

NEW YORK STATE DEPARTMENT OF HEALTH
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL
ESTABLISHMENT AND PROJECT REVIEW COMMITTEE MEETING

June 4, 2025, 10:00 AM

90 CHURCH STREET, 4TH FLOOR, CONFERENCE ROOMS 4A AND 4B, NYC
TRANSCRIPT

Mr. Robinson Good morning, everybody. A beautiful day in New York, even if things around the world are pretty crazy, including down in Washington. We here are going to do what we need to do to move healthcare forward. My name is Peter Robinson. I'm the Chair of the Establishment and Project Review Committee. I have the privilege to call to order the committee meeting. Welcome members, participants, and observers. I will note that the participant that is key, Shelly Glock, from the department, is joining us remotely on the screen, but she'll be actively involved in the discussions that we have. I want to remind council members, staff, and the audience that this meeting is subject to the Open Meeting Law and is broadcast over the internet. The webcasts are accessed at the Department of Health's website, NYHealth.Gov. The On Demand webcast will be available no later than seven days after the meeting for a minimum of thirty days, and then a copy will be retained in the department for four months. Just a few ground rules, synchronized captioning is in play. It's important that people don't talk over each other. It would be helpful if the first time you speak, you identify yourself and your role, whether you're a council member or staff member. If we have members or applicants, members of the audience or applicants you'll introduce yourselves as well and that will help the broadcasting company as we record the meeting. Mics are hot, they pick up side conversations so be a little bit discreet about that. I think most of you are familiar with the record of appearance form. I believe that you've filled it out. If you haven't, please do so now so that we can make a record of your appearance since required under the Executive Law Section 166. I think that covers all of the preambles.

Mr. Robinson We're going to get right into it and start with the applications. The first application I'm calling is 2510125C, Stony Brook University Hospital in Suffolk County. This is to certify a new multi-specialty ambulatory surgery center extension clinic at 500 Comack Road in Comack, Long Island. The department is recommending approval with conditions and contingencies.

Mr. Robinson May I have a motion?

Mr. Robinson Dr. Berliner.

Mr. Robinson Second, Dr. Torres.

Mr. Robinson Ms. Glock.

Ms. Glock Good morning. This is Shelly Glock from the department.

Ms. Glock Can everyone hear me okay?

Mr. Kraut Can you raise the volume a little?

Mr. Kraut Yeah, we can hear you. I just want him to raise the volume in the room a little.

Mr. Kraut Go ahead.

Ms. Glock Okay, apologies for not being with you this morning and apologies for my new baritone voice that you'll have to listen to for a couple of hours. The first project is Stony Brook University Hospital is requesting approval to certify and construct a new multi-specialty ambulatory surgery hospital extension clinic. This will be within lease space in Suffolk County in Commack, New York. The Ambulatory Surgery Center will be situated within the Advanced Specialty Care Center, which also includes the Stony Brook Medicine Advanced Specialty Care Center which is an existing multi-specialty practice that's currently non-Article 28. This new Ambulatory Surgery Center Extension Clinic will be known as the Stony Brook Ambulatory Surgeries center. The extension clinic will specialize in a number of surgical specialties, including orthopedics, ophthalmology, urology, pain management, and neurosurgeries to patients currently being treated at the Stony Brook University Hospital and their physician practices already at that proposed site. This extension clinic will ensure consistent convenience for their patients, allowing them to attend pre and post procedure appointments in the same location as their surgical procedures. These cases are shifting from the existing hospital-based ambulatory surgery center. Approval of the project will allow Stony Brook University Hospital to redistribute their ambulatory surgeries procedures to the most appropriate setting, provide better continuity...and also hopefully reduce paid times. The total project costs of \$19,405,375, which is for renovations and movable equipment will be met with a combination of equity and loans. The department is recommending approval with contingencies and conditions.

Mr. Robinson Thank you.

