of the Resolution of the Board of Directors of Finger Lakes Health Foundation, Inc., dated September 21, 2021, approving of and authorizing a formal alignment of clinical service offerings;

- 8) A photocopy of the Resolution of the Board of Directors of Finger Lakes Health Foundation, Inc., dated July 24, 2023, approving of and authorizing the changes to the Certificate of Incorporation and accompanying changes;
- 9) A photocopy of the Resolution of the Board of Directors of Finger Lakes Health Foundation, Inc., dated July 26, 2023, approving of and authorizing the sole member of the Finger Lakes Health Foundation, Inc.; and
- 10) A photocopy of the Secretary's Certificate for the Resolution of the Board of Directors of Finger Lakes Health Foundation, Inc., dated August 1, 2023.

## MEMORANDUM

**To:** Public Health and Health Planning Council

**From:** Kathy Marks, General Counsel *KSM*

**Date:** May 28, 2025

**Subject:** Amended and Restated Certificate of Incorporation of Finger Lakes Health Foundation, Inc.

---

Finger Lakes Health Foundation, Inc. ("FLHF") requests Public Health and Health Planning Council ("PHHPC") approval of a proposed Amended and Restated Certificate of Incorporation.

FLHF is a New York not-for-profit corporation which was originally incorporated in 1920 to operate Waterloo Memorial Hospital. In 1992, with the approval of the Public Health Council ("PHC"), the entity changed its name to Geneva Regional Health Foundation, Inc., removed hospital operation from its business purpose and began operating as a not-for-profit foundation to support a regional health system in the Finger Lakes. In 2002, with the approval of the PHC, Geneva Regional Health Foundation, Inc. merged with Soldiers and Sailors Memorial Hospital Foundation, Inc. and adopted its current name. FLHF now seeks to amend its Certificate of Incorporation in connection with a transaction wherein The University of Rochester became the sole member of FLHF's parent corporation, Finger Lakes Regional Health System, Inc., doing business as Finger Lakes Health.

Presently, PLHF wishes to make various ministerial changes to its Certificate of Incorporation including changing its address for service of process and deleting provisions which are no longer applicable under its current operating structure. The proposed July 31, 2023, Amended and Restated Certificate of Incorporation of the Corporation was authorized by the President and CEO of FLHF's sole member.

Because the Department of Health and PHC previously approved FLHF's 1992 Amendment to its Certificate of Incorporation and its 2002 merger transaction, PHHPC approval of FLHF's Amended and Restated Certificate of Incorporation is required.

There is no legal objection to the proposed Amended and Restated Certificate of Incorporation.

Attachments



**GARFUNKEL WILD, P.C.**

ATTORNEYS AT LAW

350 BEDFORD STREET • STAMFORD, CONNECTICUT 06901

TEL (203) 316-0483 • FAX (203) 399-0505

www.garfunkelwild.com

FILE NO.: 12819.0004

August 1, 2023

Ms. Colleen Frost  
Executive Secretary, Department of Health  
Empire State Plaza  
Corning Towers, Room 1805  
Albany, NY 12237

**Via FEDERAL EXPRESS: 203-399-0514**

Re: Request for Consent to Amend and Restate the Certificate of Incorporation of  
Finger Lakes Health Foundation Inc. (the "Corporation").

To Whom It May Concern:

I enclose a copy of the proposed Amended and Restated Certificate of Incorporation of the Corporation. We request Public Health and Health Planning Council and Department of Health approval of this proposed Amended and Restated Certificate of Incorporation or a letter from the Department of Health stating that no formal approval of the Department of Health or the Public Health and Planning Council is required. This document is being filed in connection with the closing of a transaction whereby the University of Rochester is being added as the new sole member of the Corporation's sole member, Finger Lakes Regional Health System, Inc., dba Finger Lakes Health. The certificate will be amended and restated as follows:

- (a) The preamble to the Certificate of Incorporation is hereby deleted in its entirety.
- (b) Paragraph First relating to the name of the Corporation is hereby amended in its entirety to read as set forth in paragraph First of the Restated Certificate of Incorporation.
- (c) A new paragraph Second relating to the Corporation being a corporation as defined under the N-PCL is added to read as set forth in paragraph Second of the Restated Certificate of Incorporation.
- (d) A new paragraph designating the sole member of the Corporation is hereby added to read as set forth in paragraph Third.

- (e) Paragraph Second (a), (b), and (c) relating to the purposes of the Corporation is amended in its entirety to read as set forth in paragraph Fourth of the Restated Certificate of Incorporation.
- (f) A new paragraph specifying certain powers reserved to the sole Member of the Corporation is hereby added to read as set forth in paragraph Fifth.
- (g) Paragraphs (d), (e) (g), and (i) of paragraph Second relating to tax exempt purposes are hereby deleted in their entirety, and a new paragraph Ninth is hereby added relating to tax exempt purposes of the Corporation.
- (h) Paragraph (h) of paragraph Second relating to dissolution of the Corporation is amended in its entirety to read as set forth in paragraph Tenth of the Restated Certificate of Incorporation.
- (i) Paragraph (f) of paragraph Second relating to no other activities of the Corporation is deleted in its entirety and a new paragraph relating to no other activities is added to read as set forth in paragraph Twelfth of the Restated Certificate of Incorporation.
- (j) Paragraph Sixth relating to the annual meeting of the Corporation is hereby deleted in its entirety.
- (k) A new paragraph relating to the Corporation's address for service of process is added to read as set forth in as paragraph Eleventh of the Restated Certificate of Incorporation.
- (l) Paragraph Fourth relating to the number of directors is deleted in its entirety.
- (m) Paragraph Fifth relating to the initial board of directors of the Corporation is hereby omitted in its entirety.
- (n) Paragraph Sixth relating to the annual meeting of the Corporation is deleted in its entirety.
- (o) Paragraph Seventh relating to the duration of the Corporation is renumbered as paragraph Sixth.
- (p) Paragraph Third relating to the location of principal office of the Corporation is deleted in its entirety and a new paragraph regarding the location of the office of the Corporation is added to read as set forth in paragraph Seventh of the Restated Certificate of Incorporation.

This amendment is being filed subsequent to the consent of the Sole Member to make the changes stated above and to restate the Corporation's Certificate of Incorporation.

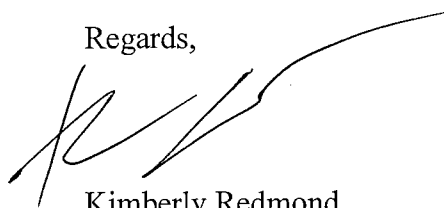
**GARFUNKEL WILD, P.C.**

August 1, 2023  
Page 3

Also enclosed to aid you in your review are copies of the filed Certificate of Incorporation and all subsequent amendments to the Certificate of Incorporation of the Corporation. Also enclosed is an affidavit of the President and CEO of the Corporation, attesting that the Certificate of Incorporation documents provided herein are true, correct and complete.

Please contact me at (203) 399-0514 or via e-mail at [kredmond@garfunkelwild.com](mailto:kredmond@garfunkelwild.com), if there is any additional information that you require, or if you have any further questions.

Regards,

A handwritten signature in black ink, appearing to be 'KR', with a long, sweeping horizontal line extending to the right.

Kimberly Redmond  
Paralegal

Cc: Barbara D. Knothe, Esq.  
Diane Caselli, Esq.

**GARFUNKEL WILD, P.C.**



# Affidavit

STATE OF NEW YORK

COUNTY OF Ontario

)  
)  
)

The undersigned, Jose Acevedo, M.D., President and CEO, being duly sworn, deposes and says:

1. I am the duly elected President and CEO of Finger Lakes Health Foundation, Inc. (the "Corporation"). The Corporation is a New York not-for-profit corporation located in Ontario County.
2. The documents enclosed herein, all of which comprise the Certificate of Amendment of the Certificate of Incorporation, the Restated Certificate of Incorporation, Certificate of Incorporation and all subsequent Amendments to the Certificate of Incorporation, have been examined by me and to the best of my knowledge and belief, the contents thereof are true, correct and complete.

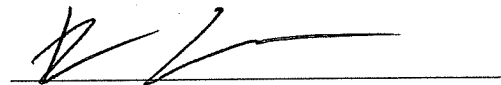
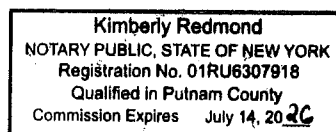
Dated: July 31, 2023



Name: Jose Acevedo, MD  
Title: President and CEO

Sworn to before me this

31<sup>st</sup> day of July, 2023

  
Notary Public

## Amended and Restated Certificate of Incorporation

**RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
FINGER LAKES HEALTH FOUNDATION, INC.**

**Under Section 805 of the Not-For-Profit Corporation Law**

The undersigned, being the President and CEO of Finger Lakes Health Foundation, Inc. (the "Corporation"), for the purpose of amending and restating the Certificate of Incorporation of the Corporation pursuant to Section 805 of the Not-for-Profit Corporation Law of the State of New York (the "N-PCL"), hereby certifies:

1. The name of the Corporation is Finger Lakes Health Foundation, Inc.
2. The Certificate of Incorporation of the Corporation was filed by the Department of State of the State of New York on April 23, 1920, pursuant to the Membership Corporations Law of the State of New York. The name under which the Corporation was formed was Waterloo Memorial Hospital.
3. The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the N-PCL.
4. This amendment and restatement of the Certificate of Incorporation was duly authorized by the Member of the Corporation.
5. The Certificate of Incorporation is hereby amended to effect the following:
  - (a) The preamble to the Certificate of Incorporation is hereby deleted in its entirety.
  - (b) Paragraph First relating to the name of the Corporation is hereby amended in its entirety to read as set forth in paragraph First of the Restated Certificate of Incorporation.
  - (c) A new paragraph Second relating to the Corporation being a corporation as defined under the N-PCL is added to read as set forth in paragraph Second of the Restated Certificate of Incorporation below.
  - (d) A new paragraph designating the sole member of the Corporation is hereby added to read as set forth in paragraph Third below.
  - (e) Paragraph Second (a), (b), and (c) relating to the purposes of the Corporation is amended in its entirety to read as set forth in paragraph Fourth of the Restated Certificate of Incorporation below.
  - (f) A new paragraph specifying certain powers reserved to the sole Member of the Corporation is hereby added to read as set forth in paragraph Fifth below.

- (g) Paragraphs (d), (e) (g), and (i) of paragraph Second relating to tax exempt purposes are hereby deleted in their entirety, and a new paragraph Ninth is hereby added relating to tax exempt purposes of the Corporation.
- (h) Paragraph (h) of paragraph Second relating to dissolution of the Corporation is amended in its entirety to read as set forth in paragraph Tenth of the Restated Certificate of Incorporation below.
- (i) Paragraph (f) of paragraph Second relating to no other activities of the Corporation is deleted in its entirety and a new paragraph relating to no other activities is added to read as set forth in paragraph Twelfth of the Restated Certificate of Incorporation below.
- (j) Paragraph Sixth relating to the annual meeting of the Corporation is hereby deleted in its entirety.
- (k) A new paragraph relating to the Corporation's address for service of process is added to read as set forth in as paragraph Eleventh of the Restated Certificate of Incorporation below.
- (l) Paragraph Fourth relating to the number of directors is deleted in its entirety.
- (m) Paragraph Fifth relating to the initial board of directors of the Corporation is hereby omitted in its entirety.
- (n) Paragraph Sixth relating to the annual meeting of the Corporation is deleted in its entirety.
- (o) Paragraph Seventh relating to the duration of the Corporation is renumbered as paragraph Sixth.
- (p) Paragraph Third relating to the location of principal office of the Corporation is deleted in its entirety and a new paragraph regarding the location of the office of the Corporation is added to read as set forth in paragraph Seventh of the Restated Certificate of Incorporation below.
- (q) A new paragraph relating to the type of Corporation is hereby added to read as set forth in paragraph Eighth of the Restated Certificate of Incorporation below.

6. The Certificate of Incorporation is restated as amended herein to read in its entirety as follows:

**RESTATED CERTIFICATE OF INCORPORATION  
OF  
FINGER LAKES HEALTH FOUNDATION, INC.**

First: The name of the corporation is Finger Lakes Health Foundation, Inc. (the "Corporation").

Second: The Corporation is a corporation as defined in subparagraph (a) (5) of Section 102 (Definitions) of the Not-For-Profit Corporation Law.

Third: The sole member of the Corporation shall be Finger Lakes Regional Health System, Inc. (the "Member"), a New York not-for-profit corporation.

Fourth: The purposes for which the Corporation is formed are:

- a. To raise funds for the acquisition, erection, establishment, equipment, organization, management, and maintenance of a regional health system for the residents of the communities centered in Geneva, New York, Penn Yan, New York, and Waterloo, New York, and in the surrounding counties;
- b. To solicit, receive and make distribution of contributions, gifts, grants, bequests, and endowments for the foregoing purposes, primarily for the benefit of Geneva Regional Health System, Inc., and any not-for-profit corporations affiliated with or controlled by Finger Lakes Regional Health System, Inc., including hospitals and residential health care facilities, provided that each qualifies under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and to advance their purposes and objectives; and
- c. To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof as permitted by the Not-For-Profit Corporation Law and the Internal Revenue Code of 1986, as amended.

Fifth: In addition to all other rights and powers of membership prescribed by New York Law, this Certificate of Incorporation, and/or the Bylaws of the Corporation, the following governance and management powers shall be reserved to the Member:

- (a) approve the Corporation's strategic plans;
- (b) approve the Corporation's capital and operating budgets;
- (c) approve the Corporation's incurrence of debt, which for this purpose shall mean indebtedness that is greater than \$100,000, but it shall not include indebtedness for any expenditure identified in the Corporation's approved operating or capital budgets;
- (d) approve the appointment of, and annual compensation to the President and CEO of the Corporation; provided that the President and CEO of the Corporation in office as of August 1, 2023 shall continue to serve in such capacity pursuant to any employment contracts in effect on that date;

(e) approve any amendment to the Corporation's certificate of incorporation and bylaws;

(f) approve any formation or dissolution of the Corporation or an affiliate of the Corporation, or the Corporation's participation in any joint venture arrangements; and

(g) approve participation of the Corporation in a demonstration project such as bundling arrangements, accountable care organizations and capitated payment plans.

Sixth: The term of existence and duration of said Corporation shall be perpetual.

Seventh: The office of the Corporation is to be located in the County of Ontario, State of New York.

Eighth: The Corporation is a charitable corporation under Section 201 of the Not-for-Profit Corporation Law.

Ninth: The following language relates to the Corporation's tax-exempt status and is not a statement of purposes and powers. Consequently, this language does not expand or alter the Corporation's purposes or powers set forth in paragraph Fourth above.

(a) Notwithstanding any other provision of this certificate, the Corporation is organized exclusively for charitable purposes; the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

(b) No part of the net earnings of the Corporation shall inure to the benefit of any member, trustee, director, or officer of the Corporation or any private individual, other than an organization described in Section 501(c)(3) of the Code, except that reasonable compensation may be paid for services rendered to or for the Corporation. No member, trustee, director or officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

(c) No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, except as otherwise provided by Section 501(h) of the Code. The Corporation shall not participate or intervene (including the publication or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office

(d) Notwithstanding any other provision of this Certificate, if at any time or times the Corporation is a private foundation within the meaning of Section 509 of the Internal Revenue Code of 1986, as amended (the "Code"), then during such time or times:

(1) The Corporation shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code;

(2) The Corporation shall distribute its income for each taxable year at such time and in such manner as not to subject the Corporation to tax under Section 4942 of the Code;

(3) The Corporation shall not retain any excess business holdings, as defined in Section 4943(c) of the Code;

(4) The Corporation shall not make any investments in such a manner as to subject the Corporation to tax under Section 4944 of the Code; and

(5) The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

Tenth: Upon dissolution of the Corporation, and after payment of all just debts and liabilities, all remaining assets of the Corporation shall be distributed by the Board of Directors among Finger Lakes Regional Health System, Inc., Geneva General Hospital, Soldiers and Sailors Memorial Hospital of Yates County, Geneva Nursing Home, Inc., Geneva Nursing Home II, Inc., Huntington Nursing Home, Inc., and/or such other not-for-profit corporation as are affiliated with or controlled by them, provided that they then qualify under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. If none of such corporations and their affiliates shall so qualify at the time of dissolution, or, if none of said organizations are then in existence, or, if none of said organizations are willing and able to accept said assets, then the Board of Directors shall distribute such assets to such other organization(s) that are organized and operated exclusively for charitable, educational or scientific purposes as shall at the time qualify as exempt organization(s) under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended such organization or organizations to be selected by the Board of Directors of the Corporation. Any assets not so disposed of shall be distributed pursuant to an order of a Justice of the Supreme Court of the State of New York, exclusively for such purposes or to such organizations as said court shall determine. The disposition of assets shall be subject to any designation or restrictions originally placed on the assets, if acquired by grant, bequest or donation, unless such designation or restrictions shall be released by order of a court having jurisdiction thereof.

Eleventh: The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon them is: Attn: Administration Department, 196 North Street, Geneva, New York 14456.

Twelfth: The Corporation is not formed to engage in any activity or for any purpose requiring consent or approval of any state official, department, board, agency or other body. No consent or approval is required. Nothing in this Certificate of Incorporation shall authorize the corporation within the State of New York, to (1) provide hospital services or health related services, as such terms are defined in the New York State Public Health Law (PHL); (2) establish

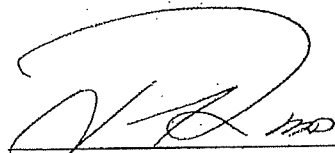


operate or maintain a hospital, a home care services agency, a hospice, a managed care organization or a health maintenance organization, as provided for by Articles 28, 36, 40 and 44 respectively, of the PHL and implementing regulations; (3) establish and operate an independent practice association, (4) establish, operate, construct, lease, or maintain an adult home, an enriched housing program, a residence for adults, or an assisted living program, as provided for by Article 7 of the New York State Social Services Law (SSL); or (5) establish, operate, construct, lease or maintain an assisted living residence, as provided for by Article 46-B of the PHL. Additionally, nothing in this Certificate of Incorporation shall authorize the corporation within the State of New York, to (a) hold itself out as providing or (b) provide any health care professional services that require licensure or registration pursuant to either Title 8 of the New York State Education Law, or the PHL, including, but not limited to, medicine, nursing, psychology, social work, occupational therapy, speech therapy, physical therapy, or radiation technology.

This amendment and restatement of the Certificate of Incorporation was duly authorized by the Member of the Corporation.

*[Signature on next page]*

IN WITNESS WHEREOF, I have made and subscribed this certificate and hereby affirm  
under the penalties of perjury that its contents are true this 31<sup>st</sup> day of July, 2023.

A handwritten signature in black ink, appearing to read 'J. Acevedo MD', written over a horizontal line.

Name: Jose Acevedo, MD  
Title: President and CEO

**RESTATED CERTIFICATE OF INCORPORATION**  
**OF**  
**FINGER LAKES HEALTH FOUNDATION, INC.**

Under Section 805 of the New York Not-for-Profit Corporation Law

FILED BY:

BARBARA KNOTHE, ESQ.  
GARFUNKEL WILD, P.C.  
*ATTORNEYS AT LAW*  
111 GREAT NECK ROAD  
GREAT NECK, NEW YORK 11021

**Certificate of Incorporation and all  
subsequent Amendments to the Certificate of  
Incorporation**

FILING RECEIPT

=====

ENTITY NAME: FINGER LAKES HEALTH FOUNDATION, INC.

DOCUMENT TYPE: MERGER (DOM. NFP)  
PURPOSES NAME PROVISIONS

COUNTY: SENE

SERVICE COMPANY: CORPORATION SERVICE COMPANY

SERVICE CODE: 45

CONSTITUENT NAME: SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC.

=====

FILED:12/20/2002 DURATION:\*\*\*\*\* CASH#:021220000747 FILM #:021220000713

ADDRESS FOR PROCESS

EFFECT DATE

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12/20/2002

REGISTERED AGENT



=====

FILER	FEES	140.00	PAYMENTS	140.00
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HINMAN HOWARD & KATTELLLLP	FILING	30.00	CASH	0.00
80 EXCHANGE ST PO BOX 5250	TAX	0.00	CHECK	0.00
	CERT	0.00	CHARGE	0.00
	COPIES	10.00	DRAWDOWN	140.00
ALBINGHAMTON, NY 13902-5250	HANDLING	100.00	BILLED	0.00
			REFUND	0.00
			-----	

=====

State of New York }  
Department of State } ss:

*I hereby certify that the annexed copy has been compared with the original document filed by the Department of State and that the same is a true copy of said original.*

*Witness my hand and seal of the Department of State on* **DECEMBER 20, 2002**



A handwritten signature in black ink, appearing to read "R. A. S.", written over the printed title.

*Secretary of State*

BIT B

## EXHIBIT B

SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC.

GENEVA REGIONAL HEALTH FOUNDATION, INC.

The undersigned being respectively the Chairman and Secretary of GENEVA REGIONAL HEALTH FOUNDATION, INC., and the President and Secretary of SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC. certify:

(b) The name of the surviving corporation is GENEVA REGIONAL HEALTH FOUNDATION, INC., to be renamed FINGER LAKES HEALTH FOUNDATION, INC. by the filing of this Certificate of Merger.

(a) Paragraph First of the Certificate is amended to change the name of the corporation from “Geneva Regional Health Foundation, Inc.” to “Finger Lakes Health Foundation, Inc.” Paragraph First of the Certificate of Incorporation is hereby amended to read as follows:

(b) Subparagraph (a) of Paragraph Second of the Certificate is amended to include the residents of Penn Yan, New York. Subparagraph (a) of Paragraph Second is hereby amended to read as follows:

"a. To raise funds for the acquisition, erection, establishment, equipment, organization, management, and maintenance of a

regional health system for the residents of the communities centered in Geneva, New York, Penn Yan, New York and Waterloo, New York, and in the surrounding counties;"

(c) Subparagraph h. of Paragraph Second of the Certificate is amended to include Soldiers and Sailors Memorial Hospital of Yates County and Geneva Nursing Home II, Inc. and to recognize the change in corporate name by Geneva Regional Health System, Inc. and Geneva General Hospital Nursing Home Company, Inc. Subparagraph h. of Paragraph Second is hereby amended to read as follows:

"h. Upon dissolution of the corporation, and after payment of all just debts and liabilities, all remaining assets of the Corporation shall be distributed by the Board of Directors, among Finger Lakes Regional Health System, Inc., Geneva General Hospital, Soldiers and Sailors Memorial Hospital of Yates County, Geneva Nursing Home, Inc., Geneva Nursing Home II, Inc., Huntington Nursing Home, Inc., and/or such other not-for-profit corporations as are affiliated with or controlled by them, provided that they then qualify under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, subject to an order of a Justice of the Supreme Court of the State of New York. If none of such corporations and their affiliates shall so qualify at the time of dissolution, or, if none of said organizations are then in existence, or, if none of said organizations are willing and able to accept said assets, then the Board of Directors shall distribute such assets to such other organization(s) that are organized and operated exclusively for charitable, educational or scientific purposes as shall at the time qualify as exempt organization(s) under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, subject to an order of a Justice of the Supreme Court of the State of New York. Any assets not so disposed of shall be distributed by an order of a Justice of the Supreme Court of the State of New York, exclusively for such purposes or to such organizations as said court shall determine. The disposition of assets shall be subject to any designation or restrictions originally placed on the assets, if acquired by grant, bequest or donation, unless such designations or restrictions shall be released by order of a court having jurisdiction thereof.

(d) Paragraph Third of the Certificate is amended to change the principal office of the Corporation from Waterloo, New York to Penn Yan, New York. Paragraph Third is hereby amended to read as follows:

"Its principal office is to be located in the Village of Penn Yan, New York."

3. The effective date of the merger is January 1, 2003.

4. Notwithstanding authorization by members of both corporations, at any time prior to the filing of a Certificate of Merger by the Department of State, this plan of merger may be abandoned either (a) by mutual consent of the boards of directors of the

5



constituent corporations, or (b) by the boards of directors of either corporation, if such board, in its exclusive discretion, determines that to proceed with the merger would adversely affect the corporation or its members because of (1) a breach of a covenant in the Plan by the other constituent corporation, or (2) material litigation is pending against the other constituent corporation. The plan of merger has not been abandoned.

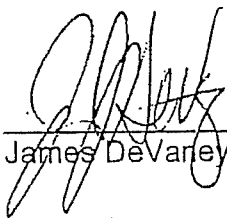
5. The certificate of incorporation of GENEVA REGIONAL HEALTH FOUNDATION, INC., under the name WATERLOO MEMORIAL HOSPITAL was filed by the Department of State on April 23, 1920, and the certificate of incorporation of SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC., was filed by the Department of State on August 28, 1984.

6. The merger was authorized at a meeting of the sole member of GENEVA REGIONAL HEALTH FOUNDATION, INC., by vote of two-thirds of the directors of the member entitled to vote and at a meeting of the sole member of SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC., by vote of two-thirds of the directors of the member entitled to vote.

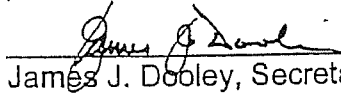
7. Consent to the merger by the Public Health Council shall be attached hereto.

8. Each constituent corporation has one voting member. Neither corporation has any holders of certificate evidencing capital contributions or any subventions.

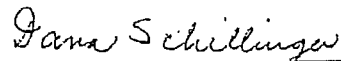
IN WITNESS WHEREOF, we have signed this certificate this 26<sup>th</sup> day of September, 2002 and affirm that the statements made herein are true under penalties of perjury.



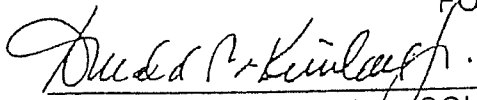
James DeVarney, Chairman, GENEVA REGIONAL HEALTH FOUNDATION, INC.



James J. Dooley, Secretary, GENEVA REGIONAL HEALTH FOUNDATION, INC.



Dana Schillinger, President, SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC.



Donald Kimball, Secretary, SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC.

# COPY

PRESENT: Hon. W. Patrick Falvey  
*Acting* Justice Presiding

At the Supreme Court of the  
State of New York, County of  
Yates, held at the Courthouse,  
Penn Yan, New York on  
December 11, 2002

STATE OF NEW YORK

SUPREME COURT: COUNTY OF YATES

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Application of Geneva Regional Health  
Foundation, Inc. and Soldiers and Sailors  
Memorial Hospital Foundation, Inc., For an Order  
Approving Their Plan of Merger of Soldiers and  
Sailors Memorial Hospital Foundation, Inc., into  
Geneva Regional Health Foundation, Inc. and  
Authorizing the Filing of a Certificate of Merger  
Pursuant to Section 907 of the Not-for-Profit  
Corporation Law.

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**ORDER APPROVING  
MERGER**

Index No.: *02-377*

Geneva Regional Health Foundation, Inc. and Soldiers and Sailors Memorial  
Hospital Foundation, Inc. have applied for an order pursuant to Section 907 of the Not-  
for-Profit Corporation Law approving their Plan of Merger and authorizing the filing of a  
Certificate of Merger.

In support of their application, Geneva Regional Health Foundation, Inc. and  
Soldiers and Sailors Memorial Hospital Foundation, Inc. have submitted, their petition  
dated December 6 and their joint affidavit sworn to September 26, 2002, with attached  
exhibits, including the Plan of Merger dated September 17, 2002. The Attorney General  
has waived notice and a hearing and certified no objection to the entry of this order.

Upon the foregoing papers, and upon hearing Richard H. Pille, Esq., attorney for  
Geneva Regional Health Foundation, Inc. and Soldiers and Sailors Memorial Hospital

*4*

Foundation, Inc., in support of the application and on motion of Richard H. Pille, Esq., it appearing to the satisfaction of this Court that the interest of the constituent corporations and the public interest would not be adversely affected by their merger it is ordered that:

1. The Plan dated September 17, 2002, for the Merger of Soldiers and Sailors Memorial Hospital Foundation, Inc. into Geneva Regional Health Foundation, Inc., to be renamed Finger Lakes Health Foundation, Inc., is approved.
2. The constituent corporations are authorized to file the Certificate of Merger with the Department of State in accordance with Section 906 of the Not-for-Profit Corporation Law with a certified copy of this order attached thereto.
3. Upon the effective date after the filing of the Certificate of Merger as provided above, all assets of Soldiers and Sailors Memorial Hospital Foundation, Inc. shall be transferred and conveyed to Geneva Regional Health Foundation, Inc. to be renamed Finger Lakes Health Foundation, Inc., subject to the administration of restricted funds and previously unrestricted funds, in accord with the Plan of Merger.

Dated: December 11, 2002  
Penn Yan, New York

*W. Patrick Felvey*  
Acting Justice, Supreme Court  
Yates County

**FILED & ENTERED**

ENTER:

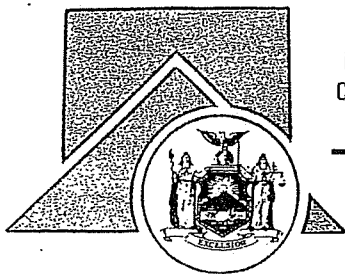
*December 12, 2002 3:00pm*  
*Julie D. Betts*

**YATES COUNTY CLERK**

STATE OF NEW YORK, COUNTY OF YATES  
I, JULIE D. BETTS, Clerk of the County of Yates  
and clerk of the Supreme and County Courts of the county of Yates,  
both being Courts of Record having a common seal,  
DO HEREBY CERTIFY that I have compared this copy with the  
original filed or recorded in this office and that the same is  
a true copy of the whole of said original.  
IN WITNESS WHEREOF, I have hereunto set my hand and affixed  
the seal of said county and courts on *December 12, 2002*

*Julie D. Betts*  
Yates County Clerk

*1000 10 10 Copy  
of Original Document*



STATE OF NEW YORK  
DEPARTMENT OF HEALTH  
CORNING TOWER BUILDING  
ALBANY, N.Y. 12237

# PUBLIC HEALTH COUNCIL

---

November 18, 2002


Mr. Richard H. Pille  
Hinman, Howard & Kattell, LLP  
700 Security Mutual Building  
80 Exchange Street  
P.O. Box 5250  
Binghamton, New York 13902-5250

Re: Certificate of Merger of Soldiers and Sailors Memorial Hospital Foundation, Inc. into Geneva Regional Health Foundation, Inc., to be renamed Finger Lakes Health Foundation, Inc.

Dear Mr. Pille:

AFTER INQUIRY and INVESTIGATION and in accordance with action taken at a meeting of the Public Health Council held on the 15<sup>th</sup> day of November, 2002, I hereby certify that the Certificate of Merger Soldiers and Sailors Memorial Hospital Foundation, Inc. into Geneva Regional Health Foundation, Inc., to be renamed Finger Lakes Health Foundation, Inc., dated September 26, 2002, is approved.