Mr. Robinson Are there any questions from members of the committee or other members of council?

Mr. Robinson Hearing none, applicant?

Mr. Robinson Questions only.

Mr. Robinson Thank you.

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

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson The motion carries.

Mr. Robinson Thank you.

Mr. Robinson Application 251044C, Delaware Valley Hospital Inc in Delaware County. This is to construct a new building connected to the main hospital building to create a

medical neighborhood model of care. The department is recommending approval with conditions and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Dr Torres.

Mr. Robinson Ms. Glock.

Mr. Robinson Thank you.

Ms. Glock Delaware Valley Hospital is a twenty-five-bed critical access hospital located in Delaware County. This application is seeking approval to construct a new four-story building plus a penthouse and basement that will be connected to the existing main building. Delaware Valley hospital will move all twenty-five inpatient beds and services from their current location to this new building. The vacated space in the main hospital will then be used by public agencies and private community-based organizations such as the Delaware County Public Health Service, Delaware County Office of the Aging, and Delaware County Mental Health Services to implement what they're describing as a medical neighborhood model of care. This application also seeks approval to add outpatient occupational therapy and outpatient speech language pathology to the operating certificate. There will be no change to the number of licensed beds. This project will allow them to create these twenty-five private rooms with in-suite bathrooms, on-suite bathroom to expand and offer specialty medical services by bringing more medical specialists in one location and providing more coordinated and comprehensive care for their patient. The total project cost will be funded with a bank loan and equity. The department is recommending approval with conditions and contingency.

Mr. Robinson Thank you very much.

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

Dr. Berliner This is for the department. This is not a question about this application per se, but do we have any evidence that the medical neighborhood model works? We've had a number of those come through here and just never heard anything about are they actually effective in improving access and all the other stated goals?

Mr. Robinson Ms. Glock, do you want to take a shot at that?

Ms. Glock I would just say that I don't think I've seen any hard data on terms of reduced improvements or reductions in admissions or that type of thing, the outcomes, but just from a patient-centered model of care, the more you can coordinate and bring things to the patient in essentially a centralized location, the accessible they become and from that thought. I would think that would be a positive thing we would want.

Dr. Berliner I mean, I agree with what Shelly is saying. It just would be nice to see if there was... It's one of those things that sounds good, but is it?

Dr. Berliner Can the applicant speak to that issue?

Mr. Kraut I would just suggest focussing on just that one question and not wander away from it.

Mr. Cicero I'm Frank Cicero, a consultant representing the applicant.

Mr. Bojo Rolland Bojo, President and CEO of Delaware Valley Hospital, Incorporated.

Ms. Rider Lucinda Rider, I'm the Vice President of Finance and CFO for Delaware Valley Hospital.

Mr. Bojo While I have not seen any concrete data also, particularly in rural New York State where transportation is such an issue, Delaware County, the county that we function in, one out of ten people do not have access to transportation. The medical neighborhood concept of bringing more specialties, all the resources under one roof is going to allow us to serve the community and the residents much better, particularly the lower social economic residents who don't have access to as much in the area.

Mr. Cicero I would just add one thing is that there's pre-outcome data, the HEIA in this case shows that folks are really looking forward to having this type of model.

Mr. Robinson While we have the applicant up here, any other questions for the applicant?

Mr. Robinson We thank you.

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

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson Application 251096C, New York Presbyterian Hospital, Columbia Presbyterian Center in New York County. It's called Washington Heights, for those of us that construct a new building to consolidate oncology and medical specialty services on the hospital campus. Department is recommending approval with conditions and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Dr Torres.

Mr. Robinson Ms. Glock.