Sincerely,

  
Karen S. Westervelt  
Executive Secretary

6



STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL

REGIONAL OFFICE DIVISION  
Rochester Regional Office

ELIOT SPITZER  
Attorney General

December 4, 2002

Richard H. Pille, Esq.  
Hinman, Howard & Kattell, LLP  
700 Security Mutual Building  
80 Exchange Street - P.O. Box 5250  
Binghamton, New York 13902-5250

Re: Soldiers & Sailors Memorial Hospital Foundation, Inc.  
to be Merged into Geneva Regional Health Foundation,  
Inc., to be Renamed Finger Lakes Health Foundation,  
Inc.

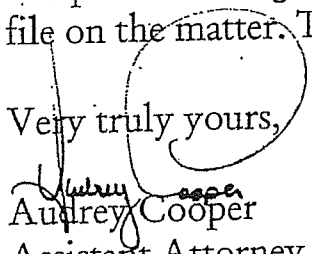
Dear Mr. Pille:

Thank you for providing me with a copy of your petition,  
plan of merger, and proposed order and certificate for merger of  
the above-referenced not-for-profit corporations.

The Attorney General does not oppose the signing of the  
proposed order and the filing of the certificate of merger.

Please send me a copy of the signed order, when entered,  
and proof of filing of the certificate of merger, so I may close my  
file on the matter. Thank you for your anticipated cooperation.

Very truly yours,

  
Audrey Cooper  
Assistant Attorney General

7

FO21220000713

CERTIFICATE OF MERGER

OF

SOLDIERS AND SAILORS MEMORIAL  
HOSPITAL FOUNDATION, INC.

INTO

GENEVA REGIONAL HEALTH FOUNDATION, INC.

Section 904 of the Business Corporation Law

FILED

2002 DEC 20 PM 3:19

3cc  
STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED DEC 20 2002

TAX \$  
BY: lmh

Geneva

name change  
eff 1/1/2003

Filer: Hinman Howard & Kattell, LLP  
80 Exchange Street  
P.O. Box 5250  
Binghamton, NY 13902-5250  
Cust. Ref#860200DAV

DRAWDOWN

DEC 20 1 36 PM '02

DEC 17 2 10 PM '02  
8

747

# *Soldiers & Sailors Memorial Hospital Foundation*

418 North Main Street • Penn Yan, New York 14527-1085 • 315-531-2050

## Resolution of Board of Directors Approving Plan of Merger

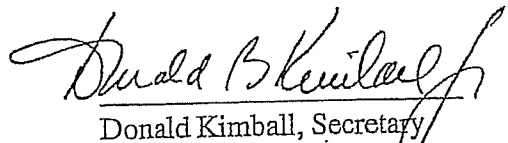
Upon motion made and seconded, the following resolution was adopted by affirmative vote of the entire board:

WHEREAS this corporation, SOLDIERS & SAILORS MEMORIAL HOSPITAL FOUNDATION, INC., has negotiated an agreement to merge into GENEVA REGIONAL HEALTH FOUNDATION, INC. with the surviving corporation to be renamed FINGER LAKES HEALTH FOUNDATION, INC., pursuant to a plan to merger, a copy of which is annexed and

WHEREAS the board is convinced that acceptance of the plan is in the best interest of this corporation and SOLDIERS & SAILORS MEMORIAL HOSPITAL OF YATES COUNTY, it is

RESOLVED that the board adopts the proposed plan of merger and directs the secretary, pursuant to Section 903 of the Not-for-Profit Corporation Law, to call a special meeting of the member of this corporation, SOLDIERS & SAILORS MEMORIAL HOSPITAL OF YATES COUNTY, to be held at 196 North Street, Geneva, New York on September 25, 2002, at 5:00 p.m., for the purpose of submitting the Plan of Merger to a vote of the Directors of the member for the member's approval.

I certify this resolution was  
adopted 9/17/02 by the Board:

  
Donald Kimball, Secretary

9-17-02  
(date)



*A Member of Finger Lakes Health*



Geneva Regional Health Foundation, Inc.

196 North Street • Geneva, New York 14456 • (315) 787-4050

Resolution of Board of Directors Approving Plan of Merger

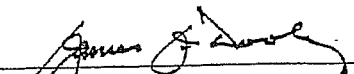
Upon motion made and seconded, the following resolution was adopted by affirmative vote of the entire board:

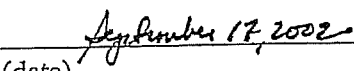
WHEREAS this corporation, GENEVA REGIONAL HEALTH FOUNDATION, INC. has negotiated an agreement for SOLDIERS & SAILORS MEMORIAL HOSPITAL FOUNDATION, INC. to merge into GENEVA REGIONAL HEALTH FOUNDATION, INC., as the surviving corporation, to be renamed FINGER LAKES HEALTH FOUNDATION, INC., pursuant to a Plan of Merger, a copy of which is annexed and

WHEREAS the board is convinced that acceptance of the plan is in the best interest of this corporation and FINGER LAKES REGIONAL HEALTH SYSTEM, INC., it is

RESOLVED that the board adopts the proposed plan of merger and directs the secretary, pursuant to Section 903 of the Not-for-Profit Corporation Law, to call a special meeting of the member of this corporation, FINGER LAKES REGIONAL HEALTH SYSTEM, INC. to be held at 196 North Street, Geneva, New York on September 25, 2002 at 5:00 p.m. for the purpose of submitting the Plan of Merger to a vote of the Directors of the member for the member's approval.

I certify this resolution was  
adopted 9/17/02 by the Board:

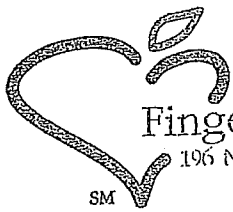
  
James J. Dooley, Secretary

  
(date)

Good Health...We're In It Together!

A member of  Finger Lakes Health



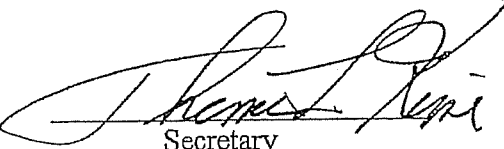


Finger Lakes Health

196 North St. • Geneva, NY 14456  
(315) 787-4000

Secretary's Certification

This is to certify that the attached resolution was adopted at the Finger Lakes Health Board of Directors meeting on September 25, 2002.

  
Secretary

12-4-02  
Date

Geneva Regional Health Center  
196 North Street • Geneva, NY 14456  
  
Finger Lakes Health Center  
196 North Main Street • Geneva, NY 14456  
  
Finger Lakes Health Center  
196 East Main Street • Watkins, NY 14889

Finger Lakes Health Center  
196 North Street • Geneva, NY 14456  
  
Finger Lakes Health Center  
196 North Main Street • Geneva, NY 14456  
  
Finger Lakes Health Center  
196 East Main Street • Watkins, NY 14889

*Good Health... We're In It Together!*

[www.flhealth.org](http://www.flhealth.org)

Finger Lakes Health Center  
196 North Street • Geneva, NY 14456  
  
Finger Lakes Health Center  
196 North Main Street • Geneva, NY 14456  
  
Finger Lakes Health Center  
196 East Main Street • Watkins, NY 14889

Finger Lakes Health Center  
196 North Street • Geneva, NY 14456  
  
Finger Lakes Health Center  
196 North Main Street • Geneva, NY 14456  
  
Finger Lakes Health Center  
196 East Main Street • Watkins, NY 14889

PLAN OF MERGER  
OF  
SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC.  
INTO  
GENEVA REGIONAL HEALTH FOUNDATION, INC.

The following plan of merger has been adopted by the boards of directors of SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC. and GENEVA REGIONAL HEALTH FOUNDATION, INC., at meetings of the boards held on September 17, 2002 and September 17, 2002, respectively.

1. (a) The names of each constituent corporation participating in the merger are SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC. and GENEVA REGIONAL HEALTH FOUNDATION, INC. which was formed under the name of WATERLOO MEMORIAL HOSPITAL.

(b) The name of the surviving corporation is GENEVA REGIONAL HEALTH FOUNDATION, INC. This corporate name will be changed to FINGER LAKES HEALTH FOUNDATION, INC. by the filing of the certificate of merger attached hereto.

2. (a) The sole voting member of SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC. is SOLDIERS AND SAILORS MEMORIAL HOSPITAL OF YATES COUNTY.

(b) The sole voting member of GENEVA REGIONAL HEALTH FOUNDATION, INC. is FINGER LAKES REGIONAL HEALTH SYSTEM, INC.

(c) Neither of the constituent corporations has issued capital certificates or subventions.

3. The terms and conditions of the merger are as follows:

(a) Until altered, amended or repealed, the attached by-laws of GENEVA REGIONAL HEALTH FOUNDATION, INC. to be renamed FINGER LAKES HEALTH FOUNDATION, INC., (as adopted by its member, GENEVA REGIONAL HEALTH SYSTEM, INC., in its approval of this Plan of Merger), shall take effect at the time the merger becomes effective, and be the by-laws of the surviving corporation. SOLDIERS AND SAILORS MEMORIAL HOSPITAL OF YATES COUNTY will not be a member of the surviving corporation and FINGER LAKES REGIONAL HEALTH SYSTEM, INC. will remain its sole member.

(b) The first annual meeting of the sole member of the surviving corporation held after the effective date of this merger shall be the next annual meeting

provided by the by-laws of FINGER LAKES HEALTH FOUNDATION, INC., the renamed surviving corporation.

(c) The officers of GENEVA REGIONAL HEALTH FOUNDATION, INC., one of the constituent corporations, on the date the merger becomes effective, shall be and remain like officers of the surviving corporation until the board of directors of the surviving corporation elects their respective successors. Each of the current officers of the surviving corporation has submitted his or her resignation as an officer to take effect upon the election of his or her successor after the merger takes effect.

(d) The first regular meeting of the board of directors of the surviving corporation shall be held as soon as practicable after the date on which the merger becomes effective, for the election of officers and other matters, and may be called in the manner provided in the by-laws of FINGER LAKES HEALTH FOUNDATION, INC., the renamed surviving corporation, for the calling of a special meeting of the board of directors.

(e) Each of the current directors of the constituent corporations has submitted his or her resignation as a director, to be effective as of the effective date of the merger and FINGER LAKES REGIONAL HEALTH SYSTEM, INC., in approving this Plan of Merger as sole member of GENEVA REGIONAL HEALTH FOUNDATION, INC., elects the following persons to serve for the terms indicated as successor directors of the surviving corporation effective on the date the merger becomes effective:

<u>Name and Address of Person</u>	<u>Constituent Affiliation</u>	<u>Initial Term</u>
Marilyn James 4264 Champlin Road Penn Yan, NY 14527	Soldiers and Sailors Memorial Hospital Foundation (SSMHF)	one year
Taylor Fitch 3120 Kinney Corners Road Bluff Point, NY 14478	SSMHF	one year
James DeVaney 167 Lafayette Avenue Geneva, NY 14478	Geneva Regional Health Foundation (GRHF)	one year
Richard Sayers 3625 Ridge Run East Canandaigua, NY 14424	GRHF	one year
Dana Schillinger 429 Lake Avenue Keuka Park, NY 14478	SSMHF	two years
Susan Hysør 2756 Coates Road Penn Yan, NY 14527	SSMHF	two years

James Gerling 32 North Brook Street Geneva, NY 14456	GRHF	two years
Gary Shultz 26 North Brook Street Geneva, NY 14456	GRHF	two years
Nancy D'Amico 170 South Avenue Penn Yan, NY 14527	SSMHF	three years
Corinne Stork 1773 N. Main Street Penn Yan, NY 14527	SSMHF	three years
Edward Boudreau 3385 Yost Road Waterloo, NY 13165	GRHF	three years
Catherine Barnard 897 Castle Road Geneva, NY 14456	GRHF	three years
James Dooley 20 Cornwall Avenue Geneva, NY 14456	Finger Lakes Health (FLH)	ex officio
Lawrence Farnand 34 Wincanton Drive Fairport, NY 14450	(FLH)	ex officio
Harold Gray 175 Cornwell Street Penn Yan, NY 14527	(FLH)	ex officio

(f) The surviving corporation shall pay all expenses of carrying this plan of merger into effect and of accomplishing the merger, from the unrestricted funds of each of the constituent corporations, in the same proportion as the total of each constituent corporation's net assets determined prior to the merger bears to the total of the surviving corporation's net assets determined on the effective date of the merger.

(g) When the merger becomes effective the separate existence of SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC. shall cease and be merged into the surviving corporation, which shall possess all the rights, privileges, powers and franchises of a public as well as of a private nature and be subject to all the restrictions, disabilities and duties of each of the corporations that are

parties to this agreement. Subject to (j) below, the corporation shall be vested with the rights, privileges, powers and franchises of each of the constituent corporations; all property, real personal and mixed; all debts due to each of the corporations on whatever account, and all other things in action or belonging to each of the corporations.

(h) The title to any real estate, whether by deed or otherwise, vested in any of the corporations, shall not revert or in any way be impaired by reason of this merger, provided that all rights of creditors and all liens upon the property of any of the corporations, shall be preserved unimpaired, and all debts, liabilities and duties of SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC., shall attach to the surviving corporation, and may be enforced against it to the same extent as if those debts, liabilities and duties had been incurred or contracted by it.

(i) If at any time the surviving corporation considers or is advised that any further assignments or assurances in law or any things are necessary or desirable to vest in the surviving corporation the title to any property or rights of SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC., the proper officers and directors of SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC., shall execute and make all proper assignments and assurances and do all things necessary to vest title in such property or rights in the surviving corporation.

(j) Each of the constituent corporations holds unrestricted funds, as well as restricted funds, as summarized in the attachment hereto. As a condition to their approval to this merger, the Board of Directors and sole member of each of the constituent corporations pledge to each other that:

(1) The unrestricted funds of SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC. will not be used by the surviving corporation to support activities outside Yates County, and

(2) The unrestricted funds of GENEVA REGIONAL HEALTH FOUNDATION, INC. will not be used by the surviving corporation to support activities outside of Ontario and Seneca Counties.

(3) Unrestricted funds directed by will, grant, gift or otherwise to one of the constituent corporations, and received after the merger by the surviving corporation will be added to and treated as part of the funds described in (1) or (2) above, as appropriate.

(4) All restricted funds, received by the constituent corporations before and by the surviving corporation after the merger will be administered in accord with restrictions applicable to the funds.

4. On the effective date of the merger, the following amendments to the Certificate of Incorporation of the surviving corporation, GENEVA REGIONAL HEALTH FOUNDATION, INC., shall take effect:

(a) Paragraph First of the Certificate is amended to change the name of the corporation from GENEVA REGIONAL HEALTH FOUNDATION, INC. to FINGER LAKES HEALTH FOUNDATION, INC. Paragraph First of the Certificate of Incorporation is hereby amended to read as follows:

"First: The name of the Corporation is FINGER LAKES HEALTH FOUNDATION, INC."

(b) Subparagraph (a) of Paragraph Second of the Certificate is amended to include the residents of Penn Yan, New York. Subparagraph (a) of Paragraph Second is hereby amended to read as follows:

"a. To raise funds for the acquisition, erection, establishment, equipment, organization, management, and maintenance of a regional health system for the residents of the communities centered in Geneva, New York, Penn Yan, New York and Waterloo, New York, and the surrounding counties;"

(c) Subparagraph (h) of Paragraph Second of the Certificate is amended to include Soldiers and Sailors Memorial Hospital of Yates County and Geneva Nursing Home II, Inc. and to recognize the change in corporate name by Geneva Regional Health System, Inc. and Geneva General Hospital Nursing Home Company, Inc. Subparagraph h. of Paragraph Second is hereby amended to read as follows:

"h. Upon dissolution of the corporation, and after payment of all just debts and liabilities, all remaining assets of the Corporation shall be distributed by the Board of Directors, among Finger Lakes Regional Health System, Inc., Geneva General Hospital, Soldiers and Sailors Memorial Hospital of Yates County, Geneva Nursing Home, Inc., Geneva Nursing Home, II, Inc., Huntington Nursing Home, Inc. and/or such other not-for-profit corporations as are affiliated with or controlled by them, provided that they then qualify under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, subject to an order of a Justice of the Supreme Court of the State of New York. If none of such corporations and their affiliates shall so qualify at the time of dissolution, or, if none of said organizations are then in existence, or, if none of said organizations are willing and able to accept said assets, then the Board of Directors shall distribute such assets to such other organization(s) that are organized and operated exclusively for charitable, educational or scientific purposes as shall at the time qualify as exempt organization(s) under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, subject to an order of a Justice of the Supreme Court of the State of New York. Any assets not so disposed of shall be distributed by an order of a Justice of the Supreme Court of the State of New York, exclusively for such purposes or to such organizations as said court shall determine. The disposition of assets shall be subject to any designation or restrictions originally placed on the assets; if acquired by grant, bequest or donation, unless such designations or restrictions shall be released by order of a court having jurisdiction thereof.

(d) Paragraph Third of the Certificate is amended to change the principal office of the Corporation from Waterloo, New York to Penn Yan, New York. Paragraph Third is hereby amended to read as follows:

"Its principal office is to be located in the Village of Penn Yan, New York."

These amendments are set forth in the attached Certificate of Merger.

5. Notwithstanding authorization by members of both corporations, at any time prior to the filing of a Certificate of Merger by the Department of State, this plan of merger may be abandoned either (a) by mutual consent of the boards of directors of the constituent corporations, or (b) by the boards of directors of either corporation, if such board, in its exclusive discretion, determines that to proceed with the merger would adversely affect the corporation or its members because of (1) a breach of a covenant in the Plan by the other constituent corporation, or (2) material litigation is pending against the other constituent corporation.

6. The effective date of this plan in New York shall be January 1, 2003 provided the Certificate of Merger is filed by the Secretary of State of New York, pursuant to Sections 904 and 906 of the Not-for-Profit Corporation Law of the State of New York within 30 days prior thereto, and if not so filed, shall be the date the Certificate of Merger is thereafter filed.

Dated: Penn Yan, New York  
September 17, 2002

SOLDIERS AND SAILORS MEMORIAL HOSPITAL FOUNDATION, INC.

By:

Donald B. Kimball Jr., Secretary  
Donald Kimball

GENEVA REGIONAL HEALTH FOUNDATION, INC.

By:

James J. Dooley, Secretary  
James J. Dooley

N. Y. S. DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS AND STATE RECORDS

182 WASHINGTON AVENUE  
ALBANY, NY 12231

FILING RECEIPT

=====

CORPORATION NAME: GENEVA REGIONAL HEALTH FOUNDATION, INC.

DOCUMENT TYPE : AMENDMENT (DOMESTIC NFP)  
PURPOSES PROCESS NAME

COUNTY: SENE

SERVICE COMPANY : SERVICIO

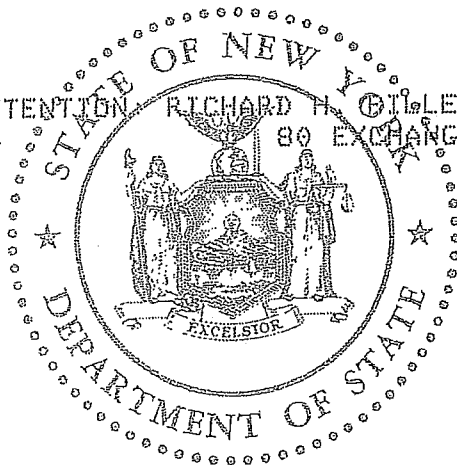
=====

FILED: 06/30/1992 DURATION: \*\*\*\*\* CASH #: 920630000251 FILM #: 920630000222

ADDRESS FOR PROCESS

HINMAN, HOWARD & KATTELL ATTENTION RICHARD H. GILLE, ESQ.  
700 SECURITY MUTUAL BUILDING 80 EXCHANGE STREET  
BINGHAMTON, NY 13901-3490

REGISTERED AGENT



=====

FILER	FEES	55.00	PAYMENTS	55.00
HINMAN, HOWARD & KATTELL	FILING :	30.00	CASH :	0.00
700 SECURITY MUTUAL BUILDING	TAX :	0.00	CHECK :	0.00
80 EXCHANGE STREET	CERT :	0.00	BILLED:	55.00
BINGHAMTON, NY 13901-3490	COPIES :	0.00		
	HANDLING:	25.00		
			REFUND:	0.00

=====

DOS-1025 (11/89)



State of New York }  
Department of State } ss:

065024

*I hereby certify that I have compared the annexed copy with the original document filed by the Department of State and that the same is a correct transcript of said original.*

*Witness my hand and seal of the Department of State on*

OCT 1 - 1992



*Secretary of State*

CERTIFICATE OF AMENDMENT  
OF THE CERTIFICATE OF INCORPORATION  
OF  
WATERLOO MEMORIAL HOSPITAL

19206300002  
FILED BY:  
SERVICO  
ALBANY, NEW YORK

Under Section 803 of the Not-For-Profit Corporation Law

James J. Dooley and Donald Wertman, the President and Secretary, respectively, of Waterloo Memorial Hospital, hereby certify:

1. The name of the corporation is Waterloo Memorial Hospital, and there has been no change in the corporate name since its formation.

2. Its Certificate of Incorporation was filed by the Department of State on April 23, 1920, under the Not-For-Profit Corporation Law of the State of New York.

3. Waterloo Memorial Hospital is a corporation as defined in Subparagraph (a) (5) of Section 102 of the Not-For-Profit Corporation Law and is a Type B corporation as defined in Section 201 of that law, and it will remain so after the amendments described in this Certificate of Amendment.

4. The Certificate of Incorporation is amended as follows:

(a) Paragraph First of the Certificate is amended to change the name of the corporation from "Waterloo Memorial Hospital" to "Geneva Regional Health Foundation, Inc.". Paragraph First of the Certificate of Incorporation is hereby amended to read as follows:

"First: The name of the Corporation is  
Geneva Regional Health Foundation, Inc."

(b) Paragraph Second of the Certificate is amended to change the purposes and activities of the corporation. The corporation was organized and has been operated as a general hospital located in the Village of Waterloo, County of Seneca and State of New York. After these amendments, the corporation will be organized and operated as a Not-For-Profit Foundation to support a regional health system for the residents of the communities centered in Geneva, New York and Waterloo, New York and in the surrounding counties. Paragraph Second is hereby amended to read as follows:

"The purposes for which the Corporation is formed are:

a. To raise funds for the acquisition, erection, establishment, equipment, organization, management, and maintenance of a regional health system for the residents of the communities centered in Geneva, New York and Waterloo, New York, and in the surrounding counties;

b. To solicit, receive and make distribution of contributions, gifts, grants, bequests, and endowments for the foregoing purposes, primarily for the benefit of Geneva Regional Health System, Inc., and any not-for-profit corporations affiliated with or controlled by Geneva Regional Health System, Inc., including hospitals and residential health care facilities, provided that each qualifies under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and to advance their purposes and objectives;

c. To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof as permitted by the Not-For-Profit Corporation Law and the Internal Revenue Code of 1986, as amended;

d. The Corporation is organized exclusively for charitable, educational and scientific purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law);

e. Notwithstanding any other provision of this Certificate, the Corporation shall not carry on any activities not permitted to be carried on (1) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986, or (2) by a corporation contributions to which are deductible under Section 170 (c) (2), 2055 or 2522 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law);

f. Nothing contained in this Certificate shall authorize the Corporation to

establish or operate a hospital or to provide hospital service or health-related service, a drug maintenance program, a certified home health agency, a hospice, a health-maintenance organization, or a comprehensive health services plan, as defined and covered by Articles 28, 36, 40 and 44, of the Public Health Law or, directly or indirectly, to engage in or include among its purposes any of the activities mentioned in Sections 404(b) through 404(n), Sections 404(p) through (s), and Sections 404(u) and (v), of the Not-For-Profit Corporation Law;

g. No part of the assets, income or profit of the corporation shall be distributable to, or inure to the benefits of its members, directors or officers or any private person, except to the extent permitted under both the Not-For-Profit Corporation Law and the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law)

h. Upon dissolution of the corporation, and after payment of all just debts and liabilities, all remaining assets of the Corporation shall be distributed by the Board of Directors, among Geneva Regional Health System, Inc., Geneva General Hospital, Geneva General Hospital Nursing Home Company, Inc., Huntington Nursing Home, Inc., and/or such other not-for-profit corporations as are affiliated with or controlled by them, provided that they then qualify under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, subject to an order of a Justice of the Supreme Court of the State of New York. If none of such corporations and their affiliates shall so qualify at the time of dissolution, or, if none of said organizations are then in existence, or, if none of said organizations are willing and able to accept said assets, then the Board of Directors shall distribute such assets to such other organization(s) that are organized and operated exclusively for charitable, educational or scientific purposes as shall at the time qualify as exempt organization(s) under Section 501 (c) (3) of the Internal Revenue code of 1986, as amended, subject to an order of a Justice of the Supreme Court of the State of New York. Any

assets not so disposed of shall be distributed by an order of a Justice of the Supreme Court of the State of New York, exclusively for such purposes or to such organizations as said court shall determine. The disposition of assets shall be subject to any designation or restrictions originally placed on the assets, if acquired by grant, bequest or donation, unless such designations or restrictions shall be released by order of a court having jurisdiction thereof.

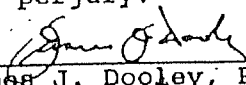
1. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided in Section 501(h) of the Internal Revenue Code of 1986), and the Corporation shall not participate in, or intervene in (including publishing or distributing statements) any political campaign on behalf of or in opposition to any candidate for public office.

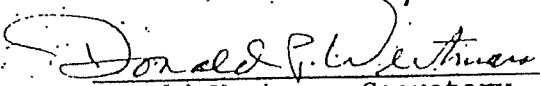
5. The above amendments to the Certificate of Incorporation were authorized by vote of a majority of all members entitled to vote thereon at a meeting of the members.

6. The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is:

Hinman, Howard & Kattell  
Attention: Richard H. Pille, Esq.  
700 Security Mutual Building  
80 Exchange Street  
Binghamton, New York 13901-3490

IN WITNESS WHEREOF, we have signed this Certificate this 23<sup>rd</sup> day of March, 1992, and affirm that the statements made herein are true under the penalties of perjury.

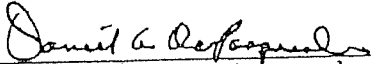
  
James J. Dooley, President

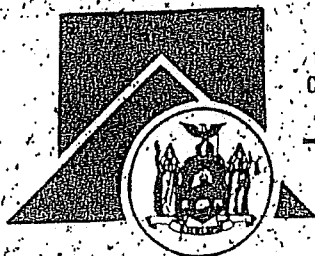
  
Donald Wertman, Secretary

I, Daniel A. DePasquale, a Justice of the Supreme Court of the State of New York, Seventh Judicial District, do hereby approve the foregoing Certificate of Amendment of Certificate of Incorporation of Waterloo Memorial Hospital and consent that the same be filed.

Dated: JUNE 25, 1992

Waterloo, New York

  
Hon. Daniel A. DePasquale  
Justice of the Supreme Court of  
the Seventh Judicial District of  
the State of New York



STATE OF NEW YORK  
DEPARTMENT OF HEALTH  
CORNING TOWER BUILDING  
ALBANY, N.Y. 12237

# PUBLIC HEALTH COUNCIL

June 1, 1992

Mr. Richard H. Pille  
Hinman, Howard & Kattell  
Attorneys at Law  
700 Security Mutual Building  
80 Exchange Street  
Binghamton, New York 13901-3490

Re: Certificate of Amendment of the Certificate of Incorporation of  
Waterloo Memorial Hospital

Dear Mr. Pille:

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, 1992, I hereby certify that the Certificate of Amendment to the Certificate of Incorporation of Waterloo Memorial Hospital hereafter to be known as Geneva Regional Health Foundation, Inc. dated March 23, 1992 is approved.

Sincerely,

Karen S. Westervelt  
Executive Secretary

RESOLUTION

RESOLVED, that the Public Health Council, on this 29th day of May, 1992, approves the filing of the Certificate of Amendment to the Certificate of Incorporation of Waterloo Memorial Hospital, hereafter to be known as Geneva Regional Health Foundation, Inc., dated March 23, 1992.





STATE OF NEW YORK  
DEPARTMENT OF LAW  
ALBANY 12224

ROBERT ABRAMS  
ATTORNEY GENERAL

JAMES G. MCSPARRON  
DEPUTY FIRST ASSISTANT  
ATTORNEY GENERAL

(518) 474-5303

June 22, 1992

Richard H. Pille, Esq.  
Hinman, Howard & Kattell  
700 Security Mutual Building  
80 Exchange Street  
Binghamton, New York 13901-3490

Dear Mr. Pille:

RE: OLD: WATERLOO MEMORIAL HOSPITAL  
NEW: GENEVA REGIONAL HEALTH FOUNDATION, INC.

Due and timely service of the notice of application for the approval of the proposed certificate of amendment to the certificate of incorporation of the above-entitled organization is hereby admitted.

The Attorney General does not intend to appear at the time of application. Approval is contingent upon your seeking the approval of the Public Health Council.

Very truly yours,

ROBERT ABRAMS  
Attorney General

By: 

RICHARD S. REDLO  
Assistant Attorney General

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920680000251

STATE OF NEW YORK  
DEPARTMENT OF STATE  
FILED JUN 30 1932  
TAXES  
BY: NYC  
Sc

25 JUN 1932

Sc

CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
WATERLOO MEMORIAL HOSPITAL

RECEIVED

HINMAN, HOWARD & KATTELL  
700 SECURITY MUTUAL BUILDING  
80 EXCHANGE STREET  
BINGHAMTON, NEW YORK 13901-3490

FILED BY:  
**SERVICO**  
ALBANY, NEW YORK

FILED BY:  
**SERVICO**  
ALBANY, NEW YORK

1-92068000022

State of New York }  
Department of State } ss:

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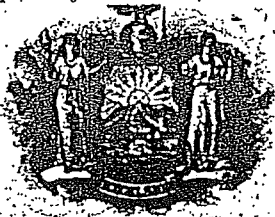
*I hereby certify that I have compared the annexed copy with the original document filed by the Department of State and that the same is a correct transcript of said original.*

OCT 1 - 1992

*Witness my hand and seal of the Department of State on*

A handwritten signature in cursive script, appearing to read "Gil S. Soffer".

*Secretary of State*



State of New York  
**State Board of Charities**  
The Capitol at Albany

*In the Matter of the Incorporation  
of*

Waterloo Memorial Hospital

*Whereas Application has been made to the State  
Board of Charities for its approval of the incorporation of*  
and

Waterloo Memorial Hospital

*Whereas On due inquiry and investigation it appears  
to said Board desirable and proper that such hospital  
shall be so incorporated*

*Now Therefore In pursuance of and in conformity  
with the provisions of Chapter forty of the Laws of the  
State of New York enacted February 17, 1909, the said  
State Board of Charities hereby certifies that it approves of  
the incorporation of the said* Waterloo Memorial Hospital,

*the certificate of incorporation of which is herunto annexed.*

*In Witness Whereof the said Board has  
this thirteenth day of April 19 20  
caused these presents to be subscribed by its  
President and attested by its Secretary and  
its official seal to be herunto affixed.*

*William R. Stewart*  
PRESIDENT

ATTEST

*Charles H. Johnson*

SECRETARY

**CERTIFICATE OF INCORPORATION OF THE WATERLOO MEMORIAL HOSPITAL.**

We, the undersigned, all being persons of full age, and at least two-thirds being citizens of the United States, and at least one of us a resident of the State of New York, desiring to erect a memorial to the soldiers, sailors and marines in the World's War, and desiring to form a membership corporation, pursuant to the provisions of the Membership Corporations Law of the State of New York, do hereby make sign, acknowledge and file this certificate for that purpose, as follows:

First. The name of the proposed corporation is the "Waterloo Memorial Hospital".