Ms. Glock New York Presbyterian Hospital Columbia Presbytery Center is requesting approval to construct a new building to consolidate oncology and multi-specialty services on their campus. This new building will be known as the Beacon Building. It will be connected to New York Presby's Morgan Stanley Children's Hospital through a service

building. This Beacon building will be sixteen stories. It'll have Article 28 and non-Article 28 space, as well as some shelf space to be fitted out at a later date. There will be no change to the operating certificate as a result of this application. The Beacon building 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, and will consolidate cancer care at their campus, allowing the facility to address an increase in outpatient cancer visits. Since 2021, New York Presbyterian Columbia has added nearly thirty medical oncologists across multiple specialties to their service offerings. They are projecting about 130,000 visits in year one and year three, and they are reporting that about 66 of their patients come from their primary service area, but 25% are coming from Queens, Brooklyn, and Rockland counties, and patients also come from Nassau, Suffolk, Orange, and Putnam. The total project cost of one billion, \$247 million, \$529 million, and \$143 million will be met through an equipment lease of about \$354 million and a bond financing of about 872 million. The department has reviewed the application and is recommending approval with conditions and contingent.

Mr. Robinson Thank you very much.

Mr. Robinson Questions from the committee?

Mr. Robinson Yes, Dr. Berliner.

Dr. Berliner Is this the most expensive project we've ever considered?

Mr. Robinson I don't think so.

Mr. Kraut No, we've considered projects of reconstruction in excess of this amount over the years NY Use Rebuilding Programs. I would just say if you, you know, today's cranes, there are two or three projects coming down the road that will exceed this by a factor of a hundred percent. I mean, it's expensive construction. I suspect the budgets were developed before certain tariffs were imposed on imported construction materials so I wouldn't be surprised if this comes back with a cost increase somewhere down the road when they actually go out to bid it. I don't think it needs to come back to us if that happens. Just administratively please deal with those things.

Mr. Robinson Mr. Lawrence.

(Speaker low)

Mr. Robinson We can certainly ask the applicant to comment on that.

Dr. Berliner What is the amount of increase in the cost that would require it to come back?

Mr. Robinson Shelly, if an application incurs a cost increase over a certain percentage, it needs to return?

Ms. Glock Typically, they would need to put a modification in is that we would only return to its already a full review, but I'm going to ask George, we could see from our staff is participating. If he could answer that question, the specifics of if it would have to come back at a certain percentage.

George M. I don't think it's the dollar amount so much as the other parameters of the project that would require it to come back to the council. Most cost increases could be handled administratively as a modification of the original approval without coming back.

Mr. Kraut George, it would only really come back to us if there was a serious and extensive scope change.

George M. I think if the cost increased so much that there was a change in the financing or something like that, then it would come back.

Mr. Robinson Thank you.

Mr. Robinson If you'd be kind enough to introduce yourselves.

Mr. Donley My name is Brian Donley. I'm the Executive Vice President and Chief Operating Officer for New York Presbyterian.

Ms. Cook I'm Colleen Cook. I'm the Group Senior Vice President and Chief Operating Officer for the Columbia Division.

Ms. Rike Miriam Rike, Senior Vice President Finance for New York Presbyterian.

Ms. Westervelt Karen Westervelt, Group Senior Vice President for Strategy and Regulatory.

Mr. Cicero Frank Cicero, consultant on the application.

Mr. Donley I'd ask Miriam to respond to the question.

Ms. Rike Sure.

Ms. Rike Thank you, Brian.

Ms. Rike I'll just speak a little bit to New York Presbyterian's financial aid policy. First of all, this building, this proposed project will serve all patients regardless of ability to pay. The hospital is committed to comprehensive assessment of financial aid, and New York Presbyterian goes beyond the New York State requirement of providing aid to low-income individuals. Our policy is to review up to 600 percent of the federal poverty level. Under no circumstances will New York Presbyterian refuse treatment based on the ability to pay. Our community benefit dollars are \$2.4 billion a year and includes a number of programs but including our underinsured and uninsured patients. For New York Presbyterian, our payer mix is 66% government, including 29% Medicaid. Within all of that, the financial aid and the commitment to patients is regardless of their ability to pay.