Second. The purposes for which said corporation is to be formed are to erect, establish and maintain a general hospital for the treatment and care of sick or injured people.

Third. Its principal office is to be located in the Village of Waterloo, County of Seneca and State of New York.

Fourth. The number of its directors shall be seven.

Fifth. The names and places of residence of the persons to be its directors until its first annual meeting are as follows:

William W. Carleton, Waterloo, Seneca County, New York.

Charles A. Gammag, Waterloo, Seneca County, New York.

James H. Clary, Waterloo, Seneca County, New York.

George E. Zartman, Waterloo, Seneca County, N. Y.

Bart Cronin, Waterloo, Seneca County, New York.

W. Clinton Kime, Waterloo, Seneca County, New York.

Elias Vair, Waterloo, Seneca County, New York.

Sixth. The annual meetings of said corporation shall be held on the second Tuesday in May of each year, beginning with May, 1920.

Seventh. The duration of said corporation shall be perpetual.

In witness whereof, we have made, signed, acknowledged and filed this certificate in duplicate.

Dated, March 23, 1920.

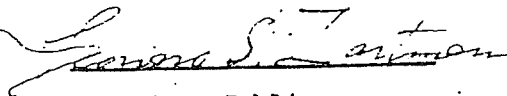
William W. Carleton  
Charles A. Gammag

W. Clinton Kime  
George E. Zartman

State of New York,

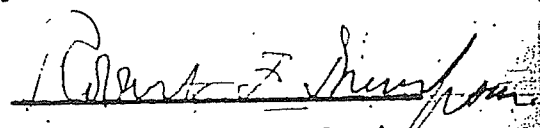
County of Seneca, ss.

On this 26th day of March, 1920, before me, the subscriber personally appeared William W. Carleton, Charles A. Genung, James H. Clary, George E. Zartman, Bart Cronin, W. Clinton Kime and Elias Vair, to me known to be the same persons described in and who executed the foregoing certificate and severally duly acknowledged to me that they executed the same.

  
Notary Public.

The foregoing Certificate of Incorporation is hereby approved.

Dated Apr 7 1920.

  
Justice of the Supreme Court.

STATE OF NEW YORK

Waterloo Memorial Hospital.

4634

STATE OF NEW YORK  
OFFICE OF SECRETARY OF STATE

Filed and  
Recorded APR 23 1920

*James E. Murphy*  
SECRETARY OF STATE

*Gen. E. J. Zerkman*

*W. J. L. L.*

STATE OF NEW YORK.

STATE BOARD OF CHARITIES.

-- THE CAPITOL AT ALBANY.

#####

In the Matter

-of-

the Incorporation of WATERLOO MEMORIAL HOSPITAL.

#####

WHEREAS, Application has been made to the State Board of Charities for its approval of the Incorporation of Waterloo Memorial Hospital, and

WHEREAS, On due inquiry and investigation it appears to said Board desirable and proper that such Hospital shall be incorporated. NOW, THEREFORE, In pursuance of and in conformity with the provisions of Chapter forty of the Laws of the State of New York enacted February 17, 1909, the said State Board of Charities hereby CERTIFIES that it approves of the incorporation of the said Waterloo Memorial Hospital, the certificate of Incorporation of which is hereunto annexed.

IN WITNESS WHEREOF, The said Board has this thirteenth day of April, 1920, caused these presents to be subscribed by its President and attested by its Secretary and its official seal to be hereunto affixed.

(Seal)

William R. Stewart, President.

Attest:

Charles H. Johnson, Secretary.

CERTIFICATE OF INCORPORATION OF THE WATERLOO MEMORIAL HOSPITAL.

WE, the undersigned, all being persons of full age, and at least two-thirds being citizens of the United States and at least one of us a resident of the State of New York, desiring to erect a memorial to the soldiers, sailors and marines in the World's War, and desiring to form a membership corporation, pursuant to the provisions of the Membership Corporations Law of the State of New York, do hereby make, sign, acknowledge and file this certificate for that purpose, as follows:-

First: The name of the proposed corporation is the "Waterloo Memorial Hospital."

Second: The purposes for which said corporation is to formed are to erect, estab

Dated April 17, 1920.

Robert F. Thompson, Justice of the Supreme Court.

Filed & Recorded April 22nd, 1920, at 3:00 o'clock P.M.

Book 1 Pg. 193

1920



lish and maintain a general hospital for the treatment and care of sick or injured people.  
Third: Its principal office is to be located in the Village of Waterloo, County of Seneca and State of New York.

Fourth: The number of its directors shall be seven.

Fifth:--The names and places of residence of the persons to be its directors until its first annual meeting are as follows:

William W. Carleton

Charles A. Genung,

James H. Clary,

George E. Zartman

Bart Cronin,

W. Clinton Kime

Elias Vair,

Waterloo, Seneca County, New York

Waterloo, Seneca County, New York

Waterloo, Seneca County, New York.

Waterloo, Seneca County, New York.

Waterloo, Seneca County, New York

Waterloo, Seneca County, New York.

Waterloo, Seneca County, New York.

Sixth: The annual meetings of said corporation shall be held on the second Tuesday in May of each year, beginning with May, 1920.

Seventh: The duration of said corporation shall be perpetual.

IN WITNESS WHEREOF, We have made, signed, acknowledged and filed this certificate in duplicate.

Dated March 25, 1920.

William W. Carleton.

Charles A. Genung.

James H. Clary.

W. Clinton Kime.

George E. Zartman.

Bart Cronin.

Elias Vair.

State of New York, County of Seneca, ss: On this 26th day of March, 1920, before me, the subscriber, personally appeared William W. Carleton, Charles A. Genung, James H. Clary, George E. Zartman, Bart Cronin, W. Clinton Kime and Elias Vair, to me known to be the same persons described in and who executed the foregoing certificate and severally duly acknowledged to me that they executed the same.

(Seal)

Leonard S. Zartman, Notary Public.

The foregoing Certificate of Incorporation is hereby approved.

Dated April 17, 1920.

Robert F. Thompson, Justice of the Supreme Court.

Filed & Recorded April 21st, 1920, at 3:00 o'clock P.M.

*George O. Russell*  
*Recorder*

**Exhibit A**

**RESOLUTIONS  
OF THE  
BOARD OF DIRECTORS OF  
FINGER LAKES HEALTH FOUNDATION, INC.**

**WHEREAS**, a draft Master Alignment Agreement ("Master Alignment Agreement"), by and among the University of Rochester ("UR") and University of Rochester Medical Center ("URMC"); and Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), Geneva General Hospital ("GGH"); Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva - North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva - South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor-Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVI"), Finger Lakes Health College of Nursing & Health Sciences ("FLHCN"), and the Finger Lakes Health Foundation, Inc. ("FLHF"), has been proposed to the Board of Directors (the "Board") of Finger Lakes Health Foundation, Inc. (also referred to herein as the "Corporation"); and

**WHEREAS**, each of GGH and SSMH have previously entered into a Management Services Agreement with URMC, dated as of October, 1, 2020, and approved by the NYS Department of Health on October 19, 2020, and Board wishes to further integrate and strengthen their clinical service offerings through a formal alignment ("Alignment"); and

**WHEREAS**, URMC and the Board believe that the Alignment will enable URMC to establish new clinical programs to offer additional specialty services at GGH and to provide operational assistance and cost savings to GGH, SSMH and other clinical affiliates of FLH; and

**WHEREAS**, the Board seeks to improve the efficiency of the Corporation's and other clinical affiliates of FLH's services, reduce their costs, increase their access to capital and achieve certain other goals and objectives set forth in the Agreement;

**WHEREAS**, the members of the Board of Directors, acting on behalf of the Corporation, find it in the best interests of the Corporation to adopt the following resolutions.

**RESOLVED**, that the Corporation shall enter into a Master Alignment Agreement (the "Master Alignment Agreement"), as described to the Board today, providing for the affiliation of the Corporation and each FLH affiliate with the University of Rochester ("UR") and the

University of Rochester Medical Center ("URMC"), pursuant to which UR shall become the sole member of FLH; FLH shall remain the sole member of GGH, SSMH, LCG-N, LCG-S, HLC, TB-HDFC, GG-HDFC and FLHF; SSMH shall remain the sole shareholder of SVI; a physician designated by GGH shall remain the sole shareholder of FLM; and GGH shall remain the sole member of FLHCN; and be it further

**RESOLVED**, as sole member of FLH, UR shall have all the rights and authority of members under the New York Not-for-Profit Corporation Law and common law except as specifically limited by the Master Alignment Agreement, and certain powers shall be reserved to UR and FLH, as set forth in the Master Alignment Agreement; and

**RESOLVED**, that, pursuant to the Master Alignment Agreement, each FLH affiliate with a board who are not the same individuals as the FLH Board such as the Corporation (the "Non-Mirror Board Entities") shall cause to be appointed one (1) voting member to be appointed by the URMC CEO; and

**RESOLVED**, that certain Board actions will require the approval of the URMC Class of Directors, certain actions will be reserved to FLH with respect to the Non-Mirror Board Entities, as described in the Master Alignment Agreement, and UR, as the sole member of FLH, shall have certain reserved powers with respect to FLH and FLH's Affiliates; and

**RESOLVED**, that the Certificate of Incorporation and Bylaws of the Corporation be amended to reflect all of the foregoing changes, as described in the Master Alignment Agreement; and

**RESOLVED**, that, the closing of the transactions contemplated by the Master Alignment Agreement are subject to satisfactory due diligence review by the parties thereto, and certain other conditions; and

**RESOLVED**, that, subject to receipt of all necessary regulatory approvals, the Assistant Secretary or other appropriate officers of the Corporation be, and hereby are, authorized, empowered and directed, without any further action of this Board, in the name and on behalf of the Corporation, to negotiate and approve, execute and deliver, and/or acknowledge and consent to, as the case may be, a Master Alignment Agreement to be entered into by and between the parties set forth in the first paragraph hereof, containing terms and conditions presented to the meeting, with such change or changes therein, or amendments thereto, as the officer executing the same on behalf of the Corporation shall, upon consultation with counsel, approve, the execution thereof with such change or changes to be conclusive evidence of the authority therefore; and be it further

**RESOLVED**, that the Assistant Secretary or other appropriate officers of the Corporation be, and hereby are, authorized, empowered and directed, in the name and on behalf of the Corporation, to take such additional action and to execute and deliver such additional agreements, documents and instruments as he or she may deem necessary or appropriate to implement the provisions of the foregoing resolutions, and to consummate the transactions contemplated thereby, the authority for the taking of such action and the execution and delivery

of such agreements, documents or instruments to be conclusively evidenced thereby; and be it further

**RESOLVED**, that any and all actions heretofore or hereafter taken by any Officer or Director of the Corporation, consistent with the terms of the foregoing resolutions be, and hereby are, ratified, confirmed and approved as the acts and deeds of the Corporation.

Adopted as of September 21, 2021

**Exhibit B**  
**RESOLUTIONS**  
**OF THE**  
**BOARD OF DIRECTORS OF**  
**FINGER LAKES HEALTH FOUNDATION, INC.**

**WHEREAS**, Finger Lakes Health Foundation, Inc. (the "Corporation") entered into the Master Alignment Agreement ("Master Alignment Agreement"), dated April 14, 2022, by and among the University of Rochester ("UR") and University of Rochester Medical Center ("URMC"); and Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), Geneva General Hospital ("GGH"); Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva - North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva - South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor-Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVI"), FLH Medical, P.C. ("FLM"), Finger Lakes Health College of Nursing ("FLHCN"), and the Finger Lakes Health Foundation, Inc. ("FLHF"), pursuant to which the parties thereto have agreed to create a single, multiple corporation system (the "Alignment"); and

**WHEREAS**, per the Master Alignment Agreement, to effect the Alignment, the Corporation shall adopt amended and restated bylaws as well as an amended and restated certificate of incorporation, which, among other things, make changes to the governance and structure of the Corporation as are specifically described in the Master Alignment Agreement;

**WHEREAS**, FLH and URMC have agreed that the closing of the transactions contemplated by the Master Alignment Agreement (the "Closing") shall occur, and the Alignment shall be effective, on August 1, 2023; and

**WHEREAS**, FLH is the sole member of the Corporation, and as such has the power to approve amendments of the Corporation's certificate of incorporation and bylaws; and

**WHEREAS**, the Corporation's management and legal counsel have presented amended and restated bylaws as required to effect the Alignment, as well as other changes that are recommended as necessary or appropriate, forms of which have been presented to the Board today and are attached as Exhibit A hereto; and

**WHEREAS**, the Corporation's management and legal counsel have presented an amended and restated certificate of incorporation for purposes of the Alignment, a form of which have been presented to the Board today and are attached as Exhibit B hereto; and it is hereby

**RESOLVED**, that, to effectuate the transactions contemplated by the Master Alignment Agreement, and to make other changes as have been recommended by management as necessary or appropriate, the Board of Directors of the Corporation, hereby approves the adoption of the amended and restated bylaws set forth in Exhibit A hereto, subject to corrections consistent with alignment and/or typographical issues as the President & CEO of the Corporation shall, upon consultation with counsel, deem appropriate, and recommends them to FLH as the sole corporate member of the Corporation for approval, to become effective on August 1, 2023; and be it further

**RESOLVED**, that, the Board of Directors hereby approves the adoption of the amended and restated certificate of incorporation set forth in Exhibit B hereto, subject to such changes as the President & CEO of the Corporation shall, upon consultation with counsel, deem appropriate, including as may be requested by any third party with the authority to approve amendments to the Corporation's certificate of incorporation, including but not limited to state or federal regulators; authorizes the President of the Corporation to execute the restated certificate of incorporation and to file it promptly upon receipt of any required third party approvals; and recommends it to FLH as the sole corporate member of the Corporation for approval; and be it further

**RESOLVED**, that, if the Closing does not occur for any reason, the changes to the certificate of incorporation and bylaws described in the foregoing resolutions shall be deemed to not have been adopted, and shall be of no force and effect; and be it further

**RESOLVED**, that Jose Acevedo, MD, be, and hereby is, removed as Assistant Secretary of the Corporation, effective July 24, 2023; and be it further

**RESOLVED**, that, the Board of Directors hereby approves the appointment of Jose Acevedo, MD, to serve as President & CEO of the Corporation and recommends it to FLH as the sole corporate member of the Corporation for approval, effective July 24, 2023; and be it further

**RESOLVED**, that the President & CEO of the Corporation be, and hereby is, authorized, empowered and directed, in the name and on behalf of the Corporation, to take such additional action and to execute and deliver such additional agreements, documents and instruments as he or she may deem necessary or appropriate to implement the provisions of the foregoing resolutions, and to consummate the transactions contemplated thereby, the authority for the taking of such action and the execution and delivery of such agreements, documents or instruments to be conclusively evidenced thereby; and be it further

**RESOLVED**, that any and all actions heretofore or hereafter taken by any Officer of the Corporation, consistent with the terms of the foregoing resolutions be, and hereby are, ratified, confirmed and approved as the acts and deeds of the Corporation.

Adopted as of: July 24, 2023

**Exhibit H**

**RESOLUTIONS  
OF THE  
BOARD OF DIRECTORS OF  
FINGER LAKES REGIONAL HEALTH SYSTEM, INC.  
AS THE SOLE MEMBER OF  
FINGER LAKES HEALTH FOUNDATION, INC. ("THE CORPORATION")**

**WHEREAS**, Finger Lakes Regional Health System, Inc. dba Finger Lakes Health ("FLH") entered into the Master Alignment Agreement ("Master Alignment Agreement"), dated April 14, 2022, by and among the University of Rochester ("UR") and University of Rochester Medical Center ("URMC"); and Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), Geneva General Hospital ("GGH"); Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva - North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva - South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor-Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVT"), FLH Medical, P.C. ("FLM"), Finger Lakes Health College of Nursing ("FLHCN"), and the Finger Lakes Health Foundation, Inc. ("FLHF"), pursuant to which the parties thereto have agreed to create a single, multiple corporation system (the "Alignment"); and

**WHEREAS**, per the Master Alignment Agreement, to effect the Alignment, the Corporation shall adopt amended and restated bylaws as well as an amended and restated certificate of incorporation, which, among other things, make changes to the governance and structure of the Corporation as are specifically described in the Master Alignment Agreement; and

**WHEREAS**, FLH and URMC have agreed that the closing of the transactions contemplated by the Master Alignment Agreement (the "Closing") shall occur, and the Alignment shall be effective on August 1, 2023; and

**WHEREAS**, FLH is the sole member of the Corporation, and as such has the power to approve amendments of the Corporation's certificate of incorporation and bylaws; and

**WHEREAS**, the Board of Directors of the Corporation has approved the amended and restated bylaws, of the Corporation incorporating changes as required to effect the Alignment, as well as other changes that the Board has determined to be necessary or appropriate, forms of which have been presented to the Board of FLH today and are

attached as Exhibit A, and recommended them to FLH for approval in its capacity as the sole member of the Corporation; and

**WHEREAS**, the Board of Directors of the Corporation has approved the amended and restated certificate of incorporation of the Corporation reflecting changes for the Alignment, the form of which has been presented to the Board of FLH today and is attached as Exhibit B, and recommended it to FLH for approval in its capacity as the sole member of the Corporation;

**WHEREAS**, the Board of Directors of the Corporation has approved the appointment of Jose Acevedo, MD, as President of the Corporation, effective July 24, 2023, and recommended his appointment to FLH for approval in its capacity as the sole member of the Corporation; it is hereby

**RESOLVED**, that, to effectuate the transactions contemplated by the Master Alignment Agreement, and to make other changes as have been determined to be necessary or appropriate by the Corporation's Board of Directors, the Board of Directors of FLH, acting as the sole member of the Corporation, hereby approves the adoption of the amended and restated bylaws set forth in Exhibit A hereto, subject to corrections consistent with alignment and/or typographical issues as the President & CEO of the Corporation shall, upon consultation with counsel, deem appropriate, to become effective on August 1, 2023; and be it further

**RESOLVED**, that, the Board of Directors of FLH, acting as the sole member of the Corporation, hereby approves the adoption of the amended and restated certificate of incorporation set forth in Exhibit B hereto, subject to such changes as the President & CEO of the Corporation shall, upon consultation with counsel, deem appropriate, including as may be requested by any third party with the authority to approve amendments to the Corporation's certificate of incorporation, including but not limited to state or federal regulators; authorizes the President of the Corporation to execute the restated certificate of incorporation and to file it promptly upon receipt of any required third party approvals; and be it further

**RESOLVED**, that, if the Closing does not occur for any reason, the changes to the certificate of incorporation and bylaws of the Corporation described in the foregoing resolution shall be deemed to not have been adopted or approved, and shall be of no force and effect; and be it further

**RESOLVED**, that the appointment of Jose Acevedo, MD, as President of the Corporation be, and hereby is, authorized and approved, effective July 24, 2023; and be it further

**RESOLVED**, that the President & CEO of the Corporation is hereby authorized, empowered and directed, in the name and on behalf of the FLH, to take such additional action and to execute and deliver such additional agreements, documents and instruments as he or she may deem necessary or appropriate to implement the provisions of the foregoing resolutions, and to consummate the transactions contemplated thereby, the authority for the taking of such action and the execution and delivery of such agreements, documents or instruments to be conclusively evidenced thereby; and be it further



**RESOLVED**, that any and all actions heretofore or hereafter taken by any Officer of the Corporation, consistent with the terms of the foregoing resolutions be, and hereby are, ratified, confirmed and approved as the acts and deeds of the Corporation.

Adopted as of: July 26, 2023

[EXHIBITS OMITTED FROM CERTIFICATE]

**FINGER LAKES HEALTH FOUNDATION, INC.**

**SECRETARY'S CERTIFICATE**

**August 1, 2023**

This Certificate (this "Certificate") is furnished to University of Rochester ("UR") and University of Rochester Medical Center ("URMC"), pursuant to Section 12.3.2 of that certain Master Alignment Agreement, dated as of April 14, 2022 among UR and URMC, and Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), Geneva General Hospital ("GGH"), Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva – North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva – South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVI"), FLH Medical, P.C. ("FLM"), Finger Lakes Health College of Nursing ("FLHCN"), dba Finger Lakes Health College of Nursing and Health Sciences, and the Finger Lakes Health Foundation, Inc. ("FLHF") (as amended from time to time, the "Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Agreement.

The undersigned, being the duly elected or appointed and qualified Secretary of FLHF, does hereby certify, on behalf of FLHF, and not in their individual capacity, as follows:

1. Attached hereto as Exhibits A and B are true, correct and complete copies of resolutions (the "Resolutions") duly adopted by the Board of Directors of FLHF, duly authorizing the making, execution and delivery of the Agreement, and the consummation of the transactions contemplated thereby including but not limited to the adoption of the Restated Certificate of Incorporation as well as the Amended and Restated Bylaws, effective upon Closing. Such resolutions are in full force and effect on the date hereof and have not been altered, amended, modified or rescinded.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate as of the date first written above.

A handwritten signature in cursive script, appearing to read "Cathy Sperry", written over a horizontal line.

Name: Cathy Sperry

Title: Secretary

*(Signature Page to Secretary's Certificate (FLHF))*

## MEMORANDUM

**TO:** Michael Stelluti  
Division of Health Facility Planning  
  
Colleen Leonard, Executive Secretary  
Public Health and Health Planning Council

**FROM:** Vincent DiCocco, Senior Attorney  
Bureau of Program Counsel

**DATE:** May 28, 2025

**SUBJECT:** Proposed Amended and Restated Certificate of  
Incorporation of Geneva General Hospital

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This is to request that the above matter be included on the agendas for the next Establishment and Project Review Committee and Public Health Council meetings.

The attachments relating to this matter include the following:

1. A memorandum to the Public Health and Health Planning Council from Kathy Marks, General Counsel;
2. A letter dated August 1, 2023, from Kimberly Redmond on behalf of Geneva General Hospital, to the Department of Health requesting approval of the proposed Amended and Restated Certificate of Incorporation of Geneva General Hospital;
3. The Proposed Amended and Restated Certificate of Incorporation Geneva General Hospital dated July 31, 2023;
4. The current Amended and Restated Certificate of Incorporation of Geneva General Hospital and all amendments dating from 1924 to the present with corresponding approvals;
5. The Amended and Restated Bylaws of Geneva General Hospital;
6. Certified copies of the Resolutions of the Board of Directors of Geneva General Hospital authorizing the proposed amendments to the Geneva General Hospital's Certificate of Incorporation and other corporate transactions;
7. Certified copies of the Resolutions of the Board of Directors of Finger Lakes Regional Health System Inc. approving the proposed amendments to Geneva General Hospital's Certificate of Incorporation and other corporate transactions.



## MEMORANDUM

**To:** Public Health and Health Planning Council (PHHPC)

**From:** Kathy Marks *KSM*  
General Counsel  
Division of Legal Affairs

**Date:** May 28, 2025

**Subject:** Proposed Amended and Restated Certificate of Incorporation of Geneva General Hospital

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Geneva General Hospital ("GGH") requests Public Health and Health Planning Council ("PHHPC") approval of a proposed Amended and Restated Certificate of Incorporation.

GGH is a non-profit corporation formed on March 25, 1892 under the name Medical and Surgical Hospital of Geneva, N.Y., for purposes of operating a hospital. The entity changed its name to Geneva General Hospital in 1924 by filing a Certificate of Change of Name with the Secretary of State. In 1977, the Public Health Council ("PHC") approved amendments to the entity's corporate purpose which expanded its purpose to include the provision of "hospital facilities and services for the care and treatment of persons who are acutely ill." In 1989, the PHC issued a letter stating that its consent was not required in connection with an amendment to the entity's purpose to add operation of a day care center. Amendments in 2003, 2006 and 2007 were likewise determined not to require PHC approval. GGH current operates a hospital in the Finger Lakes (Cert# 3402000H). GGH now seeks to amend its Certificate of Incorporation in connection with a transaction wherein the University of Rochester became the sole member of GGH's parent corporation, Finger Lakes Regional Health System, Inc., doing business as Finger Lakes Health.

Presently, GGH wishes to make various ministerial changes to its Certificate of Incorporation including deleting language from its purpose which was previously required by the Secretary of Housing and Urban Development and deleting other provisions which are no longer applicable under its current operating structure. The proposed July 31, 2023 Amended and Restated Certificate of Incorporation of GGH was authorized by a Resolution of the Board of Directors of Finger Lakes Regional Health System, Inc., the entity's sole parent, and by a Resolution of the Board of Directors of GGH.

Pursuant to NYS Not-For-Profit Law § 804(a)(i), PHHPC must consent to the requested changes prior to the filing of the Amended and Restated Certificate of Incorporation.

There is no legal objection to the proposed Amended and Restated Certificate of Incorporation of Geneva General Hospital, and it is in legally acceptable form.

Attachments

**GARFUNKEL WILD, P.C.**

ATTORNEYS AT LAW

350 BEDFORD STREET • STAMFORD, CONNECTICUT 06901  
TEL (203) 316-0483 • FAX (203) 399-0505  
www.garfunkelwild.com

FILE NO.: 12819.0004

August 1, 2023

Ms. Colleen Frost  
Executive Secretary, Department of Health  
Empire State Plaza  
Corning Towers, Room 1805  
Albany, NY 12237

**Via FEDERAL EXPRESS:** 203-399-0514

Re: Request for Consent to Amend and Restate the Certificate of Incorporation of Geneva General Hospital (the "Corporation").

To Whom It May Concern:

I enclose a copy of the proposed Amended and Restated Certificate of Incorporation of the Corporation. We request Public Health and Health Planning Council and Department of Health approval of this proposed Amended and Restated Certificate of Incorporation or a letter from the Department of Health stating that no formal approval of the Department of Health or the Public Health and Planning Council is required. This document is being filed in connection with the closing of a transaction whereby the University of Rochester is being added as the new sole member of the Corporation's sole member, Finger Lakes Regional Health System, Inc., dba Finger Lakes Health. The certificate will be amended and restated as follows:

- (a) The preamble of the Certificate of Incorporation is hereby deleted in its entirety.
- (b) The Paragraph First relating to the name of the Corporation is amended to read in its entirety as set forth in paragraph FIRST of the Restated Certificate of Incorporation.
- (c) A new paragraph SECOND relating to the Corporation being a corporation as defined under the N-PCL is added.
- (d) The last paragraph of Paragraph Second (a) regarding dissolution of the Corporation is amended in its entirety to read as set forth in paragraph TENTH of the Restated Certificate of Incorporation.

- (e) Paragraph Second (b) relating to relating to the Board of Trustees is omitted in its entirety.
- (f) The sixth paragraph of Paragraph Second (a), Paragraph Second (c), and Paragraph Second (d) relating to language required by the Secretary of Housing and Urban Development are deleted in their entirety.
- (g) The remaining language in Paragraph Second relating to the purposes of the Corporation is renumbered as paragraph FOURTH of the Restated Certificate of Incorporation.
- (h) Paragraph Third relating to the initial board of managers of the Corporation is hereby omitted in its entirety.
- (i) A new paragraph designating the sole member of the Corporation is hereby added to read as set forth in paragraph THIRD of the Restated Certificate of Incorporation.
- (j) A new paragraph specifying certain powers reserved to the sole member of the Corporation is hereby added to read as set forth in paragraph FIFTH of the Restated Certificate of Incorporation.
- (k) Paragraph Fourth relating to the duration of the Corporation is renumbered as paragraph SIXTH of the Restated Certificate of Incorporation.
- (l) Paragraph Fifth relating the location of the facility operated by the Corporation is hereby amended in its entirety to read as set forth in paragraph SEVENTH of the Restated Certificate of Incorporation.
- (m) A new paragraph relating to the type of corporation is hereby added to read as set forth in paragraph NINTH of the Restated Certificate of Incorporation.
- (n) A new paragraph relating to language relating to the Corporation's Federal tax-exempt status is hereby added to read as set forth in paragraph TENTH of the Restated Certificate of Incorporation.
- (o) A new paragraph relating to the Corporation's service of process address is hereby added to read as set forth in paragraph ELEVENTH of the Restated Certificate of Incorporation.

This amendment is being filed subsequent to the consent of the Sole Member to make the changes stated above and to restate the Corporation's Certificate of Incorporation.

**GARFUNKEL WILD, P.C.**

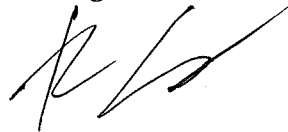


August 1, 2023  
Page 3

Also enclosed to aid you in your review are copies of the filed Certificate of Incorporation and all subsequent amendments to the Certificate of Incorporation of the Corporation. Also enclosed is an affidavit of the President and CEO of the Corporation, attesting that the Certificate of Incorporation documents provided herein are true, correct and complete.

Please contact me at (203) 399-0514 or via e-mail at [kredmond@garfunkelwild.com](mailto:kredmond@garfunkelwild.com), if there is any additional information that you require, or if you have any further questions.

Regards,

A handwritten signature in black ink, appearing to be 'KR', with a long horizontal stroke extending to the right.

Kimberly Redmond  
Paralegal

Cc: Barbara D. Knothe, Esq.  
Diane Caselli, Esq.

**GARFUNKEL WILD, P.C.**

# Affidavit

STATE OF NEW YORK

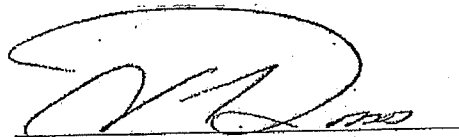
COUNTY OF ontario

)  
)  
)

The undersigned, Jose Acevedo, M.D., President and CEO, being duly sworn, deposes and says:

1. I am the duly elected President and CEO of Geneva General Hospital (the "Corporation"). The Corporation is a New York not-for-profit corporation located in Ontario County.
2. The documents enclosed herein, all of which comprise the Restated Certificate of Incorporation and the Certificate of Incorporation, have been examined by me and to the best of my knowledge and belief, the contents thereof are true, correct and complete. There have been no amendments or changes from the original certificate of incorporation.

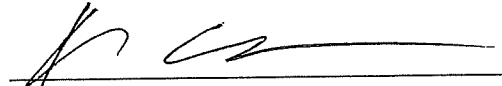
Dated: July 31, 2023



Name: Jose Acevedo, MD  
Title: President and CEO

Sworn to before me this

31<sup>st</sup> day of July, 2023



Notary Public

## Amended and Restated Certificate of Incorporation

**RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
GENEVA GENERAL HOSPITAL**

**Under Section 805 of the Not-For-Profit Corporation Law**

The undersigned, being the President and CEO of Geneva General Hospital, for the purpose of amending and restating the Certificate of Incorporation of the Corporation pursuant to Section 805 of the Not-for-Profit Corporation Law of the State of New York (the "N-PCL"), hereby certifies:

1. The name of the corporation is Geneva General Hospital.
2. The Certificate of Incorporation of the Corporation was filed by the Secretary of State of the State of New York on March 25, 1892, pursuant to Chapter 95 of the Laws of 1889 entitled "An act to authorize the formation of corporations for the establishment and maintenance of hospital infirmaries and home for invalids or aged or indigent persons." The name under which the Corporation was formed was the Medical and Surgical Hospital of Geneva, N.Y.
3. The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the N-PCL.
4. This amendment and restatement of the Certificate of Incorporation was duly authorized by the Member of the Corporation.
5. The Certificate of Incorporation is hereby amended to effect the following:
  - (a) The preamble of the Certificate of Incorporation is hereby deleted in its entirety.
  - (b) The Paragraph First relating to the name of the Corporation is amended to read in its entirety as set forth in paragraph FIRST of the Restated Certificate of Incorporation below.
  - (c) A new paragraph SECOND relating to the Corporation being a corporation as defined under the N-PCL is added to read as set forth in paragraph SECOND of the Restated Certificate of Incorporation below.
  - (d) The last paragraph of Paragraph Second (a) regarding dissolution of the Corporation is amended in its entirety to read as set forth in paragraph TENTH of the Restated Certificate of Incorporation below.
  - (e) Paragraph Second (b) relating to relating to the Board of Trustees is omitted in its entirety.

- (f) The sixth paragraph of Paragraph Second (a), Paragraph Second (c), and Paragraph Second (d) relating to language required by the Secretary of Housing and Urban Development are deleted in their entirety.
- (g) The remaining language in Paragraph Second relating to the purposes of the Corporation is renumbered as paragraph FOURTH of the Restated Certificate of Incorporation below.
- (h) Paragraph Third relating to the initial board of managers of the Corporation is hereby omitted in its entirety.
- (i) A new paragraph designating the sole member of the Corporation is hereby added to read as set forth in paragraph THIRD of the Restated Certificate of Incorporation below.
- (j) A new paragraph specifying certain powers reserved to the sole member of the Corporation is hereby added to read as set forth in paragraph FIFTH of the Restated Certificate of Incorporation below.
- (k) Paragraph Fourth relating to the duration of the Corporation is renumbered as paragraph SIXTH of the Restated Certificate of Incorporation below.
- (l) Paragraph Fifth relating the location of the facility operated by the Corporation is hereby amended in its entirety to read as set forth in paragraph SEVENTH of the Restated Certificate of Incorporation below.
- (m) A new paragraph relating to the type of corporation is hereby added to read as set forth in paragraph NINTH of the Restated Certificate of Incorporation below.
- (n) A new paragraph relating to language relating to the Corporation's Federal tax-exempt status is hereby added to read as set forth in paragraph TENTH of the Restated Certificate of Incorporation below.
- (o) A new paragraph relating to the Corporation's service of process address is hereby added to read as set forth in paragraph ELEVENTH of the Restated Certificate of Incorporation below.

6. The Certificate of Incorporation is restated as amended herein to read in its entirety as follows:

**RESTATED CERTIFICATE OF INCORPORATION  
OF  
GENEVA GENERAL HOSPITAL**

FIRST: The name of the corporation is Geneva General Hospital.

SECOND: The Corporation is a corporation as defined in subparagraph (a) (5) of Section 102 (Definitions) of the Not-For-Profit Corporation Law.

THIRD: The sole member of the Corporation shall be Finger Lakes Regional Health System, Inc. (the "Member"), a New York not-for-profit corporation.

FOURTH: The objects for which said Corporation is formed are to erect, establish, maintain and operate a general hospital, infirmary, or home for the reception care, maintenance, giving of medical and surgical advice, aid and treatment to persons afflicted with maladies or physical injuries, or physical weaknesses or deformities or infirmities, and free dispensary;

To provide on a nonprofit 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; and

The Corporation is irrevocably dedicated to and operated exclusively for, nonprofit purposes; and no part of the income or assets of the Corporation shall be distributed to, nor inure to the benefit of, any individual; and

Whether or not previously covered by the powers granted to the Corporation in the Charter or under applicable law, the Corporation is empowered:

To buy, own, sell, convey, assign, mortgage or lease any interest in real estate and personal property and to construct, maintain and operate improvements thereon necessary or incident to the accomplishment of the purposes of the Corporation; and

To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business, and to secure the same by mortgage, pledge or other lien on the Corporation's property; and

The Corporation shall, with the prior written approval of the New York State Department of Social Services, establish and operate a day care center in the County of Ontario, State of New York. No certificate of amendment, merger, consolidation or liquidation shall be filed without the prior approval of the New York State Office of Children and Family Services; and

The Corporation shall plan, make coordinating recommendations for, support and monitor the development of housing for the elderly for the community centered in Geneva, Penn Yan and Waterloo, New York, and in surrounding counties, in order to promote their general welfare by providing them with safe, sanitary, independent living facilities, particularly for those who are functionally impaired but not in need of continuous medical or nursing care. Nothing contained in this certificate of amendment to the certificate of incorporation of Geneva General Hospital shall authorize the Corporation to establish, operate or maintain an adult home, residence for adults or enriched housing program as provided for by Article 7 of the Social Services Law, or to solicit contributions for any such purpose; and

With the prior consent of the Commissioner of the New York State Education Department and pursuant to applicable regulations of the New York State Education Department, the Corporation shall operate an education program preparing students for admission to the licensure examination for licensed practical nursing.

FIFTH: In addition to all other rights and powers of membership prescribed by New York Law, this Certificate of Incorporation, and/or the Bylaws of the Corporation, the following governance and management powers shall be reserved to the Member:

(a) approve any aspects of the strategic plan of the Corporation and its affiliates, to the extent that such plan would (i) result in a call upon the financial resources of the Member's sole corporate member, the University of Rochester (the "University") not dedicated for support of the Corporation and its affiliates, (ii) have a major impact on the University of Rochester's academic programs, or (iii) contravene any University policy established by its Board of Trustees;

(b) approve the capital and operating budgets of the Corporation and its affiliates to the extent that such budgets would (i) result in a call upon the University's financial resources not dedicated for support of the Corporation and its affiliates, (ii) have a major impact on the University's academic programs, or (iii) contravene any University policy established by its Board of Trustees;

(c) approve the incurrence of any debt proposed by the Corporation or any affiliate, including the issuance of bonds, that would (i) result in a call upon the University's financial resources not dedicated for support of the Corporation and its affiliates, (ii) have a major impact on the University's academic programs, (iii) contravene any University policy established by its Board of Trustees, or (iv) adversely affect the University's ability to issue tax exempt debt;

provided, however, that none of the Member's powers set forth herein shall be exercised so as to cause the Corporation or any affiliate to violate their respective charitable purposes or the covenants of their respective debt documents or any other written agreements existing as of August 1, 2023.

SIXTH: The term of existence and duration of said Corporation shall be perpetual.

SEVENTH: The office of the Corporation is to be located in the County of Ontario, State of New York.

EIGHTH: The Corporation is a charitable corporation under Section 201 of the Not-for-Profit Corporation Law.



NINTH: The following language relates to the Corporation's tax-exempt status and is not a statement of purposes and powers. Consequently, this language does not expand or alter the Corporation's purposes or powers set forth in paragraph FOURTH above.

(a) Notwithstanding any other provision of this certificate, the Corporation is organized exclusively for charitable purposes; the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

(b) No part of the net earnings of the corporation shall inure to the benefit of any member, trustee, director, or officer of the Corporation or any private individual, other than an organization described in Section 501(c)(3) of the Code, except that reasonable compensation may be paid for services rendered to or for the Corporation. No member, trustee, director or officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

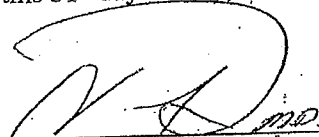
(c) No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, except as otherwise provided by Section 501(h) of the Code. The Corporation shall not participate or intervene (including the publication or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

TENTH: 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 fair market value of such property, and all assets remaining after the payment of the Corporation's debts shall be conveyed or distributed only to an organization or organizations created and operated for nonprofit purposes similar to those of the Corporation and qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, such organization or organizations to be selected by the board of directors of the Corporation. Any such assets not so disposed of shall be disposed of by a Justice of the Supreme Court of the State of New York of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ELEVENTH: The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon them is: Geneva General Hospital, Attn: Administrative. Dept., 196 North Street, Geneva, New York, 14456.

This amendment and restatement of the Certificate of Incorporation was duly authorized by the Member of the Corporation.

IN WITNESS WHEREOF, I have made and subscribed this certificate and hereby affirm  
under the penalties of perjury that its contents are true this 31<sup>st</sup> day of July, 2023.



\_\_\_\_\_  
Name: Jose Acevedo, MD  
Title: President and CEO

**RESTATED CERTIFICATE OF INCORPORATION**

**OF**

**GENEVA GENERAL HOSPITAL**

Under Section 805 of the New York Not-for-Profit Corporation Law

FILED BY:  
BARBARA KNOTHE, ESQ.  
GARFUNKEL WILD, P.C.  
*ATTORNEYS AT LAW*  
111 GREAT NECK ROAD  
GREAT NECK, NEW YORK 11021

**Certificate of Incorporation and all  
subsequent Amendments to the Certificate of  
Incorporation**

N. Y. S. DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS AND STATE RECORDS

ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME: GENEVA GENERAL HOSPITAL

DOCUMENT TYPE: AMENDMENT (DOMESTIC NFP)  
PURPOSES PROCESS

COUNTY: ONTA

FILED:08/13/2007 DURATION:\*\*\*\*\* CASH#:070813000316 FILM #:070813000282

FILER:

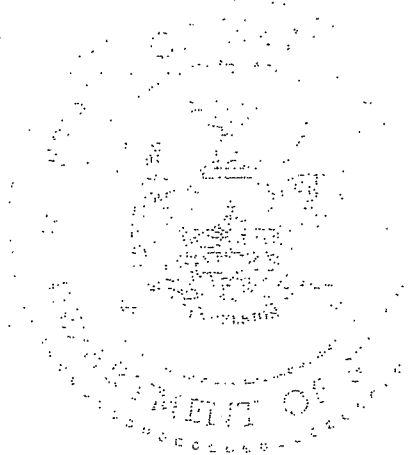
HINMAN HOWARD & KATTELL, LLP  
80 EXCHANGE STREET

BINGHAMTON, NY 13902

ADDRESS FOR PROCESS:

THE CORPORATION  
196-198 NORTH STREET  
GENEVA, NY 14456

REGISTERED AGENT:



SERVICE COMPANY: CORPORATION SERVICE COMPANY - 45

SERVICE CODE: 45

FEES	90.00
FILING	30.00
TAX	0.00
CERT	0.00
COPIES	10.00
HANDLING	50.00

PAYMENTS	90.00
CASH	0.00
CHECK	0.00
CHARGE	0.00
DRAWDOWN	90.00
OPAL	0.00
REFUND	0.00

050815JBA

DOS-1025 (04/2007)

***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  
August 14, 2007.

A handwritten signature in cursive script that reads "Paul LaPointe".

Paul LaPointe  
Special Deputy Secretary of State

P.04  
38%  
5077236605  
JUN-06-2007 11:02  
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070813000  
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CERTIFICATE OF AMENDMENT OF THE  
CERTIFICATE OF INCORPORATION  
OF  
GENEVA GENERAL HOSPITAL

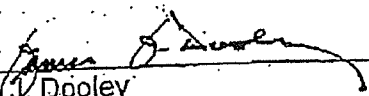
Under Section 803 of the Not-For-Profit Corporation Law

I, the undersigned, being the President and CEO of GENEVA GENERAL HOSPITAL for the purposes of amending the Certificate of Incorporation under Section 803 of the Not-For-Profit Corporation Law of the State of New York, do hereby certify:

1. The name of the corporation is GENEVA GENERAL HOSPITAL. The name under which the corporation was formed was the MEDICAL AND SURGICAL HOSPITAL OF GENEVA, N.Y.
2. The Certificate of Incorporation was filed by the Department of State of New York on March 25, 1892 pursuant to Chapter 95 of the Laws of 1889 entitled "An act to authorize the formation of corporations for the establishment and maintenance of hospital infirmaries and home for invalids or aged or indigent persons."
3. The corporation is a corporation as defined in sub-paragraph (a)(6) of Section 102 of the Not-For-Profit Corporation Law. The corporation is a Type B corporation under Section 201 of the Not-For-Profit Corporation Law with members, and after the amendment of its Certificate effected herein, the corporation shall be a Type B corporation with members.
4. A new paragraph is added to the purposes in Paragraph Second of the Certificate of Incorporation, which paragraph is as follows:  
  
With the prior consent of the Commissioner of the New York State Education Department and pursuant to applicable regulations of the New York State Education Department the corporation shall operate an education program preparing students for admission to the licensure examination for licensed practical nursing.
5. The amendment of the Certificate of Incorporation was authorized by the vote of the members of said corporation at a meeting duly called and held on the 24<sup>th</sup> day of January, 2007.
6. The Secretary of State of New York is, hereby designated as the agent of the corporation upon whom process in any action or proceeding against the corporation may be signed; the post office address to which the Secretary of State shall mail a copy of any such process so served is:

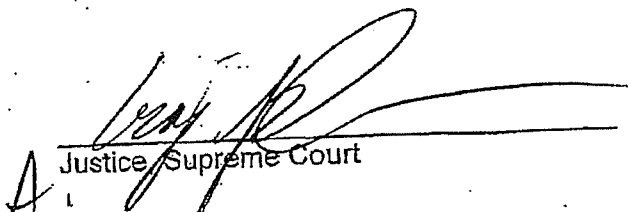
196-198 North Street  
Geneva, New York 14456

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 28<sup>th</sup>  
day of March, 2007.

  
James J. Dooley  
President & CEO

The undersigned, a Justice of the Supreme Court of the State of New York for  
the Seventh Judicial District, in which the office of the corporation is to be located,  
hereby approves the foregoing Certificate of Amendment of the Certificate of  
Incorporation of Geneva General Hospital and consents that the same be filed.

Dated: July 26, 2007

  
Justice, Supreme Court

THE ATTORNEY GENERAL HAS NO OBJECTION  
TO THE GRANTING OF JUDICIAL APPROVAL  
HEREON, ACKNOWLEDGES RECEIPT OF  
STATUTORY NOTICE AND DEMANDS SERVICE  
OF THE FILED CERTIFICATE. SAID NO OBJECTION  
IS CONDITIONED ON SUBMISSION OF THE  
MATTER TO THE COURT WITHIN 30 DAYS HEREAFTER.

  
ASSISTANT ATTORNEY GENERAL

6.25.2007  
DATE



STATE OF NEW YORK  
THE STATE EDUCATION DEPARTMENT  
Albany, New York

**CONSENT TO FILING WITH THE DEPARTMENT OF STATE**  
(General Use)

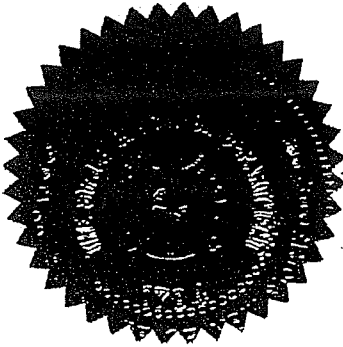
Consent is hereby given to the filing of the annexed certificate of amendment

of GENEVA GENERAL HOSPITAL

[name of entity]

pursuant to the applicable provisions of the Education Law, the Not-for-Profit Corporation Law, the Business Corporation Law, the Limited Liability Company Law or any other applicable statute.

This consent is issued solely for purposes of filing the annexed document by the Department of State and 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 entity, nor shall it be construed as giving the officers or agents of such entity 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.



IN WITNESS WHEREOF this instrument is  
executed and the seal of the State Education  
Department is affixed.

RICHARD P. MILLS  
Commissioner of Education

By:

*Howard S. Beyer*  
Howard S. Beyer

Commissioner's authorized designee

5/23/07  
Date

**THIS DOCUMENT IS NOT VALID WITHOUT THE SIGNATURE OF THE  
COMMISSIONER'S AUTHORIZED DESIGNEE AND THE OFFICIAL SEAL OF THE  
STATE EDUCATION DEPARTMENT.**

070813000 *282*

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CERTIFICATE OF AMENDMENT

OF

GENEVA GENERAL HOSPITAL

Section 803 of the Not-for-Profit Corporation Law

---

*FILED BY:*  
*11:09 AM*  
*AUG 13 2007*  
HINMAN HOWARD & KATTELL, LLP  
80 Exchange Street  
Binghamton, NY 13902  
Cust. Ref#050815JBA  
DRAWN DOWN

*ICC*  
STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED AUG 13 2007

TAXS

BY: *JCH*  
*OUTPREW*

**CSC 45**

*JCH*

RECEIVED  
2007 AUG 13 AM 9:13

*316*

N. Y. S. DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS AND STATE RECORDS

ALBANY, NY 12231-0001

FILING RECEIPT

=====

ENTITY NAME: GENEVA GENERAL HOSPITAL

DOCUMENT TYPE: AMENDMENT (DOMESTIC NFP)  
PURPOSES

COUNTY: ONTA

SERVICE COMPANY: CORPORATION SERVICE COMPANY - 45

SERVICE CODE: 45

=====

FILED:11/30/2006 DURATION:\*\*\*\*\* CASH#:061130000867 FILM #:061130000789

ADDRESS FOR PROCESS  
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REGISTERED AGENT  
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FILER	FEE	65.00	PAYMENTS	65.00
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	FILING	30.00	CASH	0.00
	TAX	0.00	CHECK	0.00
HINMAN HOWARD & KATTELL, LLP	CERT	0.00	CHARGE	0.00
80 EXCHANGE STREET	COPIES	10.00	DRAWDOWN	65.00
	HANDLING	25.00	OPAL	0.00
BINGHAMTON, NY 13902			REFUND	0.00
			-----	

162651MPJ

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DOS-1025 (11/89)

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 **November 30, 2006**



A handwritten signature in black ink, appearing to be "R. J. A. Jr.", written in a cursive style.

*Special Deputy Secretary of State*



CERTIFICATE OF AMENDMENT OF THE  
CERTIFICATE OF INCORPORATION  
OF  
GENEVA GENERAL HOSPITAL

61130000789

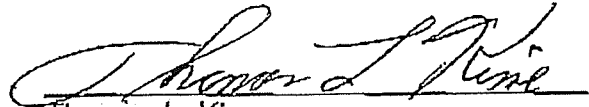
Under Section 803 of the Not-For-Profit Corporation Law

We, the undersigned, being the Chairman of the Board and the Secretary respectively of GENEVA GENERAL HOSPITAL for the purposes of amending the Certificate of Incorporation under Section 803 of the Not-for-Profit Corporation law of the State of New York, do hereby certify:

1. The name of the corporation is GENEVA GENERAL HOSPITAL. The name under which the corporation was formed was the MEDICAL AND SURGICAL HOSPITAL OF GENEVA, N.Y.
2. The Certificate of Incorporation was filed by the Department of State of New York on March 25, 1892 pursuant to Chapter 95 of the Laws of 1889 entitled "An act to authorize the formation of corporations for the establishment and maintenance of hospital infirmaries and home for invalids or aged or indigent persons."
3. The corporation is a corporation as defined in sub-paragraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law. The corporation is a Type B corporation under Section 201 of the Not-for-Profit Corporation Law with members, and after the amendment of its Certificate effected herein, the corporation shall be a Type B corporation with members.
4. A new paragraph is added to the purposes in Paragraph Second of the Certificate of Incorporation, which paragraph is as follows:  
  
"The corporation shall plan, make coordinating recommendations for, support and monitor the development of housing for the elderly for the community centered in Geneva, Penn Yan and Waterloo, New York, and in surrounding counties, in order to promote their general welfare by providing them with safe, sanitary, independent living facilities, particularly for those who are functionally impaired but not in need of continuous medical or nursing care. Nothing contained in this certificate of amendment to the certificate of incorporation of Geneva Hospital shall authorize the corporation to establish, operate or maintain an adult home, residence for adults or enriched housing program as provided for by Article 7 of the Social Services Law, or to solicit contributions for any such purpose."
5. The amendment of the Certificate of Incorporation was authorized by the vote of the members of said corporation at a meeting duly called and held on the 24th day of May, 2006.
6. The Secretary of State of the State of New York is, hereby, designated as the agent of the corporation upon whom process in any action or proceeding against the corporation may be signed; the post office address to which the Secretary of State shall mail a copy of any such process so served is:

196-198 North Street  
Geneva, New York 14456

IN WITNESS WHEREOF, the undersigned have executed this Certificate this 24<sup>th</sup> day of May, 2006, and affirm under the penalties of perjury that its contents are true.



Thomas L. Kime  
Chair of the Board



James R. Hiserodt  
Assistant Secretary

The undersigned, a Justice of the Supreme Court of the State of New York for the Seventh Judicial District, in which the office of the corporation is to be located, hereby approves the foregoing Certificate of Amendment of the Certificate of Incorporation of Geneva General Hospital and consents that the same be filed.

Dated: \_\_\_\_\_

10/25/06W<sup>m</sup> F. Koehler~~ACTING~~ Justice, Supreme Court

WILLIAM F. KOEHLER

NOV. 13. 2006 10:34AM

HH&K, LLP " GEN ROCHESTER

NO. 223 P. 6 P.01/01



STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL

REGIONAL OFFICE DIVISION  
Rochester Regional Office

ELIOT SPITZER  
Attorney General

October 11, 2006

Richard H. Pille, Esq.  
Hinnan, Howard & Karrell, LLP  
700 Security Mutual Building  
80 Exchange Street  
P.O. Box 5250  
Binghamton, New York 13902-5250

FAX to (607) 723-6605


Re: Geneva General Hospital  
Certificate of Amendment

Dear Mr. Pille:

The Attorney General has no objection to the filing of the proposed certificate of amendment with the Secretary of State, and will not appear at time of application.

Please provide a copy of the filing receipt so I may close the Attorney General's file on the matter.

Very truly yours,

  
Audrey Cooper  
Assistant Attorney General

444 E. Main St., Rochester, N.Y. 14614 • (516) 540-7430 • Fax (516) 546-7514

TOTAL P.01



NOV. 13. 2006 10:34AM

HH&K, LLP

NO. 223 P. 5



# STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower

The Governor Nelson A. Rockefeller Empire State Plaza

Albany, New York 12237

Antonia C. Novello, M.D., M.P.H., Dr. P.H.  
*Commissioner*

Dennis P. Whalen  
*Executive Deputy Commissioner*

September 28, 2006


Mr. Richard H. Pille, Esq.  
Hinman, Howard & Kattell, LLP  
Attorneys at Law  
700 Security Mutual Building  
80 Exchange Street - P.O. Box 5250  
Binghamton, NY 13902-5250

Re: Proposed Certificate of Amendment of the  
Certificate of Incorporation of Geneva General  
Hospital

Dear Mr. Pille:

The proposed certificate of amendment to the certificate of incorporation of the above referenced corporation, dated May 24, 2006, does not require the formal approval of the Public Health Council or the Commissioner of Health, since, pursuant to Section 804(a)(i) 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 or Commissioner's approval, nor does it change the name of the corporation.

Sincerely,

  
Frank Barry  
Attorney  
Bureau of House Counsel

5

F 061130000789

CSC 45  
DRAW DOWN

CERTIFICATE OF AMENDMENT

OF

GENEVA GENERAL HOSPITAL

Under Section 803 of the Not-For-Profit Corporation Law

FILED  
2006 NOV 30 PM 3:09

FILED BY:

HINMAN HOWARD & KATTELL, LLP  
80 Exchange Street  
Binghamton, NY 13902

Cust. Ref#162651MPJ

DRAWDOWN

1cc  
STATE OF NEW YORK  
DEPARTMENT OF STATE

NOV 30 2006

FILED  
TAXS

BY:

mark  
Ontario

2006 NOV 13 PM 4:26

RECEIVED

2006 OCT -5 AM 11:09

RECEIVED

GT

9

867

FILING RECEIPT

ENTITY NAME: GENEVA GENERAL HOSPITAL

DOCUMENT TYPE: AMENDMENT (DOMESTIC NFP)  
PURPOSES PROCESS

COUNTY: ONTA

SERVICE COMPANY: CORPORATION SERVICE COMPANY

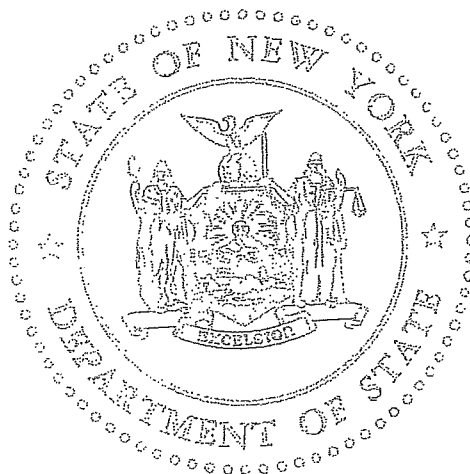
SERVICE CODE: 45

FILED:02/27/2003 DURATION:\*\*\*\*\* CASH#:030227000732 FILM #:030227000708

ADDRESS FOR PROCESS

THE CORPORATION  
196-198 NORTH STREET  
GENEVA, NY 14456

REGISTERED AGENT



FILER	FEES	90.00	PAYMENTS	90.00
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	FILING	30.00	CASH	0.00
HINMAN HOWARD & KATTELL, LLP	TAX	0.00	CHECK	0.00
80 EXCHANGE STREET	CERT	0.00	CHARGE	0.00
P.O. BOX 5250	COPIES	10.00	DRAWDOWN	90.00
BINGHAMTON, NY 13902-5250	HANDLING	50.00	BILLED	0.00
			REFUND	0.00
			-----	

State of New York }  
Department of State } ss:

*I hereby certify that the annexed copy has been compared with the original document filed by the Department of State and that the same is a true copy of said original.*

*Witness my hand and seal of the Department of State on, February 27, 2003.*



A handwritten signature in black ink, appearing to be "R. A. S.", written over a horizontal line.

*Secretary of State*

6030227000708

CERTIFICATE OF AMENDMENT OF THE  
CERTIFICATE OF INCORPORATION  
OF  
GENEVA GENERAL HOSPITAL

Under Section 803 of the Not-for-Profit Corporation Law

We, the undersigned, being the Chairman of the Board and the Secretary respectively of GENEVA GENERAL HOSPITAL for the purposes of amending the Certificate of Incorporation under Section 803 of the Not-for-Profit Corporation Law of the State of New York, do hereby certify:

1. The name of the corporation is GENEVA GENERAL HOSPITAL. The name under which the corporation was formed was the MEDICAL and SURGICAL HOSPITAL OF GENEVA, N.Y.
2. The Certificate of Incorporation was filed by the Department of State of New York on March 25, 1892 pursuant to Chapter 95 of the Laws of 1889 entitled "An act to authorize the formation of corporations for the establishment and maintenance of hospital infirmaries and home for invalids or aged or indigent persons."
3. The corporation is a corporation as defined in sub-paragraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law. The corporation is a Type B corporation under Section 201 of the Not-for-Profit Corporation Law with members, and after the amendment of its Certificate effected herein, the corporation shall be a Type B corporation with members.
4. A paragraph which was added to Paragraph Second of the Certificate of Incorporation by Certificate of Amendment of Certificate of Incorporation filed with the Department of State on August 28, 1989 now reads:

"The corporation shall, with the prior written approval of the New York State Department of Social Services, establish and operate a day care center in the County of Ontario, State of New York for a period of five years from the date of the filing of this Certificate of Amendment to the Certificate of Incorporation."

and is being amended to eliminate any reference to a period of five years, to change the reference from the Department of Social Services to the Office of Children and Family Services, and to add a sentence regarding the prior written approval of the Office of Children and Family Services, and so the amended paragraph will be as follows:

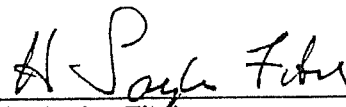
"The corporation shall, with the prior written approval of the New York State Office of Children and Family Services, establish and operate a day care center in the County of Ontario, State of New York. " No certificate of amendment , merger, consolidation or liquidation shall be filed without the prior written approval of the New York State Office of Children and Family Services."

5. The amendment of the Certificate of Incorporation was authorized by the vote of the member of said corporation at a meeting duly called and held on the 22<sup>nd</sup> day of January, 2003.

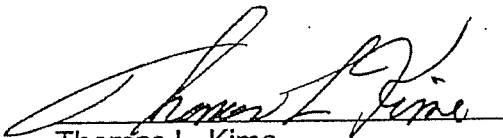
6. The Secretary of State of the State of New York is hereby designated as the agent of the corporation upon whom process in any action or proceeding against the corporation may be served; the post office address to which the Secretary of State shall mail a copy of any such process so served is:

196-198 North Street  
Geneva, New York 14456

IN WITNESS WHEREOF, the undersigned have executed this Certificate this 28<sup>th</sup> day of January, 2003, and affirm under the penalties of perjury that its contents are true.



H. Taylor Fitch  
Chair, Board of Trustees



Thomas L. Kime  
Secretary, Board of Trustees

**STATE OF NEW YORK  
OFFICE OF CHILDREN AND FAMILY SERVICES  
ALBANY, NEW YORK**

**KNOW ALL PERSONS 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 amended certificate of incorporation of:

**GENEVA GENERAL HOSPITAL**


on the condition that the purposes and duration included in the certificate as filed are consistent with the following purposes and duration:

to establish and operate day care centers for children  
in Ontario County in perpetuity.

This approval will, upon filing of the certificate with the Secretary of State, give the corporation the authority to engage in the activities set forth or summarized above for the period of time set forth above. \_\_\_\_\_

IN WITNESS WHEREOF, this document is executed and the seal of the New York State Office of Children and Family Services is affixed this 14th day of January, 2003

BY: \_\_\_\_\_

  
Suzanne Z. Sennett  
Director, Bureau of Child Care  
Division of Development and  
Prevention Services



STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL

ELIOT SPITZER  
Attorney General

REGIONAL OFFICE DIVISION  
Rochester Regional Office

February 11, 2003

Richard H. Pille, Esq.  
Hinman, Howard & Kattell LLP  
700 Security Mutual Building  
80 Exchange Street  
P.O. Box 5250  
Binghamton, New York 13902-5250

Re: Geneva General Hospital/Day Care  
Certificate of Amendment

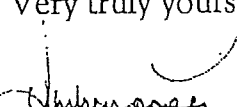
Dear Mr. Pille:

Thank you for providing this office with the proposed certificate of amendment.

The Attorney General has no objection to the filing of the proposed amendment with the Secretary of State.

However, please note that such approval is conditioned upon receiving proof of filing of the certificate of amendment so I may close our file on this matter.