Mr. Lawrence I guess, for me, it's a little concerning that we have an institution of your size. I know there are a lot of people in New York City, around the area that are pretty desperate, and a lot of people don't have it.

Ms. Rike Correct, and so the 1% does not include the Medicaid patients and under-insured patients where we provide financial aid.

Ms. Westervelt I would also add, we have staff that do everything within our power as appropriate to make sure that individuals that are eligible for insurance, we help them become eligible for insurance if at all possible as well.

Mr. Robinson Are you feeling like you have an answer or?

Mr. Lawrence I feel like I have an answer, but I don't feel comfortable with the answer. I'm looking for something. Because uninsured and people that do... Usually, charity care is when you can't pay. If you can't pay, then that's a big number for many people. I understand enrolling people, insurance, and that's the smart thing to do. I would just give the uninsured, given the underinsured, I would just expect a larger number than 1%.

Mr. Robinson I guess the thing I would say is that because of the expansion of Obamacare and other programs, there are more and more people that previously got Charity Care that are now being covered through various New York programs. It may be that the percentage is actually legitimate. What is probably most important in this application is the percentage of public payers and especially Medicaid, and that's, I think pretty robust.

Mr. Kraut Let's just be clear, I mean, and this is going to come up in other applications today about charity care. In general, we are expecting an applicant, as they've just said, they're going to take all comers. They're going to... Whether it's 0.99%, 1% or 2%, they're going to be in a position to do it. We have 39% of New Yorkers enrolled right now in Medicaid. Cancer programs by and large skew older towards Medicare and Medicaid's a little younger. The point you're making is valid. It's an issue we should bring up with every client. Now, I just looked at their community benefit report online and the percent is small, the numbers are large in dollars. You guys have made very clear that there's a commitment to take all comers, particularly for cancer, and that's what we expect to see. You're hearing what we're saying, and we expect you to fulfill that commitment. Trust me, I'm sure there's enough eyes looking on you that if you don't we will read about it.

Ms. Westervelt Yes, we are committed to take all comers coming through our doors.

Dr. Kalkut I may have missed it. Is the financial support including sliding scale for the uninsured?

Ms. Rike Yes, it does.

Dr. Kalkut Can you talk a little bit about this?

Ms. Rike We do an assessment of each patient. It starts with the 600% of federal poverty level, but we also cover patients who have high out-of-pocket and are sort of underinsured in that way. It is a needs assessment. In 2024, we had \$349 million of financial aid.

Mr. Lawrence Are you working with any of the FQHCs locally in the area, because that may help with some of your charity care?

Ms. Westervelt Yes, we work with many of the FQHCs in our service area as well, and I don't know, Dr. Cook, if you want to talk about some of the community service organizations that we work with.

Ms. Cook I definitely will.

Ms. Cook One of the great things, I've been in my role for about a year and a half. Since 1995, the Manhattan Cancer Services Grant from the Department of Health we've been participating in to provide cancer services for women for screening. When we look at the preventative health agenda for the New York State, along with the community health needs assessment and our community service plan, they're all aligned in terms of, if you focus on, for example, goal number four, which is a lot of the preventative services, again, for women for breast cancer screening, colorectal screening, and cervical cancer screening. All of these are aligned. What we do is we have a number of surveys. They all come together, and we work with the community. There are probably about five to seven different community organizations that I've touched in our community. We follow through dashboards, through surveys, through feedback, through pre and post in terms of to confirm that what we've done has made a difference. There are a whole host of, I can, I have a list of the community organizations, but it's a robust, very vibrant community that is really committed and excited about our services.

Mr. Kraut Do you still have the Presbyterian Community Fund? You launched that back in 2023, where you're providing grants to a lot of CBOs.

Ms. Cook Yes, yes, and then we get monthly updates on where those grants go. It's pretty neat.

Ms. Cook Thank you.

Mr. Robinson Dr. Berliner.