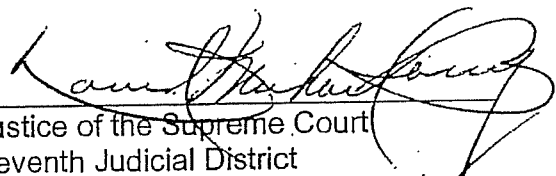
Very truly yours,

  
Audrey Cooper  
Assistant Attorney General



The undersigned, DAVID MICHAEL BARRY, a Justice of the Supreme Court of the State of New York, Seventh Judicial District, does hereby approve the foregoing Certificate of Amendment of the Certificate of Incorporation of Geneva General Hospital, Inc. and consent that the same be filed.

Dated: 2-24, 2003  
Supreme Court, Monroe County  
Rochester, New York

  
Justice of the Supreme Court  
Seventh Judicial District  
**DAVID MICHAEL BARRY**

030227000708

030-15

FILED

2003 FEB 27 PM 3:42

100  
STATE OF NEW YORK  
DEPARTMENT OF STATE

FEB 27 2003

FILED  
TAX S  
BY:

*[Signature]*  
GNTA

CERTIFICATE OF AMENDMENT

OF

GENEVA GENERAL HOSPITAL

Under Section 803 of the Not-for-Profit Corporation Law

*AAR/LR*

FEB 21 2 15 PM '03

FILED BY:

HINMAN HOWARD & KATTELL, LLP  
80 Exchange Street  
P.O. Box 5250  
Binghamton, NY 13902-5250

Cust. Ref#918456DAV

030227000732

FEB 4 2 05 PM '03

RECEIVED

6

NYS DEPARTMENT OF STATE

FILING RECEIPT

CH. PURPOSES & POWERS

CORPORATION NAME

GENEVA GENERAL HOSPITAL

<u>DATE FILED</u> 08/28/89	<u>DURATION &amp; COUNTY CODE</u> ONTA	<u>FILM NUMBER</u> C049348-7	<u>CASH NUMBER</u> 464514
<u>NUMBER AND KIND OF SHARES</u>		<u>LOCATION OF PRINCIPAL OFFICE</u>	

TYPE B

\*DC

<u>ADDRESS FOR PROCESS</u>	<u>REGISTERED AGENT</u>
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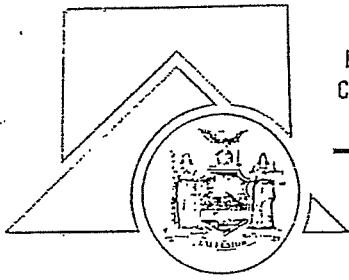
FEES AND/OR TAX PAID AS FOLLOWS:

AMOUNT OF CHECK \$ _____	AMOUNT OF MONEY ORDER \$ <u>00040.00</u>	AMOUNT OF CASH \$ _____
<u>6.00</u> DOLLAR FEE TO COUNTY	\$ 030.00 FILING	
	\$ TAX	
	\$ CERTIFIED COPY	
	\$ CERTIFICATE	
	010.00 MISCELLANEOUS	
	TOTAL PAYMENT \$ 0000040.00	
	REFUND OF \$	

FILER NAME AND ADDRESS

HARRIS BEACH WILCOX RUBIN & LEVY  
THE GRANITE BUILDING  
130 EAST MAIN STREET  
ROCHESTER NY 14604-1 687

TO FOLLOW



STATE OF NEW YORK  
DEPARTMENT OF HEALTH  
CORNING TOWER BUILDING  
ALBANY, N.Y. 12237

# PUBLIC HEALTH COUNCIL

---

July 25, 1989

Ms. Linda Oldfield  
Harris, Beach & Wilcox  
The Granite Building  
130 East Main Street  
Rochester, New York 14604

Re: Geneva General Hospital  
Certificate of Amendment

Dear Ms. Oldfield:

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 Westerveit  
Executive Secretary

Attachment

STATE OF NEW YORK  
SUPREME COURT

COUNTY OF MONROE

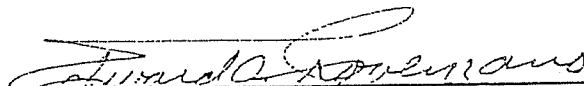
In the Matter of the Application for  
for Approval of the  
Certificate of Incorporation  
of

GENEVA GENERAL HOSPITAL, INC.,  
a Not-for-Profit Corporation

APPROVAL  
OF  
SUPREME COURT

The undersigned, EDWARD O. PROVENZANO, a  
Justice of the Supreme Court of the State of New York, Seventh  
Judicial District, does hereby approve the foregoing Certificate  
of Amendment of the Certificate of Incorporation of Geneva  
General Hospital, Inc. and consent that the same be filed.

Dated: AUGUST 25, 1989  
Supreme Court, Monroe County  
Rochester, New York

  
Justice of the Supreme Court  
Seventh Judicial District

LO\GENEVA\L815A\bes



REC'D AUG 10 1989

STATE OF NEW YORK  
DEPARTMENT OF LAW  
ALBANY 12224

ROBERT ABRAMS  
ATTORNEY GENERAL

JAMES G. McSPARRON  
DEPUTY FIRST ASSISTANT  
ATTORNEY GENERAL

Telephone: (518) 473-3683

August 8, 1989

Linda Oldfield, Esq.  
Harris, Beach & Wilcox, Esqs.  
The Granite Building  
130 East Main Street  
Rochester, NY 14604

Dear Ms. Oldfield:

RE: GENEVA GENERAL HOSPITAL, INC.

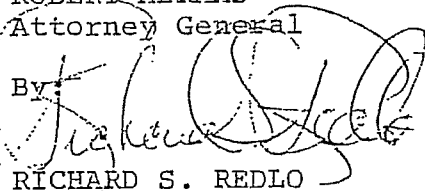
Due and timely service of the notice of application for the approval of the proposed certificate of amendment to the certificate of incorporation of the above-entitled organization is hereby admitted.

The Attorney General does not intend to appear at the time of application.

Very truly yours,

ROBERT ABRAMS  
Attorney General

By

  
RICHARD S. REDLO  
Assistant Attorney General

CERTIFICATE OF AMENDMENT OF THE  
CERTIFICATE OF INCORPORATION  
OF  
GENEVA GENERAL HOSPITAL

Under Section 803 of the Not-for-Profit Corporation Law

HARRIS, BEACH, WILCOX, RUBIN AND LEVEY  
THE GRANITE BUILDING  
130 EAST MAIN STREET  
ROCHESTER, NEW YORK 14604-1687

CERTIFICATE OF AMENDMENT OF THE  
CERTIFICATE OF INCORPORATION  
OF  
GENEVA GENERAL HOSPITAL

Under Section 803 of the Not-for-Profit Corporation Law

We, the undersigned, being the Chairman of the Board and the Secretary respectively of GENEVA GENERAL HOSPITAL for the purposes of amending the Certificate of Incorporation under Section 803 of the Not-for-Profit Corporation Law of the State of New York, do hereby certify:

1. The name of the corporation is GENEVA GENERAL HOSPITAL. The name under which the corporation was formed was the MEDICAL AND SURGICAL HOSPITAL OF GENEVA, N.Y.

2. The Certificate of Incorporation was filed by the Department of State of New York on March 25, 1892 pursuant to Chapter 95 of the Laws of 1889 entitled "An act to authorize the formation of corporations for the establishment and maintenance of hospital infirmaries and home for invalids or aged or indigent persons."

3. The corporation is a corporation as defined in sub-paragraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law. The corporation is a Type B corporation under Section 201 of the Not-for-Profit Corporation Law with members, and after the amendment of its Certificate effected herein, the corporation shall be a Type B corporation with members.

4. A new paragraph is added to the purposes in Paragraph Second of the Certificate of Incorporation, which paragraph, pursuant to the Regulations of the New York State Department of Social Services, authorizes the operation of a day care facility. The text of the new paragraph is as follows:

"The corporation shall, with the prior written approval of the New York State Department of Social Services, establish and operate a day care center in the County of Ontario, State of New York for a period of five years from the date of the filing of this Certificate of Amendment to the Certificate of Incorporation."

5. The amendment of the Certificate of Incorporation was authorized by the vote of the members of said corporation at a meeting duly called and held on the 17th day of May, 1989.



6. The Secretary of State of the State of New York is hereby designated as the agent of the corporation upon whom process in any action or proceeding against the corporation may be served; the post office address to which the Secretary of State shall mail a copy of any such process so served is:

196-198 North Street  
Geneva, New York 14456

IN WITNESS WHEREOF, the undersigned have executed this Certificate this 17th day of May, 1989, and affirm under the penalties of perjury that its contents are true.

W. James Gerling  
Chairman of the Board  
W/James Gerling

Barbara L. Springstead  
Secretary

Barbara L. Springstead

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 Sections 804 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 amendment of the certificate of incorporation of GENEVA GENERAL HOSPITAL.

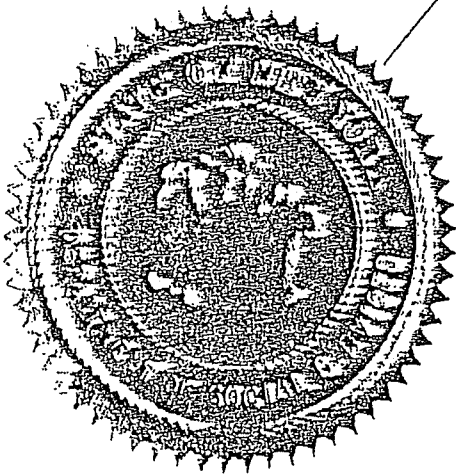
This approval gives the corporation the authority to operate a day care center for a five year period.

IN WITNESS WHEREOF, this document is executed and the seal of the New York State Department of Social Services is affixed this 6<sup>th</sup> day of July, 1989.

CESAR A. PERALES  
Commissioner

BY:

*Joseph Semidei*  
Joseph Semidei  
Deputy Commissioner  
Division of Services



CERTIFICATE OF AMENDMENT  
OF THE  
CERTIFICATE OF INCORPORATION  
OF  
GENEVA GENERAL HOSPITAL

AA13444

Under Section 803 of the Not-for-Profit Corporation Law

Pursuant to the provisions of Section 803 of the Not-for-Profit Corporation Law, the undersigned, being the Chairman and the Secretary respectively, of GENEVA GENERAL HOSPITAL, hereby certify:

1. The name of the Corporation is GENEVA GENERAL HOSPITAL, and the name under which the corporation was formed was the Medical and Surgical Hospital of Geneva, N. Y.
2. The Certificate of Incorporation of the Corporation was filed by the Department of State, Albany, New York, on *MARCH 25*, 1892, pursuant to Chapter 95 of the Laws of 1889 entitled "An act to authorize the formation of corporations for the establishment and maintenance of hospital infirmaries and home for invalids or aged and indigent persons".
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 (hereinafter referred to as the "Not-for-Profit Corporation Law").
4. The Corporation is a Type B not-for-profit corporation under Section 201 of the Not-for-Profit Corporation Law and shall continue to be a Type B not-for-profit corporation under Section 201 of the Not-for-Profit Corporation Law after the effectiveness of this Certificate of Amendment.

5. The post office address to which the Secretary of State of the State of New York shall mail a copy of any notice required by law is 196-198 North Street, Geneva, New York 14456.

6. The Certificate of Incorporation of the Corporation is hereby amended or changed in the following respects:

Paragraph Second of the Certificate of Incorporation, setting forth the purposes of the Corporation, presently reads as follows:

"That the objects for which said corporation is formed, are to erect, establish, maintain and operate a general hospital, infirmary or home for the reception, care, maintenance, giving of medical and surgical advice, aid and treatment of persons afflicted with maladies or physical injuries or physical weaknesses or deformities or infirmities and free dispensary."

Paragraph Second of the Certificate of Incorporation is hereby amended to add in addition to the above purposes as presently provided in the Certificate of Incorporation, the following provisions:

(a) "To provide on a nonprofit 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; and

The Corporation is irrevocably dedicated to and operated exclusively for, nonprofit purposes; and no part of the income or assets of the Corporation shall be distributed to, nor inure to the benefit of, any individual; and

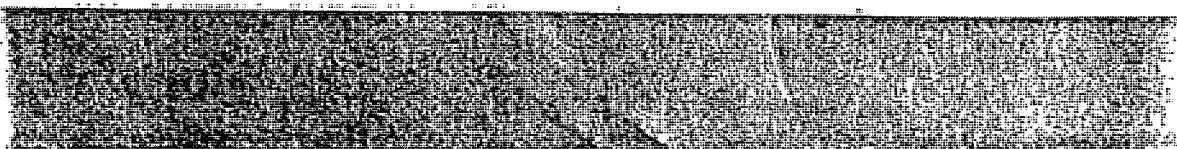
Whether or not previously covered by the powers granted to the Corporation in the Charter or under applicable law, the Corporation is empowered:

To buy, own, sell, convey, assign, mortgage or lease any interest in real estate and personal property and to construct, maintain and operate improvements thereon necessary or incident to the accomplishment of the purposes of Corporation; and

To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business, and to secure the same by mortgage, pledge or other lien on the Corporation's property; and

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 and its

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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; and

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 fair market value of such property, and all assets remaining after the payment of the Corporation's debts shall be conveyed or distributed only to an organization or organizations created and operated for nonprofit purposes similar to those of the Corporation; 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."

(b) "The Board of Managers is now known and called the Board of Trustees. The number of Trustees of Corporation and manner of election shall be as determined in the By-Laws. The Trustees of the Corporation must, at all times, be members of the Corporation. No nonmember of the Corporation may sit as a Trustee. All Trustees shall serve without compensation for their duties as Trustees."

(c) "No By-laws shall be adopted, or amendment to the By-laws made, which are inconsistent with the provisions of the Certificate of Incorporation or of the Regulatory Agreement which may be executed between the Corporation and the Secretary of Housing and Urban Development."

(d) "So long as the mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development, the Articles of Incorporation may not be further amended without the prior written approval of said Secretary."

7. This Amendment of the Certificate of Incorporation was authorized by the vote of at least two-thirds of the whole number of the Trustees of the Corporation and by the vote of at least two-thirds of the Members of the Corporation present and voting at a special meeting called for such purpose.

8. There were no approvals or consents required to be endorsed on or annexed to the Certificate of Incorporation of the Corporation as defined in Section 102 (a) (3) of the Not-for-Profit Corporation Law. Prior to delivery to the Department of State of the State of New York for filing of this Certificate of Amendment, the approval of the Public Health Council of the State of New York, Department of Health, the approval of a Justice of the Supreme Court of the State of New York, County of Ontario, and the waiver of notice of the Attorney General of the State of New York

will be endorsed upon or annexed to this Certificate of Amendment, the foregoing being all the approvals or consents required by the Not-for-Profit Corporation Law or any other statute of the State of New York.

IN WITNESS WHEREOF, this Certificate of Amendment has been signed this 31st day of May, 1977.

Harry G. Burt  
Chairman  
HARRY G. BURT  
Madeline B. Root  
Secretary  
MADELINE B. ROOT

STATE OF NEW YORK )  
COUNTY OF ONTARIO ) ss.:

Harry G. Burt, being duly sworn, deposes and says that he is the Chairman of Geneva General Hospital, the Corporation named in the foregoing Certificate of Amendment; that he has read and signed the same and that the statements contained therein are true.

Subscribed and sworn to  
before me this 31st day of  
May, 1977

David H. Brind  
STATE OF NEW YORK )  
COUNTY OF ONTARIO ) ss.:  
DAVID H. BRIND  
Notary Public in the State of New York  
Ontario County No. 25-0419250  
My Commission Expires March 31, 1979

Madeline B. Root, being duly sworn, deposes and says that she is the Secretary of Geneva General Hospital, the Corporation named in the foregoing Certificate of Amendment; that she has read and signed the same and that the statements contained therein are true.

Madeline B. Root  
Subscribed and sworn to  
before me this 31st day of  
May, 1977

David H. Brind  
DAVID H. BRIND  
Notary Public in the State of New York  
Ontario County No. 25-0419250  
My Commission Expires March 30, 1979



STATE OF NEW YORK  
DEPARTMENT OF HEALTH  
ALBANY 12237

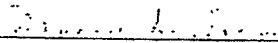
# PUBLIC HEALTH COUNCIL

June 27, 1977

KNOW ALL MEN BY THESE PRESENTS:

In accordance with action taken after inquiry and investigation at a meeting of the Public Health Council held on the 24th day of June, 1977, I hereby certify that the Certificate of Amendment of the Certificate of Incorporation of Geneva General Hospital is APPROVED.

Public Health Council approval is not to be construed as approval of property costs or the lease submitted in support of the application. Such approval is not to be construed as an assurance or recommendation that property costs or lease amounts as specified in the application will be reimbursable under third party payor reimbursement guidelines.

  
MARIANNE K. ADAMS  
Secretary

Sent to: David H. Brind, Esq.  
17 Seneca Street  
P.O. Box 409  
Geneva, New York 14456

cc: Geneva General Hospital  
196-198 North Street  
Geneva, New York 14456

JUN 29 1977

COUNCIL

NORMAN S. MOORE, M.D.  
CHAIRMAN  
BLONEVA P. BOND  
GORDON E. BROWN  
JOSEPH R. FONTANETTA, M.D.  
WILLIAM LEE FROST

MORTON P. HYMAN  
MSGR. CHARLES J. FAHEY  
W. KENNETH RILAND, D.O.  
JOHN F. ROACH, M.D.

HOWARD A. RUSK, M.D.  
JOHN M. WALSH  
KENNETH W. WOODWARD, M.D.

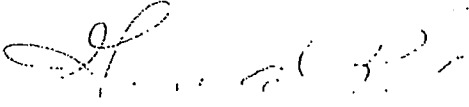
COMMISSIONER OF HEALTH  
ROBERT P. WHALEN, M.D.  
EX OFFICIO

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The undersigned, a Justice of the Supreme Court of the State of New York, County of Ontario, wherein is located the principal office of Geneva General Hospital, hereby approves the within Certificate of Amendment of the Certificate of Incorporation of Geneva General Hospital, and the filing thereof.

DATED: May 27, 1977

  
Justice of the Supreme Court

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: May 25, 1977

  
Attorney General of the State of N.Y.  
by:   
Assistant Attorney General

State of New York }  
Department of State } ss.

19871

I hereby certify that I have compared the annexed copy with the original document filed by the Department of State and that the same is a correct transcript of said original.

Witness my hand and seal of the Department of State on

JUL 7 1977

  
Secretary of State



A413444-7

CERTIFICATE OF AMENDMENT  
OF THE  
CERTIFICATE OF INCORPORATION  
OF  
GENEVA GENERAL HOSPITAL

DAVID H. BRIND  
ATTORNEY AND COUNSELLOR AT LAW  
~~XXXXXXXXXXXX~~  
GENEVA, NEW YORK 14456  
P.O. Box 409

STATE OF NEW YORK  
DEPARTMENT OF STATE  
TAX: None  
FILING FEE: 1.00

FILED JUL 7 - 1977

Transmissions  
Secretary of State  
35 Ontario  
Type B

*NEP Type B*

*made 10/20/24*

*orig. Medical & Surgical Hospital*

*Geneva, N.Y.*

*3/25/1972*

*Geneva, Ontario Co.*

*447-168*

*not add. 198 North St.*

*Geneva, N.Y.*

*M*

CERTIFICATE OF TYPE OF  
NOT-FOR-PROFIT CORPORATION OF  
GENEVA GENERAL HOSPITAL

Under Section 113 of the Not-For-Profit Corporation Law

We the undersigned President and Secretary of GENEVA  
GENERAL HOSPITAL certify:

1. The name of the corporation is GENEVA GENERAL HOSPITAL.
2. The name under which the corporation was originally incorporated was MEDICAL AND SURGICAL HOSPITAL OF GENEVA, N.Y. incorporated under Chapter 95 of the laws of 1889 by certificate filed with the Secretary of State on March 25, 1892.
3. The amendment to the certificate of incorporation changing the name to GENEVA GENERAL HOSPITAL was filed by the Secretary of State on December 20, 1924 pursuant to the General Corporation Law.
4. The post office address within the State of New York to which the Secretary of State shall mail a copy of any notice required by law is 198 North Street, Geneva, New York.
5. Under Section 201 (Purposes) of the Not-For-Profit Corporation Law, GENEVA GENERAL HOSPITAL is a Type B Not-For-Profit Corporation as defined in this chapter.

IN WITNESS WHEREOF, we have executed this Certificate this  
12<sup>th</sup> day of March, 1971.

*James J. Vargabuff*  
President

*Mary B. Gubman*  
Secretary

DAVID H. BRIND  
LAW OFFICES  
GENEVA, NEW YORK

STATE OF NEW YORK     )  
                              )     SS:  
COUNTY OF ONTARIO    )

JAMES I. WYCKOFF and MARY B. GRABMAN, each being severally duly sworn, severally depose and say, each for himself, that he JAMES I. WYCKOFF, is the President of GENEVA GENERAL HOSPITAL, and she MARY B. GRABMAN, is the Secretary of said Corporation; that they have read the foregoing Certificate of Type of Not-For-Profit Corporation of GENEVA GENERAL HOSPITAL, under Section 113 of the Not-For-Profit Corporation Law and know the contents thereof; that the same is true to their own knowledge, except as to matters therein stated to be alleged upon information and belief, and that as to those matters they believe it to be true.

*James I. Wyckoff*  
President

*Mary B. Grabman*  
Secretary

Sworn to before me this

12 day of *March*, 1971

*Alma M. Mangano*  
Notary Public

ALMA M. MANGANO  
Notary Public, State of New York  
The County of Ontario  
Term of Office expires 12/31/72  
Commission No. 1972

DAVID H. BRIND  
LAW OFFICES  
GENEVA, NEW YORK

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898178-3

CERTIFICATE OF TYPE OF  
NOT-FOR PROFIT CORPORATION

OF  
GENEVA  
GENERAL  
HOSPITAL

Date: 1971

FILED  
CLERK OF SUPERIOR COURT  
JUN 15 1971  
and forward

Donald H. Brind  
DAVID H. BRIND  
ATTORNEY AND COUNSELLOR AT LAW  
435 EXCHANGE STREET  
GENEVA, NEW YORK 14456

3

444P-168

memo dated 12/20/74

Barbara Osterman  
Morgental Hospital of Geneva, N.Y.  
reg. medical and nursing

1/15/75

no type filed

STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED MAR 3 1971

TAKEN FROM  
FILING FOR

Paul P. Brind

SECRETARY OF STATE

FILE

35 Osterman

Type 8

CERTIFICATE OF TYPE OF  
NOT-FOR-PROFIT CORPORATION OF  
GENEVA GENERAL HOSPITAL

Under Section 133 of the Not-For-Profit Corporation Law

We the undersigned President and Secretary of GENEVA GENERAL HOSPITAL  
certify;

1. The name of the corporation is GENEVA GENERAL HOSPITAL.
2. The name under which the corporation was originally incorporated was  
MEDICAL AND SURGICAL HOSPITAL OF GENEVA, N.Y. incorporated under Chapter  
95 of the laws of 1889 by certificate filed with the Secretary of State on April 3, 1892.
3. The amendment to the certificate of incorporation changing the name to  
GENEVA GENERAL HOSPITAL was filed by the Secretary of State on December 20,  
1924 pursuant to the General Corporation Law.
4. The Post office address within the State of New York to which the Secretary of  
State shall mail a copy of any notice required by law is 198 North Street, Geneva, New  
York.
5. Under Section 201 (Purposes) of the Not-For-Profit Corporation Law, GENEVA  
GENERAL HOSPITAL is a Type B Not-For-Profit Corporation as defined in this chapter.

IN WITNESS WHEREOF, we have executed this Certificate this 12th day of March,  
1971.

/s/ James I. Wyckoff  
President

/s/ Mary B. Grabman  
Secretary

## CERTIFICATE OF INCORPORATION

### GENEVA GENERAL HOSPITAL

"We, the undersigned, desiring to form a corporation for the purpose of erecting, establishing, maintaining and operating a hospital infirmary and home for reception care, maintenance, giving of medical and surgical advice, aid and treatment to persons afflicted with maladies or physical injuries or physical weakness or deformities or infirmities and free dispensary pursuant to the provisions of an Act passed by the Legislature of the State of New York, March 29, 1889, and entitled 'An Act to Authorize the formation of Corporations for the Establishment and Maintenance of hospitals, infirmaries, dispensaries, and homes for invalids or aged and indigent persons' do hereby certify:

That the Corporate Name of the Corporation is 'The Medical and Surgical Hospital of Geneva, N.Y.'

That the objects for which said Corporation is formed are to erect, establish, maintain and operate a general hospital, infirmary, or home for the reception care, maintenance, giving of Medical and Surgical advice, aid and treatment to persons afflicted with maladies or physical injuries, or physical weaknesses or deformities or infirmities, and free dispensary.

That the following are the names of the persons who shall form the board of managers of said Corporation for the first year, to wit: Henry L. Slosson, Montgomery S. Sanford, Eldreth A. Walton, Anna L. Sweet, George F. Ditmars, Elizabeth S. Martin, Catharine A. Covert, Mrs. Catharine J. Nelson and Mrs. Susie Maxwell.

That the term of existence and duration of said Corporation shall be perpetual.

That said Hospital, home infirmary or dispensary is to be located in the Village of Geneva, Ontario County, New York.

In witness whereof we have hereunto set our hands this 22nd day of March 1892.

Catharine A. Covert

Elizabeth S. Martin

S. H. VerPlanck

Mrs. T. C. Maxwell

T. C. Maxwell

Mrs. Catharine J. Nelson

T. S. Hubbard

John V. Ditmars

Henry L. Slosson

David Moore

Montgomery S. Sanford

A. P. Rose

A. L. Sweet

Jas H. Stebbins

E. A. Walton

Geo. F. Ditmars

Geo. L. Bachmann

N. B. Covert

H. M. Eddy

S. E. Smith

Executed before Henry Ludlow, Notary Public, March 22, 1892.

Filed with Secretary of State, March 25, 1892.

By an Order of the Supreme Court granted at Special Term in the City of Rochester, New York, on the 31st day of May, 1892, the name of the Institution was changed to 'THE GENEVA CITY HOSPITAL'.

By a Certificate of Change of Name filed in the Office of the Secretary of State, December 20, 1924, the name of the Institution was changed to "GENEVA GENERAL HOSPITAL."

STATE OF NEW YORK    )  
                              )    SS:  
COUNTY OF ONTARIO    )

JAMES I. WYCKOFF and MARY B. GRABMAN, each being severally duly sworn, severally depose and say, each for himself, that he JAMES I. WYCKOFF, is the President of GENEVA GENERAL HOSPITAL, and she MARY B. GRABMAN, is the Secretary of said Corporation; that they have read the foregoing Certificate of Type of Not-For-Profit Corporation of GENEVA GENERAL HOSPITAL, under Section 113 of the Not-For-Profit Corporation Law and know the contents thereof, that the same is true to their own knowledge, except as to matters therein stated to be alleged upon information and belief, and that as to those matters they believe it to be true.

/s/   James I. Wyckoff  
      President

/s/   Mary B. Grabman  
      Secretary

Sworn to before me this  
12th day of March 1971

/s/   David H. Brind  
      Notary Public



CERTIFICATE OF CHANGE OF NAME OF THE  
GENEVA CITY HOSPITAL TO THE GENEVA GENERAL HOSPITAL.

(Pursuant to Section 60 of the General Corporation Law)

We, Iouan Harris and Sterling B. Ragsdale, being respectively the President and Assistant Secretary of the Geneva City Hospital certify:

First. The name of this Corporation is "The Geneva City Hospital"; that it was originally incorporated under the name of the "Medical and Surgical Hospital, of Geneva, N. Y.", under the laws of 1899, chapter 95; that the corporate name was changed by an order of the Supreme Court, which was filed and entered with the Secretary of State on June 3, 1898, to that of "The Geneva City Hospital."

Second. The Certificate of Incorporation was filed in the Office of the Secretary of State on April 3, 1892.

Third. The new name to be assumed by this Corporation is the "Geneva General Hospital".

IN WITNESS WHEREOF, We have hereunto subscribed this Certificate in triplicate, this 15th day of December, 1924.

Iouan Harris, President (L.S.)

S. B. Ragsdale, Assistant Secretary (L.S.)

STATE OF NEW YORK, County of Ontario. ss:

On this 15th day of December, 1924, before me personally came Iouan Harris and Sterling B. Ragsdale, being \_ me known and known to me to be the same persons described

LIBER 5

Page 411

in and who executed the foregoing Certificate of Change of Name and they thereupon severally duly acknowledged to me that they executed the same.

Ellen G. Clark, Notary Public.

STATE OF NEW YORK, County of Ontario. ss:

Iouan Harris and Sterling B. Ragsdale being duly sworn and each for himself deposes and says that he, Iouan Harris is the President of the Geneva City Hospital and he, Sterling B. Ragsdale is the Assistant Secretary thereof; that they were duly authorized to execute and file the foregoing certificate of Change of Name of Said Corporation by the vote of a majority of the members of record of the corporation who were entitled to vote on the Change of Name, cast in person or by proxy at a meeting of the members held upon notice prescribed for the annual meeting of the Corporation, at 50 Geneva Street, in the City of Geneva, New York, on the 15th day of December, 1924, at 4 o'clock in the afternoon.

Iouan Harris, President (L.S.)

S. B. Ragsdale, Assistant Secretary, (L.S.)

Sworn to before me this 15th day of December, 1924.

Ellen G. Clark, Notary Public, Ontario County.

A true copy of the original. Recorded 23 December, 1924 at 9 A. M. and examined.

(Sanitation Proceedings Immeled. See N.Y. State Bulletin of Jan 15, 1953)

By Court Order  
Lucy M. Bell, Clerk.

**AMENDED AND RESTATED BYLAWS  
FOR  
GENEVA GENERAL HOSPITAL**

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BYLAWS OF  
GENEVA GENERAL HOSPITAL

ARTICLE I

THE CORPORATION

Section 1.     Name

The name of the Corporation is GENEVA GENERAL HOSPITAL ("the Corporation").

Section 2.     Offices

The principal office of the Corporation shall be in the City of Geneva, County of Ontario, State of New York. The Corporation may also have offices at such other places within the State of New York as the Board of Trustees may from time to time determine, as the business of the Corporation may require.

Section 3.     Purposes

The purposes of the Corporation shall be:

(a) To plan, develop, establish, organize, construct, erect, build, acquire, alter, reconstruct, rehabilitate, own, maintain, operate and manage all types of in-patient and outpatient hospitals, hospital facilities, clinics, treatment centers and programs for the delivery of acute medical, surgical and preventive health care services.

(b) To plan, develop, establish, organize, construct, erect, build, acquire, alter, reconstruct, rehabilitate, own, maintain, operate and manage nursing homes and all types of long term in-patient, out-patient and residential health care facilities and programs for elderly, sick, invalid, infirm, disabled convalescent persons.

(c) To participate in any activity designed and carried on to promote the general health and welfare of the community in which the Corporation is located.

(d) To do any other act or thing incidental to or connected with the foregoing purposes or in the advancement thereof, but not for the pecuniary profit or financial gain of any of its members, Trustees, officers or any private person.

(e) To have such purposes as are now or may hereafter be set forth in the Certificate of Incorporation of the Corporation, and to have and exercise such powers in furtherance of its purposes as are now or may hereafter be set forth in the Certificate of Incorporation.

Section 4.     Definition of "Affiliate"

The term "Affiliate" as used in these Bylaws refers to any entity that is directly or indirectly controlled by or under common control with the Corporation, or in which the Corporation has an ownership interest. This includes but is not limited to entities in which the Corporation or an Affiliate is or becomes the sole or a controlling member or sole or controlling shareholder.

ARTICLE II  
MEMBERSHIP

Section 1.     Definition

The sole member of the Corporation is Finger Lakes Regional Health System, Inc. (d/b/a Finger Lakes Health), hereinafter called the "Member" or "Health System." The sole member of Health System is the University of Rochester, a New York not-for-profit education corporation, hereinafter called "UR."

Section 2.     Annual Meeting

The Annual Meeting of the Corporation for the election of Trustees and for the transaction of such other business as may properly come before the meeting shall be held at such time and location as may be designated by the Member.

Section 3.     Action by Member

Any action required or permitted to be taken by Health System in its capacity as the Member of the Corporation under applicable law, the Certificate of Incorporation or these Bylaws shall be taken by Health System through written consent to such action. The written consent of Health System shall be evidenced by a resolution of the Board of Directors of Health System, signed by an officer of Health System, following action by the Board of Directors of Health System in accordance with Health System's Certificate of Incorporation, Bylaws, policies and procedures.

Section 4.     Reserved Powers of Health System

The following powers are reserved to Health System in its role as the sole member of the Corporation consistent with the New York State Health Department regulations for passive parents of corporate affiliates to be exercised in accordance with the terms of the certificate of incorporation of the Corporation, these Bylaws, and applicable law:

- A. To appoint and remove, with or without cause, members of the Corporation's Board of Trustees;
- B. To approve any aspects of the Corporation's strategic plan that would (i) result in a call upon the financial resources of UR not dedicated for support of the Corporation and its Affiliates; (ii) have a major impact on UR's academic programs, or (iii) contravene a policy of the UR established by the UR Board of Trustees;
- C. To approve any aspects of the capital and operating budgets of the Corporation that would (i) result in a call upon UR's financial resources not dedicated for support of the Corporation and its Affiliates; (ii) have a major impact on UR's academic programs, or (iii) contravene a policy of UR established by the UR Board of Trustees;
- D. To approve the incurrence of any debt proposed by the Corporation, including the issuances of bonds, that would (i) result in a call upon UR's financial resources not dedicated for support of the Corporation and its Affiliates, (ii) have a major impact on UR academic programs, (iii) contravene a policy of UR established by the UR Board of Trustees, or (iv) adversely affect UR's ability to issue tax exempt debt; and



- E. To approve any amendments to the Corporation's certificate of incorporation or bylaws;
- F. To approve any merger, consolidation or dissolution of the Corporation;
- G. To approve the sale, lease, mortgage or other disposition of all or substantially all of the assets of the Corporation;
- H. To approve actions taken by the Corporation as the member or shareholder of an Affiliate of the Corporation; and
- I. To approve all other matters and take all other actions reserved to members of not-for-profit corporations under New York State law.

Section 5. Reserved Powers of the University of Rochester, as Sole Member of Health System

As the sole member of Member, UR shall have the following reserved powers:

- A. To approve any aspects of the strategic plan of the Corporation that would (i) result in a call upon the financial resources of UR not dedicated for support of Health System, and/or the Corporation; (ii) have a major impact on UR academic programs, or (iii) contravene a UR policy established by the UR Board of Trustees;
- A. To approve any aspects of the capital and operating budgets of the Corporation that would (i) result in a call upon UR's financial resources not dedicated for support of Health System and/or the Corporation; (ii) have a major impact on UR academic programs, or (iii) contravene a UR policy established by the UR Board of Trustees;
- B. To approve the incurrence of any debt proposed by the Corporation, including the issuances of bonds, that would (i) result in a call upon UR's financial resources not dedicated for support of Health System and/or the Corporation, (ii) have a major impact on UR academic programs, (iii) contravene a UR policy established by the UR Board or Trustees, or (iv) adversely affect UR's ability to issue tax exempt debt; and
- C. To approve any amendment to the bylaws or the certificates of incorporation of the Corporation.

UR shall not exercise the powers listed above in any manner that would cause the Health System or the Corporation to violate: (a) the covenants of their respective debt documents or any other written agreements existing as of August 1, 2023; or (b) their respective charitable purposes, including the use or investment of Health System assets for purposes that are not consistent with such charitable purposes.

Any action required or permitted to be taken by UR in its capacity as the sole member of Health System shall be taken by written consent of the Chief Executive Officer of the University of Rochester Medical Center ("URMC CEO"), and delivered to the President of the Corporation or the President's designee and maintained in the corporate records of the Corporation.

Section 6. Powers Not Granted to UR or Health System.

Notwithstanding anything to the contrary in Article II, Sections 4 and 5, above, the authority with respect to the following shall remain vested with the Board of Trustees of the Corporation, subject to any limitations included in the certificate of incorporation of the Corporation or these bylaws:

- A. To appoint or dismiss management level employees (other than the President and CEO) or credential, appoint, suspend or dismiss medical staff;
- B. To approve operating and capital budgets except to the extent set forth in Article II, Sections 4 and 5 above;
- C. To adopt and approve operating policies and procedures;
- D. To approve Certificate of Need (CON) applications;
- E. To approve debt necessary to finance the cost of compliance with operational or physical plant standards required by law or to finance the activities and construction proposed by any CON application except to the extent set forth in Article II, Sections 4 and 5 above;
- F. To approve contracts for management or for clinical services; or
- G. To approve settlements of administrative proceedings or litigation, except approval of settlements of litigation that exceed insurance coverage.

Section 7. Conveyances.

Notwithstanding anything to the contrary in these bylaws, any conveyance of all or substantially all of the real property of, or all or substantially all of the tangible and intangible assets of the Corporation or any Affiliate of the Corporation: (a) shall be subject to approval of UR, the Member and by the Board of Trustees by Class Voting requirements, as may be applicable, as well as any other necessary third parties; (b) shall not be inconsistent with the conveyer's commitments or warranties under any loan or other financial commitment; and (c) shall be subject to a right of first refusal of UR to purchase the real property or assets being sold.

ARTICLE III

BOARD OF TRUSTEES

Section 1. Management of the Corporation

Subject to the reserved powers of UR and the Member as set forth in these bylaws, the Corporation shall be managed by its Board of Trustees which shall have the power and authority to do and perform all acts and functions not inconsistent with these bylaws and the laws of the State of New York.

## Section 2. Size

The board of the Corporation shall have between seventeen (17) and twenty (20) Trustees elected as described in Sections 3.1(B) and 4 below, plus the ex officio Trustees who shall serve while holding the offices described in Article III, Sections 3, 5, 6, 7 and 8 below. The number of Trustees may be changed by action of FLH or UR, provided that no decrease in the number of Trustees shall shorten the term of any incumbent Trustee. The phrase "entire board" as used in these bylaws means the total number of Trustees entitled to vote which the Corporation would have if there were no vacancies and shall include the sum of the total number of ex officio Trustees (as if there were no vacancies) plus (a) the number of Trustees within the aforementioned range as fixed by the Member (whether elected or appointed and as if there were no vacancies), or (b) if the Member has not so fixed the number of elected and appointed Trustees within such range, the number of Trustees within such range that were elected or appointed as of the most recently held election of directors (as if there were no vacancies), as well as any Trustees whose terms have not yet expired.

## Section 3. Election

3.1 There shall be two voting groups of Trustees: University of Rochester Medical Center ("URMC") Trustees and Community Trustees. The URMC Trustees shall never be less than three (3) Trustees.

- A. The URMC Trustees shall include the URMC CEO, who shall serve ex officio with vote; the URMC Vice President designated by the URMC CEO with responsibility for coordinating the URMC Healthcare System (the "URMC Vice President") who shall serve ex officio with vote; and one or more other individuals appointed by the URMC CEO, each of whom shall serve ex officio with vote. The URMC CEO shall make a good faith effort to appoint at least one (1) individual to this group who resides in the Corporation's Service Area.<sup>1</sup> Collectively, the URMC Trustees shall be the "URMC Class of Trustees."
- B. The Community Trustees shall include those individuals who are elected as described in Article III, Sections 4, 9 and 11 and those who serve ex officio with vote as described in Article III, Sections 5 and 6. Collectively, these elected and ex officio Trustees shall be the "Community Class of Trustees."

3.2 If the total number of Trustees serving on the Board changes, the number of individuals in the URMC Trustees and the Community Trustees shall change proportionately, provided that the number of URMC Trustees shall never be less than three (3).

## Section 4. Election

At its Annual Meeting, the Member shall elect successors for the elected Community Trustees whose terms have expired or who have died, resigned, or been removed, from candidates nominated by the Nominating Committee, as specified in Article III, Section 8, below.

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<sup>1</sup> For this purpose, the Corporation's Service Area is currently defined as Bellona (zip code 14415), Branchport (14418), Clyde (14433), Clifton Springs (14432), Dresden (14441), Dundee (14837), Geneva (14456), Hammondsport (14840), Himrod (14842), Interlaken (14847), Keuka Park (14478), Lodi (14860), Lyons (14489), Ovid (14521), Penn Yan (14527), Phelps (14532), Prattsburgh (14873), Romulus (14541), Rushville (14544), Seneca Falls (13148), Stanley (14561) and Waterloo (13165).

#### Section 5. Chiefs of Staff

During their respective tenures in office, the President of the Medical Staff of Soldiers and Sailors Memorial Hospital of Yates County (SSMH), and the Chief of Staff of the Corporation shall each be a member of the Board of Trustees, ex officio with vote, unless the medical staff of the Corporation, acting pursuant to its bylaws, elects another staff representative to act in the place of and instead of the Chief of Staff as the voting representative on the Board of Trustees for a term of one (1) year. If the same person holds both of these positions they shall have only one vote. The person(s) serving on the board pursuant to this Section, shall be in addition to the number of elected Trustees provided in Article III, Section 2.

#### Section 6. Presidents of Corporation and SSMH

During the person's tenure in that office, the President of the Corporation and the President of SSMH shall each be a member of the Board of Trustees, ex officio with vote. If the same person holds both of these positions they shall have only one vote. The person(s) serving on the board pursuant to this Section shall be in addition to the number of elected Trustees provided in Article III, Section 2.

#### Section 7. Treasurers

During the person's tenure in that office, the Treasurer & Chief Financial Officer of the Corporation and the Treasurer of SSMH shall each be a member of the Board of Trustees, ex officio without vote. The person(s) serving on the board pursuant to this Section shall be in addition to the number of elected Trustees provided in Article III, Section 2.

#### Section 8. Qualifications of Trustees

There are no limiting qualifications for a Trusteeship, except as described above and that each Trustee must be at least eighteen (18) years of age. It is the intent of the Corporation that the elected Community Trustees fairly represent the regional service area of the Corporation; and, whenever possible, the Nominating Committee is to avoid a board composition which would result in more than one (1) elected Community Trustee being employed by the same area business or organization. Elected Community Trustees may be selected from outside the service area if they possess specific skills and/or experience of value to the Corporation.

The Nominating Committee will use the following guidelines for screening candidates for service as Community Trustees. The guidelines are aids to the Nominating Committee and are not intended to supplement the judgment of the Committee, the Board of Trustees or the Member in Community Trustees.

- (1) Experience in health care organizations as a governing body member.
- (2) Broadly representative of characteristics of the community, e.g., age, geography, business and/or community organization diversity.
- (3) Has made significant contributions to community through occupation, personal enterprise, service in other community organizations.
- (4) Is generally regarded as having high ethical standards.

- (5) Has management experience in the complex organizations and problem solving techniques.
- (6) Has experience serving in highly regulated health related areas in New York State.
- (7) Has experience in various arenas of particular importance to organizations, e.g., quality control, planning, finance, communications, community relations.
- (8) Is, or has been, a direct provider of health care services.

#### Section 9. Annual Election of Elected Community Trustees and Terms of Office

- A. The annual election of the Community Trustees shall take place at the Annual Meeting of the Corporation.
- B. All Community Trustees shall qualify to take office by delivering a written acceptance to the Secretary of the Corporation. Community Trustees who have qualified shall take office at the conclusion of the Annual Meeting of the Corporation at which they are elected.
- C. The elected Community Trustees shall be divided into five (5) classes as nearly equal in number as possible, and the terms of the several classes shall expire in successive years, so that a class of Community Trustees shall be elected regularly in each year.
- D. The regular term of office of elected Community Trustees shall be five (5) years. No Community Trustee shall serve for more than two (2) successive terms (regardless of the length of the terms), provided, however, that a person may be elected again after an absence from the board for at least one (1) year; provided, further that the board may, by vote at any meeting, nominate a person to be elected again after an absence of less than one (1) year. A Community Trustee may, however, have their term extended not longer than two (2) additional years in order to serve as Chair of the Board and a Community Trustee completing their second term in the position of Chair of the Board may have that term extended by one (1) year in order to support a smooth transition of the duties of that office. Notwithstanding anything herein to the contrary, the current terms of the elected Community Trustees as of the date of adoption of these Amended and Restated Bylaws ("Current Trustees") (i.e., August 1, 2023) shall be extended by three (3) additional years, and the extension of such terms shall not count toward the term limits set forth in this Section 9(D). For any Community Trustee whose term expires on or before July 31, 2028, their successor shall be elected by the Member from candidates nominated by the Nominating Committee of the Corporation. In the event the Member does not approve a nominee, the Member will request that the Nominating Committee nominate another candidate. For any Community Trustee whose term expires on or after August 1, 2028, UR will elect their successor from candidates nominated by the Nominating Committee.

#### Section 10. Vacancies

At the option of the board, a vacancy on the Board of Trustees shall occur:

- (a) If a newly elected Community Trustee shall fail to deliver to the Secretary of the Corporation a written acceptance of their Trusteeship within thirty (30) days of the mailing of a written notice of election, or

(b) If a Community Trustee is absent, without an excuse or explanation which is satisfactory to the board, from more than one-third (1/3) of the total meetings in any one calendar year, or

(c) After five (5) years have elapsed from the date of adoption of these Amended and Restated Bylaws (i.e., after July 31, 2028), upon the removal of a Community Trustee by UR.

#### Section 11. Filling of Vacancies

(a) Before August 1, 2028, a vacancy on the board of an elected Community Trustee may be filled for the unexpired term by an individual nominated by the Corporation's Nominating Committee, approved by the Board of Trustees at an election to be held at any regularly scheduled board meeting, provided that such election is included on the agenda of the regular meeting notice given for that meeting and provided that no vacancy shall be filled at the board meeting at which notice is first given that such vacancy exists, and subject to approval by UR. On and after August 1, 2028, vacancies on the board of elected Community Trustees shall be filled by the Member from candidates nominated by the Nominating Committee.

(b) A Community Trustee elected in the above manner shall take office on the date designated by the Member or the URMCE CEO, as the case may be, at the time of election, provided the Community Trustee has first qualified by delivering a written acceptance of the Trusteeship to the Secretary of the Corporation.

(c) URMCE Trustee vacancies occurring for any reason shall be filled by UR.

#### Section 12. Removal of Trustees

(a) Until August 1, 2028, any elected Community Trustee may be removed with cause by vote of two-thirds (2/3) of the Trustees present provided there is a quorum at a meeting at which such action is taken. Notice of a proposed removal must be set forth in the notice of the meeting to be given at least ten (10) days in advance and the Trustee to be removed shall be afforded an opportunity to be heard and may vote upon the issue of their removal.

(b) Until August 1, 2028, any elected Community Trustee may be removed with or without cause by the Member at any time.

(c) After five (5) years have elapsed from the date of adoption of these Amended and Restated Bylaws (i.e., after July 31, 2028), any elected Community Trustee may be removed with or without cause by UR.

(d) Any URMCE Trustee may be removed with or without cause by UR at any time.

#### Section 13. Compensation

The Trustees shall not receive any compensation for their services as Trustees but they may be reimbursed for any reasonable expenses incurred on behalf of the Corporation. However, a Trustee may serve the Corporation in another capacity and may receive compensation therefor.

#### Section 14. Conflict of Interest

The Trustees and Officers of the Corporation will comply with the Conflict of Interest Policy adopted by the Board of Trustees and as amended from time to time (the "Conflict of Interest Policy").

#### Section 15. Resignation

A Trustee may resign at any time by giving written notice to the Board, the Chair or the Secretary of the Corporation. The recipient of such notice shall promptly notify the URMCE CEO. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

#### Section 16. Property Rights of Trustees

No Trustee of the Corporation shall have any rights or interests in or to the property or assets of the Corporation. In the event that the Corporation is liquidated or dissolved or ceases to actively carry on its business, all of the remaining property and assets of the Corporation after necessary expenses thereof shall be distributed to such organizations as shall qualify under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, subject to the approval of the attorney general or a Justice of the Supreme Court of the State of New York.

### ARTICLE IV

#### OFFICERS

#### Section 1. Officers of the Corporation

The officers of the Corporation shall be:

- (a) Chair of the Board
- (b) Vice Chair of the Board
- (c) President
- (d) Secretary
- (e) Treasurer

#### Section 2. Officers to be Elected from the Board

(a) The Officers, other than the President and Treasurer, shall be elected from the Community Trustees who are not ex officio Trustees. No two of these offices shall be held by the same person.

(b) The Officers shall be elected at the Annual Meeting of the Board of Trustees. They shall serve for one (1) year and until their successors have been elected and qualified.

(c) In the event of a vacancy in any of these offices between Annual Meetings, the board shall elect a replacement for the balance of the term at the next regular or special meeting of the board after notice of the vacancy has been given to each board member.

### Section 3. Officers Other Than Those Required to be Elected From the Board

(a) The President and CEO employed at the time of the adoption of these Amended and Restated Bylaws shall continue to serve in such capacity pursuant to any employment contracts then in effect. Thereafter, the President and CEO shall be appointed, and except as set forth in Article VII, Sections 5(b)(3) and (4), their annual compensation determined by the Board pursuant to Class Voting, as set forth in Article VI, Section 10.

(b) The Corporation's Chief Financial Officer shall serve, ex officio, as the Treasurer. The Chief Financial Officer shall be appointed by the President and shall serve at the pleasure of the President. The opinion of the URMCO CFO regarding the performance evaluation of the Chief Financial Officer shall be sought and considered by the President during any evaluation of the individual holding this position. Notwithstanding the foregoing, the President shall retain sole authority to hire and fire the Chief Financial Officer of the Corporation.

(c) The positions of the President and Treasurer shall be held by different persons. In no event shall these same persons hold positions described in Article IV, Section 1 above except as provided in Article IV, Section 1(c) and Article IV, Section 3(b), above,

### Section 4. Chair of the Board

The Chair shall preside at all meetings of the board, shall be an ex officio voting member of all committees of the board except as otherwise specified in these Bylaws, applicable law, or the resolution creating the committee, shall appoint members of the board to all committees and shall designate the Chair and Vice Chair thereof except when a provision of these bylaws or a board resolution creating the committee provides otherwise, and may execute, in the name of the Corporation, all contracts and applications authorized by the board or necessary and incidental to the carrying out of the business of the Corporation.

### Section 5. Vice Chair of the Board

The Vice Chair of the Board shall act as Chair in the absence of the Chair in all matters including but not limited to attendance at all meetings of the board and the committees, and when so acting, shall have the power and authority of the Chair, provided however the Vice Chair shall not have the right to appoint members to standing committees or to designate committee chairs or vice chairs.

### Section 6. President

The President shall be the Chief Executive Officer of the Corporation. The President shall have all authority and responsibility necessary to operate the Corporation in all its activities and departments, subject only to these bylaws and to such policies and directives as may be issued by the Board or its Executive Committee. The President shall be an ex officio member with a right to vote on all committees of the Board except as otherwise specified in these Bylaws, applicable law, or the resolution creating the committee. The President shall act as the duly authorized representative of the board and the Corporation in all matters in which the board has not formally designated some other person to act. The President shall report as directed to the Chair between



board meetings and to the board and the Executive Committee of the Board at each meeting of each of those bodies. The President, together with the Treasurer, shall cause the required reports to be made at the Annual Meeting. The President shall sign any deeds, mortgages, bonds, contracts or other instruments which the board has authority to execute except in cases where the execution shall have been expressly delegated by board resolution or these bylaws, or by statute, to some other officer or agent of the Corporation. The President shall select the Corporation's non-Board corporate officers and senior executive staff, following consultation with the URMV Vice President. The approval of the URMV CEO and the URMV VP will be sought regarding the performance evaluation, annual performance goals and objectives, and the terms of the contract of the President during the annual Board evaluation of such individual.

#### Section 7. Secretary

The Secretary shall keep the minutes of all meetings of the Board of Trustees and of all committees when asked to do so, in books provided for such purpose; and the Secretary shall attend to the giving and serving of all notices of meetings. The Secretary may sign in the name of the Corporation all documents authorized by the Board of Trustees, by specific or general resolution, and affix the seal to all instruments requiring the same, and shall in general perform all duties incidental to the office of Secretary, subject, however, at all times to the direction of the Board of Trustees.

#### Section 8. Treasurer and Chief Financial Officer

(a) The Chief Financial Officer of the Corporation shall serve as the Treasurer. The Treasurer shall have responsibility for the financial records of the Corporation and shall have general supervision over all its finances. Actual custody and maintenance of these records will be entrusted to competent personnel who will make available to the Treasurer and the board financial reports and other relevant data on the day-to-day operation of the Corporation.

(b) The Treasurer shall render to the President and to the board, whenever requested, an account of the financial condition of the Corporation and shall be responsible for ensuring that proper controls (in accord with applicable provisions of the law and regulations) are established over all assets and funds.

(c) The Treasurer shall endorse on behalf of the Corporation all checks, notes or other obligations and shall deposit the same to the credit of the Corporation in such banks or depositories as the Board of Trustees may designate. Checks, drafts, bills and orders for the payment of monies shall be signed by the Treasurer and/or such authorized representatives as the Board of Trustees may designate for authorization of payment. The Treasurer, or such other Officer as may be designated by the Board of Trustees, shall sign the notes of the Corporation.

(d) Books of account shall be kept, under the general supervision of the Treasurer, in which shall be entered full and accurate accounts of all monies received and paid on account of the Corporation; the Treasurer shall at all reasonable times exhibit his/her books and accounts to any officer of the Corporation or member of the Board of Trustees, upon application, at the office of the Corporation during business hours; and he/she shall perform all acts incidental to the office of Treasurer, subject, however, to the direction of the Board of Trustees.

(e) The Treasurer shall ensure that an independent auditor is appointed annually and that a report is submitted to and reviewed by the Board.

(f) The Treasurer shall make a report at the Annual Meeting concerning all assets of the Corporation received by gift, grant, bequest or devise or otherwise received in trust for the Corporation's purposes.

#### Section 9. Other Officers

Any other Officers, whose positions may be created by the board and who may be elected by the board from time to time, shall perform such duties as may be designated specifically or generally in the authorizing resolution of the board.

#### Section 10. Removal of Officers

Any officer elected or appointed by the board may be removed by the board with or without cause.

### ARTICLE V

#### TRUSTEES AND OFFICERS

##### Section 1. Duty

(a) Trustees and officers shall discharge the duties of their respective positions in good faith and with that degree of diligence, care and skill which ordinarily prudent men and women would exercise under similar circumstances in like positions.

(b) In discharging their duties, Trustees and officers, when acting in good faith, may rely upon financial statements of the Corporation represented to them to be correct by the President or the officer of the Corporation having charge of its books of accounts, or stated in a written report by an independent public or certified public accountant or firm of such accountants fairly to reflect the financial condition of such Corporation.

##### Section 2. Indemnification

(a) In each specific case and to the full extent permitted by the laws of New York, the Corporation shall indemnify any person made, or threatened to be made, a party to any action (including one by or in the right of the Corporation to procure a judgment in its favor), whether civil or criminal, by reason of the fact that he/she, his/her testator or intestate, is or was a Trustee or officer of the Corporation, or of any other corporation, domestic or foreign, which he/she served in any capacity at the request of the Corporation, against the reasonable expenses (including attorneys' fees, judgments, fines and amounts paid in settlement), actually incurred by him/her in connection with the defense of such action, or in connection with an appeal therein, if such Trustee or officer did not breach his/her duty or acted in good faith for the purpose which he/she reasonably believed to be in the best interests of the Corporation (whichever standard is applicable) and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his/her conduct was unlawful.

(b) To the extent permitted by law, expenses in defense of such actions or proceedings shall be paid in advance of final disposition of such action or proceeding.

(c) Except when making any payments pursuant to an order by a court of competent jurisdiction, the board shall first authorize the Corporation to make payments in specific cases in accord with the applicable statutory requirements.

### Section 3. Insurance

The Corporation shall procure and maintain full and adequate insurance, with one or more responsible insurance companies, against liability for itself, its Trustees and its Officers, arising out of any suit or claim for damages of whatever nature or basis.

### Section 4. Loans

No loans, other than through the purchase of bonds, debentures, or similar obligations of the type customarily sold in public offerings, or through ordinary deposit of funds in a bank, shall be made by the Corporation to its Trustees or other officers, or to any other corporation, firm, association or other entity in which one or more of the Trustees or officers are Trustees, Trustees or officers or hold a substantial financial interest, except a loan to another charitable corporation. A loan made in violation of this section shall be a violation of the duty to the Corporation of the Trustees or officers authorizing it or participating in it, but the obligation of the borrower with respect to the loan shall not be affected thereby.

### Section 5. Fidelity Bonds

The Treasurer, President, Chair of the Finance Committee, and all employees of the Corporation who handle or have access to the funds or accounting records shall be bonded, at the Corporation's expense, in such sum and in such form as shall be required by the Board of Trustees.

## ARTICLE VI

### MEETINGS OF THE BOARD OF TRUSTEES

#### Section 1. Annual Meeting

(a) The Annual Meeting of the Board of Trustees of the Corporation shall be held within 120 days of January 1st, or, unless otherwise specified, at the regular board meeting next preceding the Annual Meeting.

(b) At the Annual Meeting, the annual reports of the Corporation shall be presented and officers of the Corporation shall be elected or appointed.

(c) At the Annual Meeting, the board may conduct any business, regular or special, except for matters for which a special required notice has not been given.

#### Section 2. Regular Meetings

(a) The Board shall hold regular meetings at convenient times and locations designated by the Board. Notice of all regular meetings shall be given in accordance with Section 5.

(b) At Regular Meetings, the board may conduct any business for which no special notice is required by these bylaws or by statute.

### Section 3. Special Meetings

(a) Special Meetings of the Board of Trustees may be called at any time by the Chair of the Board or by the Secretary upon the request of the Chair or upon the written request of at least five (5) Trustees.

(b) At a Special Meeting, the board shall transact only such business as shall be set forth in the Notice of meeting.

### Section 4. Place of Board Meetings

The Board may hold its meetings at the office of the Corporation or at such other places within the State of New York as it may from time to time determine.

### Section 5. Notice of Meetings

(a) Each Trustee shall receive not less than twenty-four (24) hours' notice of any meeting either in writing or by telephone. For such purpose, written notice shall be deemed to have been given if sent by ordinary mail or email, addressed to a Trustee at the last designated address on record with the Secretary at least three (3) business days before the date scheduled for the meeting. If mailed, such notice is given when deposited in the United States mail, directed to the Trustee's address as it appears on the records of the Corporation or such other address designated in writing by the Trustee to the Secretary. If mailed electronically, notice is given when directed to the Trustee's electronic mail address as it appears in the records of the Corporation or such other fax number or electronic mail address designated in writing by the Trustee to the Secretary. Notwithstanding the foregoing, a notice shall not be deemed to have been given electronically (1) if the Corporation is unable to deliver two consecutive notices to the Trustee by facsimile or electronic mail; or (2) the Corporation otherwise becomes aware that notice cannot be delivered to the Trustee by facsimile or electronic mail.

(b) Except as specified, the notice of meeting shall be given by the Secretary, and for a special meeting, such notice shall contain a brief but clear statement of the purpose of the meeting.

(c) No notice shall be required to a Trustee who submits a signed waiver or notice either before or after a meeting, or who attends a meeting without protesting, prior thereto or at its commencement, the lack of notice to them.

### Section 6. Quorum

Except as provided by statute or elsewhere in these bylaws, for any action described in Section 10 below (relating to Class Voting), quorum shall mean a majority of the entire Board, provided that at least a majority of the URM Trusts Trustees are present, and a majority of the Community Trustees then in office are present. For all other actions, quorum shall be a majority of the entire Board, provided that at least one URM Trusts Trustee is present.

## Section 7. Action Without a Meeting

Any action required or permitted to be taken by the Board of Trustees may be taken without a meeting if all members of the board consent in writing to the adoption of a resolution authorizing the action. Such consent may be written or electronic. If written, the consent must be executed by the Trustee by signing such consent or causing his or her signature to be affixed to such consent by any reasonable means including, but not limited to, electronic or facsimile signature. If electronic, the transmission of the consent must be sent by email and set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by the Trustee. The resolution and the written consents thereto shall be filed with the minutes of the proceedings of the board.

## Section 8. Participation by Conference Telephone

A Trustee may participate in any meeting of the board by means of a conference telephone, electronic video screen communication or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time and each Trustee can participate in all matters before the Board, including, without limitation, the ability to propose, object to, and vote upon a specific action to be taken by the Board. Participation by such means shall constitute presence in person at a meeting.

## Section 9. Required Vote

Except as provided by statute or elsewhere in these bylaws, including, without limitation Article VI, Section 10 below (Class Voting), the vote of a majority of the voting Trustees present at the time of a vote, if a quorum is present at such time, shall be the act of the board. Each Trustee who serves with vote shall be entitled to one (1) vote on each matter properly submitted to the Trustees for action at any meeting of the Board.

## Section 10. Class Voting

The following actions are subject to approval by Class Voting, defined as the affirmative vote of (a) the majority of all the members of the URM Trusts, and (b) the majority of the Community Trustees, each as in attendance and entitled to vote at a meeting of the Board of Trustees at which a quorum (as defined in Article VI, Section 6) is present:

- A. approval of strategic plans;
- B. approval of capital and operating budgets;
- C. incurrence of debt which for this purpose shall mean indebtedness that is greater than \$100,000, but it shall not include indebtedness for any expenditure identified in the Corporation's approved operating or capital budgets;
- D. appointment of, and except as set forth in Article VII, Sections 5(b)(3) and (4), annual compensation of the Corporation's President, provided, that, the President of the Corporation employed as of the date of adoption of these Amended and Restated Bylaws (i.e., August 1, 2023) shall continue to serve in such capacity pursuant to any employment contracts in effect on such date;
- E. any amendment to the certificate of incorporation and bylaws of the Corporation;

- F. approval of any formation or dissolution of any Affiliate of the Corporation, or participation by the Corporation in any joint venture arrangements; and
- G. participation of the Corporation in a demonstration project such as bundling arrangements, accountable care organizations and capitated payment plans.