Dr. Berliner This is a question we could probably ask to any of the applicants before us today.

Mr. Kraut Just a little closer to the mic.

Dr. Berliner This is the question we can probably ask any of the applicants for us today but given as Mr. Kraut mentioned that the cost of the project was laid out well before changes to the finances in the country and tariffs and other things like that, declines in funding for Medicaid should that happen. How are you prepared to deal with what may be the need for a lot more money even in an incredibly expensive project?

Mr. Ienuso Thank you for that question.

Mr. Ienuso It's specifically about tariffs, right?

Mr. Ienuso Oh, yes. I'm Joe Ienuso. I'm the Group Senior Vice President for Facilities in Real Estate. Your question is specifically about tariff.

Mr. Ienuso Yes, understood.

Mr. Ienuso Just to start on the cost side, the way that we approach this project, and in broader context, every project that we're responsible for on the capital side, we engage both the architect, and we bring on a construction management firm to do both pre-construction and ultimately construction. We have both parties prepare an extensive estimate of cost, and then we reconcile the two to really get to what we believe the true and final cost should be. At the end of each design phase, schematic design, design

development, ultimately preparation of construction documents, we then prepare another set of estimates using the two firms, architect and engineer. We require them for a project of this scale to hire a third-party firm, also typically and we reconcile those costs. That's a standard practice for us across all projects, quite frankly, regardless of size. We believe that's the best practice to help us get good line of sight and then ultimately manage the cost. If there's any significant delta beyond what we would normally consider fundable within the contingencies, then we would pause that project and take a hard look at it. As it relates to the current exposure for cost across our industry we have been very sensitive to the way that we are putting firms on our bid list, whether it's for exterior wall, steel, or mechanical, electrical, and plumbing packages. So far on this project, I can tell you that we have been able to navigate pricing such that we've not been impacted by tariffs at all. However, I don't want any of us to have a false confidence about that. That's a very mercurial set of facts. Even if we agree that tariffs that are in place at the time of contract execution, that too is a very mercurial set of facts. So far I think so good on this project, but we're going to continue to monitor that very, very closely, and I believe we have the mechanisms in place to do so. That's on the cost side. We're at the early phase of the project, but I have great confidence at this point that we'll manage within our typical structure, which includes a 20 percent contingency, which again is fairly standard across the industry. I'll pause there.

Ms. Westervelt I think your question is, with the macroeconomics that are facing us, will we be continuing with this project? The answer is yes. We're actually doing everything currently focusing on how to become more efficient as well and make sure that we're financially resilient as well. We will be continuing through this project, regardless, I think, of what's happening, I think, at the federal and state level.

Mr. Robinson Any other questions for the applicant?

Mr. Robinson Hearing none, thank you very much.

Mr. Robinson Is there anyone from the public wishing to speak on this application?

Mr. Robinson Hearing none, we'll call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson Application 251126C, NYU Langone Hospitals in Richmond County, noting a conflict and recusal by Dr. Kalkut, who's left the room. This is to certify a new Perlmutter Cancer Center Hospital Extension Clinic in an existing space at 2801 Richmond Avenue in Staten Island. Department is recommending approval with conditions and a contingency.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Dr Torres.

Mr. Robinson Ms. Glock.

Ms. Glock Thank you.

Ms. Glock As Mr. Robinson stated, this application is seeking approval for NYU Langone Hospital to certify a Perlmutter Cancer Center hospital extension clinic in Staten Island. Upon certification, the extension clinic would provide National Cancer Institute, NCI, designated cancer care in Staten island. That would include office visits with medical and radiation oncologists, treatment for cancer infusions, radiation oncology, and imaging. This application also seeks approval, which will include one new LINAC for the provision of therapeutic radiology. Approval of this project will improve local access to cancer services for patients who might need to otherwise travel outside of Richmond County for an equivalent level of care. The existing space consists of... You can see it in the exhibit. Is in an existing lease space. It's going to have both a medical oncology unit and a women's health area. There are no project costs for this project because it is leasing space in an existing Article 28 compliance space. The department has reviewed this application, and we are recommending approval with the contingency and condition.