#### Section 11. Real Property Transactions.

Subject to Article II, Section 7, any purchase of real property by the Corporation or any sale, mortgage, lease, exchange, or other disposition of real property owned by the Corporation must be authorized by a vote of a majority of the Board, provided that if such property does (in the case of a sale, mortgage, lease, exchange or other disposition) or would, upon purchase thereof (in the case of a purchase), constitute all, or substantially all, of the assets of the Corporation, then the vote of two-thirds of the entire Board shall be required or, if there are twenty-one or more Trustees, the vote of a majority of the entire Board will be sufficient.

#### Section 12. Adjournment of Meetings

A majority of Trustees present, whether or not a quorum is present, may adjourn any meeting to another time and place and notice of the adjournment shall be given to the Trustees who are not present at the time of the adjournment, and, unless such time and place are announced at the meeting, to the other Trustees.

#### Section 13. Rules Governing Conduct of Meetings

In the conduct of their meetings the board and members shall follow the parliamentary procedures described in the most recent edition of "Robert's Rules of Order", however, failure to adhere to such procedures shall not be considered to invalidate action otherwise taken in compliance with these bylaws.

### ARTICLE VII

### COMMITTEES

#### Section 1. General Provisions

(a) By resolution adopted by a majority of the entire board, the board may designate from among its members Standing Committees, each consisting of at least three (3) Trustees and having such authority to act for the board as may be specified in such resolution within statutory limitations. Each Trustee will serve on at least one committee; each standing and special committee of the board shall consist of at least three (3) Trustees.

(b) Unless indicated otherwise in these bylaws, or by resolution establishing a committee, Standing Committee members and chairs will be appointed by the Chair of the Board on an annual basis, subject to approval by the board, and in the case of the Executive Committee, by a majority of the entire board. The URMCE CEO may designate up to two (2) persons to serve as voting members of each Committee; provided that the URMCE CEO's appointees shall always constitute a minority of the members of each committee. Notwithstanding anything to the contrary in these bylaws, the Chair of the Board shall appoint additional members to a committee if necessary in order to maintain the URMCE appointees as a minority of any committee.

## Section 2. Committee Authority

(a) Any Standing Committee or Special Committee which includes one (1) or more individuals who are not Trustees of the Corporation is advisory only and may make recommendations to, but may not act on behalf of, the Board of Trustees. A Committee of the Board shall consist of at least three Trustees appointed by the Board, except in the case of any Executive Committee, the members of which shall be appointed by a majority of the entire Board.

(b) Committees shall have such authority as designated in these Bylaws or by resolution of the Board, except that no committee shall have the authority to take the following actions:

- (i) approval of any matter that is subject to Class Voting by the Board of Trustees under Article VI, Section 10 of these Bylaws, except as set forth in Article VII, Sections 5(b)(3 and (4);
- (ii) submission to the Member of any action requiring the Member's approval under the law or these Bylaws;
- (iii) filling of vacancies in the Board of Trustees or any Committee;
- (iv) amendment or repeal of the Bylaws or the adoption of new Bylaws;
- (v) amendment or repeal of any resolution of the Board that by its terms is not so amendable or repealable;
- (vi) election or removal of officers and Trustees;
- (vii) approval of any plan of merger or dissolution;
- (viii) authorization of any sale, lease, exchange or other disposition of all or substantially all of the assets of the Corporation;
- (ix) approval of amendments of the Corporation's Certificate of Incorporation; and
- (x) appointment, re-appointment and delineation of privileges of the medical staff (other than temporary appointment),

## Section 3. The standing committees of the board are:

- (1) Executive Committee
- (2) Administrative Committee
- (3) Audit & Finance Committee
- (4) Joint Conference Committee
- (5) Nominating Committee
- (6) Properties and Facilities Committee
- (7) Systems Assessment/Improvement Committee
- (8) Credentials Committee
- (9) Community Advisory Committee

(b) The standing committees of the board will meet as described in these bylaws and will report to the board at the next regular meeting of the board, except as otherwise provided.

(c) A majority of an entire committee, if present at any meeting, shall constitute a quorum. For the purpose of determining the presence of a quorum, ex officio members with voting rights shall be counted.

(d) All committees shall keep minutes of their meetings and include copies thereof with their reports to the board.

(e) The provisions for Notice, Place of Meetings, Action Without a Meeting, and Participation by Conference Telephone set forth in Article VI are applicable to committee meetings.

(f) Occasionally, a committee, with the approval of the Board of Trustees, may organize an advisory council to assist it in carrying out its responsibilities. When this is done, the responsibilities of such supplemental group shall be defined in writing so as to clearly show that this supplemental group functions solely at the direction and under the supervision of the Board of Trustees.

#### Section 4. Executive Committee

##### (a) Composition

The Executive Committee shall consist of:

- (1) The Chair of the Board who shall be the Chair of the committee.
- (2) The Vice Chair of the Board.
- (3) The President.
- (4) The Secretary, who shall be Secretary for the committee.
- (5) SSMH Medical Staff President.
- (6) GGH Chief of Staff.
- (7) Two members of the board who shall be appointed by the Chair and approved by the Board.
- (8) Two (2) members of the board who shall be appointed by the URMCE CEO; provided that the URMCE CEO's appointees shall constitute a minority of the members of this committee.

##### (b) Duties and Authority

The Executive Committee shall be a Committee of the Board and shall have the duty and authority to transact all business authorized by board resolution and all routine business of the Corporation between meetings of the board subject to the authority reserved to the board below and provided that any action taken shall not conflict with the existing policies and expressed directions of the board. Any action not so taken in the routine course of business shall require ratification at the regular or special meeting of the board to be binding upon the Corporation. The Executive Committee shall function as the Bylaw Committee conducting periodic review of bylaws and recommending appropriate changes as necessary, in accordance with Article XII. In all events, the Executive Committee will report upon its actions at the next board meeting. Routine action shall be subject to confirmation, revision or alteration by the board,



except that if there be a revision or alteration, the rights of third parties shall not be affected thereby.

(c) Meetings and Reports

The Executive Committee shall meet as necessary between meetings of the Board. The Committee shall keep minutes of each of its meetings, which shall include a record of its activities and business transactions. Said minutes and records shall be presented to the Board at its next regular meeting. The activities of the Executive Committee shall be deemed to have been ratified by the Board following presentation of the Committee's minutes and records, unless the Board adopts a resolution overruling the Committee.

Section 5. Administrative Committee

(a) Composition

The Administrative Committee shall be a Committee of the Board and shall consist of:

- (1) The Chair of the Board who shall be the Chair of the committee.
- (2) The Vice Chair of the Board.
- (3) The Secretary.
- (4) The President.
- (5) One member of the board who shall be appointed by the Chair.
- (6) Two (2) persons who shall be appointed by the UPMC CEO;

provided that the UPMC CEO appointees shall constitute a minority of the members of this committee.

(b) Duties and Authority

(1) To plan and oversee the employee relations program of the Corporation, including authorization of personnel policies and wage and salary administration recommendations prepared by management.

(2) To provide advice and counsel to the hospital administration on matters relating to personnel, employee relations programming and labor relations.

(3) To plan and oversee the Corporation's Executive Compensation Program, annually reviewing the Chief Executive Officer's performance and reviewing and authorizing compensation and benefits for administrative personnel. The approval of the UPMC CEO and UPMC Vice President will be sought regarding the performance evaluation, annual performance goals and objectives, and the terms of the contract of the President of the Corporation during the annual Board evaluation of the President.

(4) To determine, on behalf of the Board, the annual compensation of the President and CEO, provided that, (A) the President and CEO must recuse himself from deliberations and voting related to his compensation, in accordance with and subject to the Conflict of Interest Policy of the Corporation, (B) discussions, deliberations, and voting on the President and CEO's compensation must occur in executive session, (C) all committee members, other than the President and CEO, will be provided all supporting materials and analysis obtained and prepared in connection with the review and determination of the President and CEO's

compensation, and (D) both UPMC Directors who are members of the Administrative Committee must be present and vote in favor of such annual compensation.

(5) To serve as the Pension Committee of the Board to administer the Corporation's pension plan, including amendments to the plan, contract changes and annual contributions in compliance with Internal Revenue Service, ERISA and Department of Labor regulations.

(6) To review, provide counsel to hospital administration and to formulate recommendations regarding hospital-based physician contracts, including arrangements related to physician recruitment to ensure consistency with the system's compliance program which is designed to promote and facilitate adherence to applicable federal and state law, and the program requirements of Medicare, Medicaid and other payors.

(7) To plan and oversee the Corporation's Conflict of Interest Policy, annually reviewing statements completed by individual board members to ensure that the nature and extent of any conflict disclosures are properly documented and communicated to those in positions to convene meetings of the board and its committees.

(c) Meetings and Reports

The Administrative Committee shall meet as necessary or upon call issued by the Chair or the President and shall report to the board or Executive Committee, as appropriate.

Section 6. Audit and Finance Committee

(a) Composition

(1) The Audit and Finance Committee shall be a Committee of the Board and shall consist of at least three (3) members of the Board of Trustees and may include at least one (1) member of the medical staff who is also a Trustee. The Treasurer shall be invited to attend all meetings of the committee, without vote. Two (2) members shall be appointed to serve on the committee by the UPMC CEO; provided that the UPMC appointees shall constitute a minority of the members of this committee; and provided further, that if a UPMC appointee is not an "independent director" as defined under Section 102(a)(21) of the New York State Not-for-Profit Corporation Law, they shall serve without vote with respect to matters governed by Section 712-a of the Not-for-Profit Corporation Law. The President shall serve on the committee, provided that, if the President is not an "independent director" as defined under Section 102(a)(21) of the New York State Not-for-Profit Corporation Law, they shall serve without vote with respect to matters governed by Section 712-a of the New York Not-for-Profit Corporation Law.

(b) Duties and Authority

The Audit and Finance Committee shall have the responsibilities required under Section 712-a of the New York Not-for-Profit Corporation Law, and shall be responsible for the proper management and safeguarding of all corporate funds. Its duties shall include the following:

(1) The monthly review of revenues and expenses with respect to historical and projected performance.

(2) Supervision of the management of endowment funds, pension funds and other investments of the Corporation. It shall have responsibility for assuring that donor-restricted funds are managed in compliance with such bequests. It shall prepare and recommend board policies regarding such investments and shall have the authority to appoint and discharge professional investment managers to achieve the objectives of such investment policies. It shall conduct timely reviews of investment management performance and conduct ongoing evaluation of the appropriateness of board policies regarding investments.

(3) Operates as the Audit Committee of the Board as specified in a written Audit Committee Charter adopted by the Board. The Audit Committee Charter shall be regularly reviewed by the Board and updated as necessary to ensure that vigilant oversight of the hospital's audit function, financial reporting processes, internal controls and corporate compliance activities are achieved.

(4) The responsibility to ensure that the Corporation and related organizations are in compliance with generally accepted accounting principles, federal and state financial regulations as well as sound business practice.

(5) The responsibility to work with other Affiliates in Health System to oversee the Health System's Corporate Compliance Program which is designed to promote and facilitate adherence to applicable federal and state law, and the program requirements of Medicare, Medicaid and other payors.

(6) It shall review and recommend to the Board of Trustees annual operating and capital budgets.

(7) The Audit and Finance Committee will review with the independent auditor the scope and planning of the annual audit prior to the audit's commencement; upon completion of the annual audit, review and discuss with the auditor any material risks and weaknesses in internal controls identified by the auditor, any restrictions on the scope of the auditor's activities or access to restricted information, any significant disagreements between the auditor and management, and the adequacy of the accounting and financial reporting processes of the Corporation and its Affiliates; annually consider the performance and independence of the independent auditor; and report on its activities to the Board.

(c) Meetings and Reports

The Audit and Finance Committee shall meet monthly and shall report its action to the Board of Trustees or Executive Committee at its meeting next succeeding such action.

Section 7. Joint Conference Committee

(a) Composition

The Joint Conference Committee shall be a standing committee and a Committee of the Corporation composed of five (5) members of the Board of Trustees consisting of Vice Chair of the Board of Trustees and four (4) members of the Board of Trustees and five (5) members of the Medical Staff of Geneva General Hospital and Soldiers and Sailors Memorial Hospital, consisting of the Chief of Staff and two (2) Department Chairmen from the Geneva General Hospital Medical Staff appointed by the Chief of Staff and the Soldiers and Sailors

Memorial Hospital Medical Staff President along with one (1) additional member of the Soldiers and Sailors Memorial Hospital Medical Staff appointed by the Medical Staff President, and two (2) persons appointed by the URMH CEO; provided that the URMH CEO appointees shall always constitute a minority of the members of this committee. The Chief Operating Officer and the Chief Nursing Officer shall attend all committee meetings in order to ensure good communications with and appropriate representation of the Nursing Department and other clinical departments. Chairmanship of the Joint Conference Committee shall alternate between the Vice Chair of the Board and either the Geneva General Hospital Chief of Staff or Soldiers and Sailors Memorial Hospital Medical Staff President on an annual basis.

(b) Duties

The Joint Conference Committee shall conduct itself as the Planning Committee of the Board and as a forum for the discussion of matters of hospital policy and practice, especially those pertaining to efficient and effective patient care. The committee shall serve as the official point of contact between the medical staff, administration and the Board of Trustees with major responsibility for maintenance of a positive, productive, medico-administrative liaison. It shall also have the following specific duties:

(1) Review and formulate recommendations concerning the general policy issues relating to hospital-medical staff relationships, accreditation and other matters affecting the hospital and medical staff.

(2) Review and formulate recommendations concerning health planning and legislative matters having an impact on the operation of the hospital, its growth and future development.

(3) Pursue in-house and/or external education programs to inform and orient members to hospital specific or general health care issues related to the role, responsibilities and obligations of the board, medical staff and administration in a hospital setting.

(4) Review, evaluate and formulate recommendations to the Board of Trustees regarding annual capital budgets and/or major capital acquisition of medical equipment related to new services as defined in the New York State Hospital Code or health planning requirements.

(5) Evaluate, prepare and formulate recommendations to the board concerning plans for the hospital including, on an annual basis, review of planning priorities and Strategic Business Plan updates. In its planning capacity, the committee shall also evaluate major programs and projects for the improvement of the hospital and make appropriate recommendations to the Board of Trustees.

(c) Meetings & Reports

The Joint Conference Committee shall meet at least twice each year or more frequently as agreed by the members. Minutes of each meeting shall be prepared and forwarded to the Board of Trustees, as well as the GGH Chief of Staff and the SSMH Medical Staff President for communication with the respective medical staff members.

## Section 8.     Nominating Committee

(a)     The Nominating Committee shall be a Committee of the Corporation and shall consist of at least five (5), but not more than ten (10) Trustees and may include up to two (2) non-Trustees appointed from the communities served by the Corporation. The committee shall be appointed annually by the Chair, subject to the approval of the board except for two (2) members who shall be appointed by the URMCE CEO; provided that the URMCE CEO's appointees shall always constitute a minority of the members of this committee.

(b)     The Nominating Committee shall recommend to the Board of Trustees qualified candidates for election as officers to be elected by the Board, and for election to the board by the Member.

(c)     The Nominating Committee shall recommend to the Board of Trustees qualified candidates for election to Board of Trustees of corporations for which the Corporation is the sole voting member or for which the Corporation otherwise has the right to elect or appoint Trustees.

(d)     In preparing its recommendations, the Nominating Committee shall take into consideration the recommendations of its Affiliates and shall consider candidates who have demonstrated an interest in promoting the health and well-being of the residents of the region and who will provide a socioeconomic, demographic, and geographical balance to the Board of Trustees. The Nominating Committee shall periodically evaluate the composition of the Board, set objectives for new members and evaluate the participation of existing Board members.

(e)     The Nominating Committee will meet as needed, and shall report its action to the Board of Trustees or Executive Committee at its meeting next succeeding such action.

## Section 9.     Properties and Facilities Committee

### (a)     Composition

The Properties and Facilities Committee shall be a Committee of the Corporation and shall consist of not less than three (3) members of the Board of Trustees. Two (2) persons shall be appointed to the committee by the URMCE CEO; provided that the URMCE CEO appointees shall always constitute a minority of the members of this committee.

### (b)     Duties

The Properties and Facilities Committee shall be responsible for the oversight of all real properties of the hospital and its related organizations. Its duties shall include the following:

(1)     It shall conduct periodic inspections of the physical plant and properties to review new accomplishments, recommend priorities for further improvements and to evaluate the continuing maintenance program of the hospital.

(2)     It shall review and report to the board on any major alterations or additions to the physical plant of the hospital which are recommended by hospital management or its architect.

(3) It shall review and report to the board with regard to the acquisition or disposition of real property or facilities.

(4) During times of major construction projects, the committee shall receive and review reports on the progress of the project and transmit them to the board.

(5) It shall provide advice and counsel to hospital administration on other matters relating to its buildings and grounds.

(c) Meetings and Reports

The committee shall meet at least twice a year and report on its activities to the board.

Section 10. Systems Assessment/Improvement Committee

(a) Composition

The Systems Assessment/Improvement Committee shall be a Committee of the Corporation and shall consist of not less than three (3) members of the board, one of whom shall be the Chair of the committee. Additional members of the committee shall include, but not be limited to:

- (1) Chief of Staff (GGH)
- (2) Associate Chief of Staff (GGH)
- (3) President of Medical Staff (SSMH)
- (4) Medical Staff Representative (SSMH)
- (5) President & CEO
- (6) Vice President, Medical Affairs & CMO
- (7) Chief Operating Officer
- (8) Site Administrator (SSMH)
- (9) Chief Nursing Officer
- (10) Director, Quality & Performance Improvement
- (11) Vice President, Long Term Care
- (12) Two (2) members appointed by the URMCE CEO; provided that the

URMC CEO appointees shall always constitute a minority of the members of this committee.

(b) Duties

The committee has the responsibility for supervision of all performance improvement, patient safety and risk management activities of the Corporation. The committee shall provide direction using a multidisciplinary approach to ensure that performance objectives are met.

The committee has the authority and responsibility to:

(1) Establish the Performance Improvement priorities for monitoring and evaluation consistent with the organization's mission, vision and values. Performance Improvement activities will consider high volume, high-risk or problem prone patient populations or clinical/support services.

(2) Identify opportunities to enhance patient/resident care by using evidence-based medicine to increase the probability of desired patient/resident outcomes.

(3) Require each product line or service and the medical staff to participate in a multidisciplinary Performance Improvement program consistent with the organization's Performance Improvement Plan.

(4) Request Performance Improvement, Patient Safety and Risk Management reports/summaries of activities from medical staff, nursing, ancillary, support and long term care, as well as Infection Control and Safety.

(5) Reviews summaries of medical staff peer review activities to assure patient safety, regulatory compliance and to identify opportunities for improvement in the review process as well as potential projects for the Performance Improvement Teams.

(6) Direct the medical staff, hospital and nursing home staff and committees to conduct focused reviews and studies on specified topics as opportunities for improvement in patient/resident care or other systems arise.

(7) Ensure that the medical staff credentialing and reappointment process utilizes relevant Performance Improvement findings.

(8) Evaluate the effectiveness of the hospital's risk management program.

(9) Ensure an ongoing process for credentialing and competency assessment of the Corporation's employees.

(10) Monitor changes in external agencies' regulations, standards and guidelines.

(11) Maintain confidentiality of the Performance Improvement and Patient Safety findings.

(12) Review and recommend modifications to the Performance Improvement and Patient Safety Plan, as necessary.

(13) Serve as the Institutional Review Board (IRB) of the Corporation.

(c) Meetings and Reports

The Systems Assessment/Improvement Committee shall meet as needed, but not less than eight (8) times per year, and shall make regular reports to the Board.

Section 11. Credentials Committee

(a) Composition

The Credentials Committee shall be a Committee of the Corporation and shall consist of not less than three (3) members of the board, the President, two (2) members appointed by the URMCE CEO (provided that the URMCE CEO appointees shall always constitute a minority of the members of this committee), and the following members of the medical staff:

- (1) Committee Chair as provided in the Medical Staff Bylaws
- (2) Chairmen of each clinical department
- (3) Vice President, Medical Affairs & CMO
- (4) Chief of Staff
- (5) Associate Chief of Staff

(b) Duties

The Credentials Committee coordinates the staff credentialing function by receiving and analyzing applications and recommendations for appointment and reappointment, provisional period conclusion or extension, clinical privileges and changes therein and recommending appropriate action.

The committee has the authority and responsibility to:

(1) Integrate relevant P/I findings for use in medical staff credentialing and reappointment.

(2) Review credentials applications for appointment and reappointment by all medical staff, including Adjunct and Allied Health Professional staffs. As an action of the Medical Staff Executive Committee, transmits directly to the Board of Trustees its written report and recommendations as to approval or denial of, and any special limitations on, staff appointment, category of staff membership and prerogatives, department affiliation and scope of clinical privileges, consistent with the Medical Staff Bylaws and Credentialing Procedures Manual.

(c) Meetings and Reports

The Credentials Committee shall meet monthly or more frequently, if necessary, and make regular reports to the Board of Trustees. Credentialing recommendations made to the Board of Trustees shall be the actions of the Credentials Committee and the Medical Staff Executive Committee.

Section 12. Community Advisory Committee

(a) Composition

The Community Advisory Committee shall be a Committee of the Corporation and shall consist of not less than three (3) members of the board, one of whom shall be Chair of the committee. Two (2) members shall be appointed by the URMCE CEO; provided that the URMCE CEO appointees shall always constitute a minority of the members of this committee. Other members of the committee shall include community members who will represent a cross-section of community interests. The Vice President, Community Services shall serve as an ex officio member of the committee, and shall be responsible for selection and appointment of community members to the committee.

(b) Duties

The Community Advisory Committee shall be responsible for overseeing community outreach activities and communication with our various publics in order to foster positive relationships. The committee shall monitor the image of the Corporation and assess customer needs within the communities the Corporation serves.



(c) Meetings and Reports

The Community Advisory Committee shall meet at least two times each year at a time and place established by the committee. The committee shall report to the board or Executive Committee as appropriate.

Section 13. Search Committee

(a) In the event of the resignation, retirement or other termination of the appointment of the President of the Corporation (and if the position is held by the Member's President and CEO), a search committee will be formed to identify qualified candidates to serve as the next President of the Corporation. The search committee will be a Committee of the Corporation, and shall consist of three (3) representatives appointed by the URMCE CEO and up to ten (10) members of the Board selected by the Board.

(b) (b) In the event of the resignation, retirement or other termination of the appointment of the President of the Corporation (if the position is not held by the Member's President and CEO) or individuals in other select executive/leadership positions, a search committee will be formed to identify qualified candidates to serve as the next President of the Corporation, or to fill such other positions. The search committee will be a Committee of the Corporation, and shall include representatives from both the Member and URMCE, as determined by agreement of their respective CEOs.

(c) (c) Candidates for President selected by the search committee formed pursuant to Article VII, Section 13(a) or (b) will be recommended to the Board and any final candidate selected to fill the position of President will be subject to approval by Class Voting as described in Article VI, Section 10.

Section 14. Special Committees

In addition to the Standing Committees there may be Special Committees of the board or of the Corporation which shall have only the powers specifically delegated to them by the board. The Chair of the Board shall appoint the members and Chairs of the Special Committees of the board unless the board indicates otherwise in the resolution authorizing the Special Committee of the board. The URMCE CEO may designate up to two (2) persons to serve as voting members of each special committee; provided that the URMCE appointees shall always constitute a minority of the members of each committee. The members of the Special Committees of the Corporation shall be approved by the board and are not required to be Trustees.

ARTICLE VIII

MEDICAL STAFF

Section 1. Organization

The Medical Staff shall be comprised of physicians and dentists who are graduates of recognized medical, dental or osteopathic schools, and who are duly licensed to practice medicine or dentistry in the State of New York. The Board shall consider recommendations of the Medical Staff and appoint to the Staff, in numbers consistent with the Corporation's objectives and proper patient care, physicians and dentists who meet the qualifications for membership set forth in the

Medical Staff Bylaws. The Board must, in addition, delineate each applicant's clinical privileges at the Corporation.

## Section 2. Appointment

All applications for appointment to the Medical Staff shall be in writing and addressed to the Chief Executive Officer of the Corporation. The application shall require detailed information concerning the applicant's education, licensure, professional competence and ethical character, as prescribed more fully in the Medical Staff Bylaws. Each applicant shall be reviewed in accordance with the procedures and criteria set forth in the Bylaws of the Medical Staff.

## Section 3. Duties of the Medical Staff

The Medical Staff shall be responsible for the quality of medical care in the Hospital, subject to the ultimate authority of the Board of Trustees. Among the duties of the Medical Staff are:

(a) to assure that all patients admitted to or treated at the Hospital receive high quality health care;

(b) to conduct an ongoing review and evaluation of the quality of each practitioner's professional performance in the Hospital, and to recommend the delineation of clinical privileges of each practitioner at the Hospital based upon such appraisal;

(c) to provide a cooperative professional relationship among the Medical Staff, the Board and the Administration through which issues concerning the Staff and the Hospital may be discussed;

(d) to provide an appropriate educational setting that will maintain scientific standards and that will lead to continuous advancement in professional knowledge and skill;

(e) to establish and maintain high professional and ethical standards;

(f) as more fully set forth in Section 4 of this Article, to develop and maintain bylaws, rules and regulations for the appointment, reappointment, delineation of privileges and self-government of the Staff;

(g) to make recommendations to the Board of Trustees concerning: appointments, reappointments and other changes in Staff status, pursuant to defined, written criteria;

(1) granting of clinical privileges;

(2) disciplinary action;

(3) all matters relating to professional competency;

(4) such specific matters as may be referred to the Staff by the Board

of Trustees.

## Section 4. Bylaws of the Medical Staff

The Medical Staff shall adopt bylaws, rules and regulations, and periodic amendments thereto as necessary, which set forth its organization and function, and which are consistent with

the bylaws, policies and objectives of the Board of Trustees and with applicable legal and regulatory requirements. Medical Staff bylaws, rules and regulations shall be subject to, and effective upon, approval by the Board of Trustees, and the Board's authority to adopt or amend such bylaws, rules and regulations shall not be dependent upon ratification by the Medical Staff. All members of the Medical Staff shall subscribe to and agree to be governed by all the bylaws, rules, regulations and policies of the Medical Staff and the Corporation and the requirements and ethical standards established by the medical specialty to which the physician belongs.

All appointments and granting of privileges to the medical staff shall be for two (2) years only, renewable only on recommendation of the medical staff upon re-application. When the application for any person for initial appointment to the Medical Staff is rejected, or when an appointment is not renewed, or when privileges have been or are proposed to be reduced, altered, suspended or terminated, the applicant or Medical Staff member shall be afforded an opportunity for a hearing and appellate review before the appropriate bodies, whose recommendations shall be considered by the Board prior to taking final action. Such hearings shall be conducted in accordance with procedures adopted by the Board consistent with those set forth in the Medical Staff Bylaws, so as to ensure due process and to afford full opportunity for the presentation of all pertinent information. The Board shall have final authority in making Medical Staff appointments and reappointments, and in granting clinical privileges to Medical Staff members.

Each member of the Medical Staff shall have appropriate authority and responsibility for the care of his patients, subject to such limitations as are contained in these bylaws, rules and regulations of the Medical Staff, and subject to any limitations attached to the practitioner's appointment.

#### Section 5. Vice President, Medical Affairs & Chief Medical Officer

(a) There shall be a Vice President, Medical Affairs & Chief Medical Officer (CMO) appointed by the Board of Trustees in consultation with the medical staff. The Vice President, Medical Affairs & CMO shall be qualified for membership on the medical staff and demonstrate an interest and capability in hospital/medical staff leadership roles. As a member of the medical staff in an administrative position, the Vice President, Medical Affairs & CMO may also have clinical responsibilities in his/her clinical specialty by applying for these privileges in accordance with the Medical Staff Bylaws.

(b) The Vice President, Medical Affairs & CMO shall be responsible for the organization and conduct of the medical staff as defined in the Medical Staff Bylaws, pertinent State Hospital Code provisions and a written job description developed in consultation with the medical staff.

(c) The Vice President, Medical Affairs & CMO shall be invited to attend all meetings of the Board of Trustees, without vote, and shall serve as a member of the Medical Staff and all medical staff committees.

### ARTICLE IX

#### AUXILIARY

##### Section 1.

The Board of Trustees recognizes the need for a hospital auxiliary.

## Section 2.

The function and purpose of the auxiliary shall be to promote and to advance the welfare of Geneva General Hospital through ways approved by the Board of Trustees of the hospital. The auxiliary may perform patient-related services within or outside of the hospital, conduct fund raising activities, conduct community service projects, enter into contracts as approved by the hospital's Board of Trustees or President, and carry on such other activities necessary to accomplish its purposes as approved by the Board of Trustees or President.

## Section 3.

The auxiliary may establish bank accounts, by resolution of the auxiliary's Executive Committee (and countersigned by the hospital President or designee). Funds disbursed for the benefit of the hospital must have prior approval of the hospital President.

## Section 4.

The auxiliary shall file annually with the Board of Trustees a financial statement and a report of the organization's activities during the past year.

## Section 5.

The bylaws of the auxiliary and any amendments thereto shall be approved by the Board of Trustees.

# ARTICLE X

## CODE OF ETHICS

### Section 1.

Trustees, officers and management employees shall exercise the utmost good faith in all transactions touching upon their duties to the Corporation and its property. In their dealings with and on behalf of the Corporation, they are held to a strict rule of honesty and fair dealing between themselves and the Corporation. They shall not use their positions, or knowledge gained therefrom, so that a conflict might arise between the Corporation's interest and that of the individual.

### Section 2.

All acts of Trustees, officers and management employees shall be for the sole benefit of the Corporation in any dealing which may affect it adversely. They should avoid, directly or indirectly, participating in any arrangement, agreement, investment or other activity which could result in personal benefit at the expense of the Corporation's interest.

### Section 3.

No Trustee, officer or management employee shall accept any favor which might influence their official act or which might reflect upon his/her business conduct.

#### Section 4.

Officers and management employees shall avoid outside employment or activity which involves obligations which may compete with or be in conflict with the interests of the Corporation.

#### Section 5.

A full disclosure of all facts of any transaction or relationship which is subject to any doubt shall be made to the President of the Corporation at any time that a conflict arises.

#### Section 6.

The President shall, at the meeting of the Board of Trustees immediately following the receipt of facts concerning any transaction or relationship which shall constitute or indicate a conflict of interest, report the same to the Chair of the Board of Trustees for such action as the President shall deem appropriate or required by the not-for-profit corporation laws of the state of New York.

#### Section 7.

A copy of this Code of Ethics and the Conflict of Interest Policy, shall be given to each new Trustee upon their election to the Board of Trustees.

### ARTICLE XI

#### STANDARDS

The corporation shall be operated in accordance with all Federal, State and local laws and shall be guided by the recommendations of the American Hospital Association and The Joint Commission and the Hospital Code of the State of New York.

*[Continued on next page]*

## ARTICLE XII

### AMENDMENTS

These bylaws may be amended, modified or repealed, in whole or in part, only by the affirmative vote of the Board of Trustees pursuant to Class Voting as described in Article VI, Section 10, and approval of the Member

## ARTICLE XIII

### FISCAL YEAR

The fiscal year of the Corporation shall begin on the 1st of January and end on the 31st day of December in each year.

## ARTICLE XIV

### CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, New York." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Prepared: January 19, 1984  
Adopted: March 23, 1984  
Amended: November 17, 1994  
Amended: November 20, 1997  
Effective: February 2, 1998  
Amended: March 25, 1998  
Amended: May 27, 1998  
Amended: March 28, 2001  
Amended: April 28, 2004  
Approved: November 17, 2010  
Amended: November 13, 2019  
Amended: November 24, 2020  
Amended and Restated:  
August 1, 2023

  
\_\_\_\_\_  
Secretary, Board of Trustees

**GENEVA GENERAL HOSPITAL**

**SECRETARY'S CERTIFICATE**

**August 1, 2023**


This Certificate (this "Certificate") is furnished to University of Rochester ("UR") and University of Rochester Medical Center ("URMC"), pursuant to Section 12.3.2 of that certain Master Alignment Agreement, dated as of April 14, 2022 among UR and URMC, and Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), Geneva General Hospital ("GGH"), Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva – North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva – South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVI"), FLH Medical, P.C. ("FLM"), Finger Lakes Health College of Nursing ("FLHCN"), dba Finger Lakes Health College of Nursing and Health Sciences, and the Finger Lakes Health Foundation, Inc. ("FLHF") (as amended from time to time, the "Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Agreement.

The undersigned, being the duly elected or appointed and qualified Secretary of GGH, does hereby certify, on behalf of GGH, and not in their individual capacity, as follows:

1. Attached hereto as Exhibits A and B are true, correct and complete copies of resolutions (the "Resolutions") duly adopted by the Board of Directors of GGH, duly authorizing the making, execution and delivery of the Agreement, and the consummation of the transactions contemplated thereby including but not limited to the adoption of the Restated Certificate of Incorporation as well as the Amended and Restated Bylaws, effective upon Closing. Such resolutions are in full force and effect on the date hereof and have not been altered, amended, modified or rescinded.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the date first written above.

  
Name: Rev. Jim Adams  
Title: Secretary

*(Signature Page to Secretary's Certificate (GGH))*



**Exhibit A**

**RESOLUTIONS  
OF THE  
BOARD OF TRUSTEES OF  
GENEVA GENERAL HOSPITAL**

**WHEREAS**, a draft Master Alignment Agreement ("Master Alignment Agreement"), by and among the University of Rochester ("UR") and University of Rochester Medical Center ("URMC"); and Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), Geneva General Hospital ("GGH"); Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva - North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva - South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor-Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVI"), Finger Lakes Health College of Nursing & Health Sciences ("FLHCN"), and the Finger Lakes Health Foundation, Inc. ("FLHF"), has been presented to the Board of Trustees (the "Board") of Geneva General Hospital (also referred to herein as the "Corporation"); and

**WHEREAS**, each of GGH and SSMH have previously entered into a Management Services Agreement with URMC, dated as of October, 1, 2020, and approved by the NYS Department of Health on October 19, 2020, and Board wishes to further integrate and strengthen their clinical service offerings through a formal alignment ("Alignment"); and

**WHEREAS**, URMC and the Board believe that the Alignment will enable URMC to establish new clinical programs to offer additional specialty services at GGH and to provide operational assistance and cost savings to GGH, SSMH and other clinical affiliates of FLH; and

**WHEREAS**, the Board seeks to improve the efficiency of the Corporation's and other clinical affiliates of FLH's services, reduce their costs, increase their access to capital and achieve certain other goals and objectives set forth in the Agreement;

**WHEREAS**, the members of the Board of Trustees, acting on behalf of the Corporation, find it in the best interests of the Corporation to adopt the following resolutions.

**RESOLVED**, that the Corporation shall enter into a Master Alignment Agreement (the "Master Alignment Agreement"), substantially in the form presented to the Board today, providing for the affiliation of the Corporation and each FLH affiliate with the University of Rochester ("UR") and the University of Rochester Medical Center ("URMC"), pursuant to which UR shall become the sole member of FLH; FLH shall remain the sole member of GGH,

SSMH, LCG-N, LCG-S, HLC, TB-HDFC, GG-HDFC and FLHF; SSMH shall remain the sole shareholder of SVI; a physician designated by GGH shall remain the sole shareholder of FLM; and GGH shall remain the sole member of FLHCN; and be it further

**RESOLVED**, as sole member of FLH, UR shall have all the rights and authority of members under the New York Not-for-Profit Corporation Law and common law except as specifically limited by the Master Alignment Agreement, and certain powers shall be reserved to UR and FLH, as set forth in the Master Alignment Agreement; and

**RESOLVED**, that, pursuant to the Master Alignment Agreement, each FLH affiliate with a board consisting of the same individuals as the FLH Board (the "Mirror Board Entities") shall cause to be appointed three (3) individuals appointed by UR, which number shall increase proportionately if the size of such board increases, as voting members (the "URMC Class of Directors"); and each FLH affiliate with a board consisting of individuals who are not the same individuals and the FLH Board (the "Non-Mirror Board Entities") shall cause to be appointed one (1) voting member to be appointed by the URMC CEO; and the URMC CEO shall have the right to appoint two (2) voting members to each committee of a Mirror Board Entity; and

**RESOLVED**, the current terms of the FLH Directors shall be extended for three (3) additional years, and UR shall not have the right to remove any FLH Director for five (5) years; and

**RESOLVED**, that certain Board actions will require the approval of the URMC Class of Directors, certain actions will be reserved to FLH with respect to the Non-Mirror Board Entities, as described in the Master Alignment Agreement, and UR, as the sole member of FLH, shall have certain reserved powers with respect to FLH and FLH's Affiliates; and

**RESOLVED**, that the Certificate of Incorporation and Bylaws of the Corporation be amended to reflect all of the foregoing changes, as described in the Master Alignment Agreement; and

**RESOLVED**, that, the closing of the transactions contemplated by the Master Alignment Agreement are subject to satisfactory due diligence review by the parties thereto, and certain other conditions; and

**RESOLVED**, that, subject to receipt of all necessary regulatory approvals, the President & CEO or other appropriate officers of the Corporation be, and hereby are, authorized, empowered and directed, without any further action of this Board, in the name and on behalf of the Corporation, to negotiate and approve, execute and deliver, and/or acknowledge and consent to, as the case may be, a Master Alignment Agreement to be entered into by and between the parties set forth in the first paragraph hereof, containing terms and conditions presented to the meeting, with such change or changes therein, or amendments thereto, as the officer executing the same on behalf of the Corporation shall, upon consultation with counsel, approve, the execution thereof with such change or changes to be conclusive evidence of the authority therefore; and be it further

**RESOLVED**, that the President & CEO or other appropriate officers of the Corporation be, and hereby are, authorized, empowered and directed, in the name and on behalf of the

Corporation, to take such additional action and to execute and deliver such additional agreements, documents and instruments as he or she may deem necessary or appropriate to implement the provisions of the foregoing resolutions, and to consummate the transactions contemplated thereby, the authority for the taking of such action and the execution and delivery of such agreements, documents or instruments to be conclusively evidenced thereby; and be it further

**RESOLVED**, that any and all actions heretofore or hereafter taken by any Officer or Trustee of the Corporation, consistent with the terms of the foregoing resolutions be, and hereby are, ratified, confirmed and approved as the acts and deeds of the Corporation.

Adopted as of: December 22, 2021    Board of Trustees

**Exhibit B**

**RESOLUTIONS**

**OF THE**

**BOARD OF TRUSTEES OF**

**GENEVA GENERAL HOSPITAL**

**WHEREAS**, Geneva General Hospital (the "Corporation") entered into the Master Alignment Agreement ("Master Alignment Agreement"), dated April 14, 2022, by and among the University of Rochester ("UR") and University of Rochester Medical Center ("URMC"); and Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), Geneva General Hospital ("GGH"); Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva - North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva - South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor-Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVI"), FLH Medical, P.C. ("FLM"), Finger Lakes Health College of Nursing ("FLHCN"), and the Finger Lakes Health Foundation, Inc. ("FLHF"), pursuant to which the parties thereto have agreed to create a single, multiple corporation system (the "Alignment"); and

**WHEREAS**, per the Master Alignment Agreement, to effect the Alignment, the Corporation shall adopt amended and restated bylaws as well as an amended and restated certificate of incorporation, which, among other things, make changes to the governance and structure of the Corporation as are specifically described in the Master Alignment Agreement;

**WHEREAS**, FLH and URMC have agreed that the closing of the transactions contemplated by the Master Alignment Agreement (the "Closing") shall occur, and the Alignment shall be effective, on August 1, 2023; and

**WHEREAS**, FLH is the sole member of the Corporation, and as such has the power to approve amendments of the Corporation's certificate of incorporation and bylaws; and

**WHEREAS**, the Corporation's management and legal counsel have presented amended and restated bylaws as required to effect the Alignment, as well as other changes that are recommended as necessary or appropriate, forms of which have been presented to the Board today and are attached as Exhibit A hereto; and

**WHEREAS**, the Corporation's management and legal counsel have presented an amended and restated certificate of incorporation for purposes of the Alignment, a form of which have been presented to the Board today and is attached as Exhibit B hereto; and it is hereby

**RESOLVED**, that, to effectuate the transactions contemplated by the Master Alignment Agreement, and to make other changes as have been recommended by management as necessary or appropriate, the Board of Trustees of the Corporation, hereby approves the adoption of the amended and restated bylaws set forth in Exhibit A hereto, subject to corrections consistent with alignment and/or typographical issues as the President & CEO of the Corporation shall, upon consultation with counsel, deem appropriate, and recommends them to FLH as the sole corporate member of the Corporation for approval, to become effective on August 1, 2023; and be it further

**RESOLVED**, that, the Board of Trustees hereby approves the adoption of the amended and restated certificate of incorporation set forth in Exhibit B hereto, subject to such changes as the President & CEO of the Corporation shall, upon consultation with counsel, deem appropriate, including as may be requested by any third party with the authority to approve amendments to the Corporation's certificate of incorporation, including but not limited to state or federal regulators; authorizes the President of the Corporation to execute the restated certificate of incorporation and to file it promptly upon receipt of any required third party approvals; and recommends it to FLH as the sole corporate member of the Corporation for approval; and be it further

**RESOLVED**, that the resignation of Jason Feinberg, MD, from the Board of Trustees of the Corporation effective July 26, 2023, is hereby accepted; and be it further

**RESOLVED**; that the position of Vice President, Medical Affairs and CMO be, and it hereby is, eliminated as an ex officio member of the Board of the Corporation, effective upon the effective date of the amended and restated bylaws referred to herein; and be it further

**RESOLVED**, that, if the Closing does not occur for any reason, the changes to the certificate of incorporation and bylaws described in the foregoing resolution shall be deemed to not have been adopted, and shall be of no force and effect; and be it further

**RESOLVED**, that the President & CEO of the Corporation be, and hereby is, authorized, empowered and directed, in the name and on behalf of the Corporation, to take such additional action and to execute and deliver such additional agreements, documents and instruments as he or she may deem necessary or appropriate to implement the provisions of the foregoing resolutions, and to consummate the transactions contemplated thereby, the authority for the taking of such action and the execution and delivery of such agreements, documents or instruments to be conclusively evidenced thereby; and be it further

**RESOLVED**, that any and all actions heretofore or hereafter taken by any Officer of the Corporation, consistent with the terms of the foregoing resolutions be, and hereby are, ratified, confirmed and approved as the acts and deeds of the Corporation.

Adopted as of: July 26, 2023

[EXHIBITS OMITTED FROM CERTIFICATE]

**UNIVERSITY OF ROCHESTER**

**SECRETARY'S CERTIFICATE**

August 1, 2023

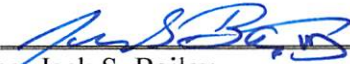
This Secretary's Certificate (this "Certificate") is furnished to Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), pursuant to Section 12.2.1 of that certain Master Alignment Agreement, dated as of April 14, 2022, by and between University of Rochester ("UR") and University of Rochester Medical Center ("URMC"), and FLH, Geneva General Hospital ("GGH"), Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva – North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva – South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor-Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVI"), FLH Medical, P.C. ("FLM"), Finger Lakes Health College of Nursing, dba Finger Lakes Health College of Nursing and Health Sciences ("FLHCN"), and the Finger Lakes Health Foundation, Inc. ("FLHF") (as amended from time to time, the "Agreement"). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Agreement.

The undersigned, in their capacity as the Secretary of UR and not in their individual capacity, hereby certifies as follows:

1. Attached hereto as **Exhibit A** and **Exhibit B** are true, correct, and complete copies of resolutions of the Board of Trustees of UR authorizing the making, execution and delivery of the Agreement and consummation of the transactions contemplated thereby. Such resolutions are in full force and effect on the date hereof and have not been altered, amended, modified or rescinded.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the date first written above.

**UNIVERSITY OF ROCHESTER**

By:   
Name: Jack S. Bailey  
Title: Secretary

**EXHIBIT A**

**Resolutions of the Board of Trustees of University of Rochester Approving the Master  
Alignment Agreement**





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**Board of Trustees**  
**Executive Committee Teleconference Meeting**  
**November 18, 2021**  
**Agenda Item No. 3. b.**  
**Approval of Affiliation with Finger Lakes Regional Health System, Inc.**

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**RESOLVED**

That the Executive Committee of the Board of Trustees hereby approves affiliation with Finger Lakes Regional Health System, Inc. d/b/a Finger Lakes Health (“Finger Lakes Health”), a parent company with the following wholly controlled subsidiaries (“affiliates”): Geneva General Hospital; Soldiers and Sailors Memorial Hospital of Yates County; Geneva Nursing Home II, Inc. d/b/a Living Center at Geneva – North; Geneva Nursing Home, Inc. d/b/a Living Center at Geneva – South; Huntington Nursing Home, Inc. d/b/a Huntington Living Center; Taylor-Brown Housing Development Fund Company, Inc.; Geneva General Housing Development Fund Company, Inc.; Soldiers Ventures, Inc.; FLH Medical, P.C.; Finger Lakes Health College of Nursing; and Finger Lakes Health Foundation, Inc., whereby the University will become the sole corporate member of Finger Lakes Health.

**AND FURTHER RESOLVED**

That the Executive Committee of the Board of Trustees hereby delegates authority to the University of Rochester Medical Center, acting through its Chief Financial Officer, who has preliminarily determined that the fair market value of the assets of Finger Lakes Health exceeds the \$92 million threshold requiring a Hart-Scott Rodino premerger notification, to make the final good-faith determination of the fair market value of the assets of Finger Lakes Health as required under federal regulations for purposes of filing a premerger notification under the Hart-Scott-Rodino Act, 16 CFR § 801.10(c)((3).

**AND FURTHER RESOLVED**

That the Executive Committee of the Board of Trustees hereby authorizes the Officers of the University and the Officers of the University of Rochester Medical Center, upon approval of the President, to take such actions and execute such documents as they may determine necessary and appropriate to effectuate these transactions.

**AND FURTHER RESOLVED**

That the Executive Committee of the Board of Trustees hereby authorizes the Senior Vice President for Health Sciences/Medical Center Chief Executive Officer to take membership actions on behalf of the University with respect to Finger Lakes Health and its affiliates.

**PROVIDED THAT:**

- Any material terms of the Master Alignment Agreement as presented to the Executive Committee that are changed before execution shall be approved by the President, with advice from the Chief Financial Officer of the University and the General Counsel of the University, as being in the best interests of the University and the University of Rochester Medical Center; and
- Any new information that becomes known to the President, the Chief Financial Officer of

the University, the Senior Vice President for Health Sciences/Medical Center Chief Financial Officer, and the General Counsel of the University, including but not limited to the results of due diligence regarding the transaction, prior to closing the transaction pursuant to the Master Alignment Agreement, does not present a material concern such that the President concludes that proceeding with the affiliation is unwise; and

- The President, on advice of the Chief Financial Officer of the University and the General Counsel of the University, shall report back to the Board of Trustees or its Executive Committee with respect to any material due diligence results received after this approval but prior to closing the transaction.

**EXHIBIT B**

**Resolutions of the Board of Trustees of University of Rochester Approving the Amendment  
to the UPMC Bylaws**



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**Board of Trustees  
Special Executive Committee Meeting  
July 31, 2023  
Agenda Item No. 02.c  
Approval of Bylaws Amendments  
And**

**Appointments to the University of Rochester Medical Center Board**

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**RESOLVED**

Upon recommendation of the Nominations and Board Practices Committee of the Medical Center Board, and the Medical Center Board Executive Committee the following amendments to the University of Rochester Medical Center Board are approved, and recommended to the University of Rochester Board of Trustees for approval, effective as of the date of closing the affiliation of Finger Lakes Regional Health System, Inc. with the University of Rochester:

ARTICLE V: MEMBERSHIP

A. Composition

- 1) The Board shall be comprised of not more than forty (40) public members. In no event shall there be fewer than five (5) Trustee members, which members may be Senior or Life Trustees of the University.
- 2) Of the forty (40) public members, three (3) of the seats on the Board shall be filled by candidates nominated by the Nominating Committee of the Board of Directors of F.F. Thompson Health System, Inc., and three (3) of the seats on the Board shall be filled by candidates nominated by the Nominating Committee of the Board of Directors of Finger Lakes Regional Health System, Inc.

ARTICLE X: BOARD REMOVAL AND VACANCIES

Members of the Board may be removed from office, with or without cause, by the Board of Trustees. If a vacancy occurs on the Board, the Nominations and Board Practices Committee may recommend a replacement for the unexpired term to the Board of Trustees; provided that if a seat filled by a nominee of the Nominating Committee of the Board of Directors of F.F. Thompson Health System, Inc. becomes vacant, the vacancy shall be filled by an individual nominated by the Nominating Committee of the Board of Directors of F.F. Thompson Health System, Inc.; and- provided further that if a seat filled by a nominee of the Nominating Committee of the Board of Directors of Finger Lakes Regional Health System, Inc. becomes vacant, the vacancy shall be filled by an individual nominated by the Nominating Committee of the Board of Directors of Finger Lakes Regional Health System, Inc.

**AND FURTHER RESOLVED**

Upon recommendation of the Nominations and Board Practices Committee of the Medical Center Board, and the Medical Center Board Executive Committee the following nominees submitted by the Board of Directors of Finger Lakes Regional Health System, Inc. following nomination by its Nominating Committee are approved for appointment to the Medical Center Board, and recommended to the University of Rochester Board of Trustees for approval, effective as of the date of closing the affiliation of Finger Lakes Regional Health System, Inc. with the University of Rochester:

Philip G. Beckley  
Menzo D. Case  
Ryan M. Hallings

**EXPLANATION**

Pursuant to the Master Alignment Agreement between the University of Rochester Medical Center and Finger Lakes Regional Health System, Inc. ("Finger Lakes Health") dated April 14, 2022, it was agreed that effective as of the closing date of the affiliation of Finger Lakes Health with the University of Rochester, the University of Rochester Medical Center Board would include three representatives of Finger Lakes Health nominated by the Nominating Committee of the Finger Lakes Health and approved by its Board of Directors, subject to approval by the University of Rochester Board of Trustees.

The proposed amendments to the Bylaws implement this provision.

At their meeting conducted via electronic review on June 16, 2023 the University of Rochester Medical Center Board Nominations Committee approved the following amendments to the University of Rochester Medical Center Board are approved, and recommended to the University of Rochester Board of Trustees for approval, effective as of the date of closing the affiliation of Finger Lakes Regional Health System, Inc. with the University of Rochester.

At their meeting on June 26, 2023, the University of Rochester Medical Center Board Executive Committee approved the following amendments to the University of Rochester Medical Center Board are approved, and recommended to the University of Rochester Board of Trustees for approval, effective as of the date of closing the affiliation of Finger Lakes Regional Health System, Inc. with the University of Rochester:

**FINGER LAKES REGIONAL HEALTH SYSEM, INC.,  
DBA FINGER LAKES HEALTH**

**SECRETARY'S CERTIFICATE**

**August 1, 2023**

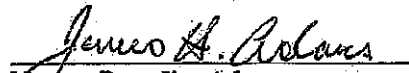
This Certificate (this "Certificate") is furnished to University of Rochester ("UR") and University of Rochester Medical Center ("URMC"), pursuant to Section 12.3.2 of that certain Master Alignment Agreement, dated as of April 14, 2022 among UR and URMC, and Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), Geneva General Hospital ("GGH"), Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva – North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva – South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVI"), FLH Medical, P.C. ("FLM"), Finger Lakes Health College of Nursing ("FLHCN"), dba Finger Lakes Health College of Nursing and Health Sciences, and the Finger Lakes Health Foundation, Inc. ("FLHF") (as amended from time to time, the "Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Agreement.

The undersigned, being the duly elected or appointed and qualified Secretary of FLH, does hereby certify, on behalf of FLH, and not in their individual capacity, as follows:

1. Attached hereto as Exhibits A and B are true, correct and complete copies of resolutions (the "Resolutions") duly adopted by the Board of Directors of FLH, duly authorizing the making, execution and delivery of the Agreement, and the consummation of the transactions contemplated thereby including but not limited to the adoption of the Restated Certificate of Incorporation as well as the Amended and Restated Bylaws, effective upon Closing. Such resolutions are in full force and effect on the date hereof and have not been altered, amended, modified or rescinded.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate as of the date first written above.

  
Name: Rev. Jim Adams  
Title: Secretary

*(Signature Page to Secretary's Certificate (FLH))*

**Exhibit A**

**RESOLUTIONS  
OF THE  
BOARD OF DIRECTORS OF  
FINGER LAKES REGIONAL HEALTH SYSTEM, INC.  
DBA FINGER LAKES HEALTH**

**WHEREAS**, a draft Master Alignment Agreement ("Master Alignment Agreement"), by and among the University of Rochester ("UR") and University of Rochester Medical Center ("URMC"); and Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), Geneva General Hospital ("GGH"); Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva - North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva - South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor-Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVI"), Finger Lakes Health College of Nursing & Health Sciences ("FLHCN"), and the Finger Lakes Health Foundation, Inc. ("FLHF"), has been presented to the Board of Directors (the "Board") of Finger Lakes Regional Health System, Inc. dba Finger Lakes Health (also referred to herein as the "Corporation"); and

**WHEREAS**, each of GGH and SSMH have previously entered into a Management Services Agreement with URMC, dated as of October, 1, 2020, and approved by the NYS Department of Health on October 19, 2020, and Board wishes to further integrate and strengthen their clinical service offerings through a formal alignment ("Alignment"); and

**WHEREAS**, URMC and the Board believe that the Alignment will enable URMC to establish new clinical programs to offer additional specialty services at GGH and to provide operational assistance and cost savings to GGH, SSMH and other clinical affiliates of FLH; and

**WHEREAS**, the Board seeks to improve the efficiency of the Corporation's and other clinical affiliates of FLH's services, reduce their costs, increase their access to capital and achieve certain other goals and objectives set forth in the Agreement;

**WHEREAS**, the members of the Board of Directors, acting on behalf of the Corporation, find it in the best interests of the Corporation to adopt the following resolutions.

**RESOLVED**, that the Corporation shall enter into a Master Alignment Agreement (the "Master Alignment Agreement"), substantially in the form presented to the Board today, providing for the affiliation of the Corporation and each FLH affiliate with the University of Rochester ("UR") and the University of Rochester Medical Center ("URMC"), pursuant to



which UR shall become the sole member of FLH; FLH shall remain the sole member of GGH, SSMH, LCG-N, LCG-S, HLC, TB-HDFC, GG-HDFC and FLHF; SSMH shall remain the sole shareholder of SVI; a physician designated by GGH shall remain the sole shareholder of FLM; and GGH shall remain the sole member of FLHCN; and be it further

**RESOLVED**, as sole member of FLH, UR shall have all the rights and authority of members under the New York Not-for-Profit Corporation Law and common law except as specifically limited by the Master Alignment Agreement, and certain powers shall be reserved to UR and FLH, as set forth in the Master Alignment Agreement; and

**RESOLVED**, that, pursuant to the Master Alignment Agreement, each FLH affiliate with a board consisting of the same individuals as the FLH Board (the "Mirror Board Entities") shall cause to be appointed three (3) individuals appointed by UR, which number shall increase proportionately if the size of such board increases, as voting members (the "URMC Class of Directors"); and each FLH affiliate with a board consisting of individuals who are not the same individuals and the FLH Board (the "Non-Mirror Board Entities") shall cause to be appointed one (1) voting member to be appointed by the URMC CEO; and the URMC CEO shall have the right to appoint two (2) voting members to each committee of a Mirror Board Entity; and

**RESOLVED**, the current terms of the FLH Directors shall be extended for three (3) additional years, and UR shall not have the right to remove any FLH Director for five (5) years; and

**RESOLVED**, that certain Board actions will require the approval of the URMC Class of Directors, certain actions will be reserved to FLH with respect to the Non-Mirror Board Entities, as described in the Master Alignment Agreement, and UR, as the sole member of FLH, shall have certain reserved powers with respect to FLH and FLH's Affiliates; and

**RESOLVED**, that the Certificate of Incorporation and Bylaws of the Corporation be amended to reflect all of the foregoing changes, as described in the Master Alignment Agreement; and

**RESOLVED**, that, the closing of the transactions contemplated by the Master Alignment Agreement are subject to satisfactory due diligence review by the parties thereto, and certain other conditions; and

**RESOLVED**, that, subject to receipt of all necessary regulatory approvals, the President & CEO or other appropriate officers of the Corporation be, and hereby are, authorized, empowered and directed, without any further action of this Board, in the name and on behalf of the Corporation, to negotiate and approve, execute and deliver, and/or acknowledge and consent to, as the case may be, a Master Alignment Agreement to be entered into by and between the parties set forth in the first paragraph hereof, containing terms and conditions presented to the meeting, with such change or changes therein, or amendments thereto, as the officer executing the same on behalf of the Corporation shall, upon consultation with counsel, approve, the execution thereof with such change or changes to be conclusive evidence of the authority therefore; and be it further

**RESOLVED**, that the President & CEO or other appropriate officers of the Corporation be, and hereby are, authorized, empowered and directed, in the name and on behalf of the Corporation, to take such additional action and to execute and deliver such additional agreements, documents and instruments as he or she may deem necessary or appropriate to implement the provisions of the foregoing resolutions, and to consummate the transactions contemplated thereby, the authority for the taking of such action and the execution and delivery of such agreements, documents or instruments to be conclusively evidenced thereby; and be it further

**RESOLVED**, that any and all actions heretofore or hereafter taken by any Officer or Director of the Corporation, consistent with the terms of the foregoing resolutions be, and hereby are, ratified, confirmed and approved as the acts and deeds of the Corporation.

Adopted as of: December 22, 2021    Board of Directors

**Exhibit B**

**RESOLUTIONS**

**OF THE**

**BOARD OF DIRECTORS OF**

**FINGER LAKES REGIONAL HEALTH SYSTEM, INC.**

**WHEREAS**, Finger Lakes Regional Health System, Inc., dba Finger Lakes Health (the "Corporation") entered into the Master Alignment Agreement ("Master Alignment Agreement"), dated April 14, 2022, by and among the University of Rochester ("UR") and University of Rochester Medical Center ("URMC"); and Finger Lakes Regional Health System, Inc., dba Finger Lakes Health ("FLH"), Geneva General Hospital ("GGH"); Soldiers and Sailors Memorial Hospital of Yates County ("SSMH"), Geneva Nursing Home II, Inc., dba Living Center at Geneva - North ("LCG-N"), Geneva Nursing Home, Inc., dba Living Center at Geneva - South ("LCG-S"), Huntington Nursing Home, Inc., dba Huntington Living Center ("HLC"), Taylor-Brown Housing Development Fund Company, Inc. ("TB-HDFC"), Geneva General Housing Development Fund Company, Inc. ("GG-HDFC"), Soldiers Ventures, Inc. ("SVI"), FLH Medical, P.C. ("FLM"), Finger Lakes Health College of Nursing ("FLHCN"), and the Finger Lakes Health Foundation, Inc. ("FLHF") (collectively the "FLH Affiliates", pursuant to which the parties thereto have agreed to create a single, multiple corporation system (the "Alignment"); and

**WHEREAS**, per the Master Alignment Agreement, to effect the Alignment, the Corporation shall adopt amended and restated bylaws as well as an amended and restated certificate of incorporation, which, among other things, make changes to the governance and structure of the Corporation and the FLH Affiliates as are specifically described in the Master Alignment Agreement;

**WHEREAS**, FLH and URMC have agreed that the closing of the transactions contemplated by the Master Alignment Agreement (the "Closing") shall occur, and the Alignment shall be effective, on August 1, 2023; and

**WHEREAS**, the Corporation's management and legal counsel have presented amended and restated bylaws as required to effect the Alignment, as well as other changes that are recommended as necessary or appropriate, forms of which have been presented to the Board today and are attached as Exhibit A hereto; and

**WHEREAS**, the Corporation's management and legal counsel have presented an amended and restated certificate of incorporation of the Corporation for purposes of the Alignment, a form of which have been presented to the Board today and is attached as Exhibit B hereto; and it is hereby

**RESOLVED**, that, to effectuate the transactions contemplated by the Master Alignment Agreement, and to make other changes as have been recommended by management as necessary or appropriate, the Board of Directors of the Corporation hereby approves the adoption of the

amended and restated bylaws set forth in Exhibit A hereto, subject to corrections consistent with alignment and/or typographical issues as the President & CEO of the Corporation shall, upon consultation with counsel, deem appropriate, to become effective on August 1, 2023; and be it further

**RESOLVED**, that, the Board of Directors hereby approves the adoption of the amended and restated certificate of incorporation set forth in Exhibit B hereto, subject to such changes as the President & CEO of the Corporation shall, upon consultation with counsel, deem appropriate, including as may be requested by any third party with the authority to approve amendments to the Corporation's certificate of incorporation, including but not limited to state or federal regulators; authorizes the President of the Corporation to execute the restated certificate of incorporation and to file it promptly upon receipt of any required third party approvals; and be it further

**RESOLVED**, that, if the Closing does not occur for any reason, the changes to the certificate of incorporation and bylaws described in the foregoing resolution shall be deemed to not have been adopted, and shall be of no force and effect; and be it further

**RESOLVED**, that the President & CEO of the Corporation be, and hereby are, authorized, empowered and directed, in the name and on behalf of the Corporation, to take such additional action and to execute and deliver such additional agreements, documents and instruments as he or she may deem necessary or appropriate to implement the provisions of the foregoing resolutions, and to consummate the transactions contemplated thereby, the authority for the taking of such action and the execution and delivery of such agreements, documents or instruments to be conclusively evidenced thereby; and be it further

**RESOLVED**, that any and all actions heretofore or hereafter taken by any Officer of the Corporation, consistent with the terms of the foregoing resolutions be, and hereby are, ratified, confirmed and approved as the acts and deeds of the Corporation.

Adopted as of: July 26, 2023

[EXHIBIT OMITTED FROM CERTIFICATE]