Mr. Robinson Thank you.

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

Mr. Robinson Yes, Dr. Soffel.

Dr. Soffel Good morning. Denise Soffel, council member. This is for my own increase in knowledge. Maybe it's obvious to others. The executive summary refers to the application being in compliance with Public Health Law 2802-3-E. What is that? Why is it mentioned here? Because I don't remember ever having seen that before in an application.

Mr. Robinson Shelly or Pat? She's referring to Article 28.

Ms. Glock Right, so that's Article 28 Public Health Law regarding medical construction applications, Dr. Soffel. This is a construction application as opposed to Public Health Law 2801, which deals with establishment of new operators. Under 2802 3E, it speaks about a review of the facility's current compliance. You'll see in the program analysis, typically, the staff will review compliance of the applicant looking at their surveillance history and just assuring that the applicant is in current compliance with regulations allowing this application to move forward.

Mr. Kraut It's just a reference to what part of the code we're reviewing with respect to the application, which one it falls under.

Mr. Robinson Other questions for the department?

Mr. Robinson Applicant questions only.

Mr. Robinson Thank you.

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

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson Have Dr. Kalkut return please.

Mr. Robinson This is now an application for cardiac services construction 242313C, Samaritan Medical Center in Jefferson County. This is to certify cardiac catheterization, PCI percutaneous coronary intervention services and perform requisite renovations. The department is recommending approval with conditions and contingencies.

Mr. Robinson Motion Dr. Berliner.

Mr. Robinson Second Dr. Torres.

Ms. Glock Thank you.

Ms. Glock Samaritan Medical Center is a 290-bed acute care hospital located in Watertown, which is in Jefferson County. This application seeks approval for the certification of cardiac catheterization percutaneous coronary intervention service, also known as PCI, along with the requisite renovation of that space to accommodate the service. The primary service area for the project is Jefferson County, but the relevant service area also includes several zip codes in Oswego, Lewis, and St. Lawrence County. There are currently no PCI providers in Jefferson County or the three neighboring counties of Oswego, Lewis and St. Lawrence. The closest hospital with PCI services to Samaritan Medical Center are in Syracuse, which is in Onondaga County. The proposed PCI lab will be operated under the clinical sponsorship model, whereby the University Hospital SUNY Upstate will provide oversight of the proposed PCI program. SUNY Upstate is a full-service cardiac surgery and PCI provider located in Syracuse, which is approximately about an hour and seven minutes from Samaritan Medical Center. They will provide the oversight of the program and serve as the cardiac surgery backup hospital. The applicant is projecting 107 total PCI procedures, 43 of those being emergency in year one, and 274 PCI, 61 of them would be emergency by year three. If you look at the staff report in 2023, Jefferson County residents received about 202 total PCI treatments, 141 of those being classified as emergency. And of course, all of those residents were treated outside the county. Samaritan Medical Center will meet minimum volume standard required with the PCI program. They had 151 STEMI cases originating from their Emergency Department in 2023, and they actually averaged about 135 per year over the past four years. And just as a reminder to folks, the minimum standard under Section 709.14 of Title X in Section 40529, which are cardiac rags. We looked for a minimum of 36 emergency PCI cases by year three. Five interventional cardiologists have committed to providing services at

Samaritan Medical Center through an agreement with Vital Solution, which is a national physician-led organization that delivers customized critical care services to hospitals. Vital Solution will also provide technical staff, including cardiac catheterization, laboratory nurses and technicians, and administrative support. Through this project, Samaritan Medical Center will enter a master services agreement with Physician Medical Services of New York, doing business as by the solution to provide the interventional cardiologist. They will provide better solution will provide a minimum of three interventional cardiologist physician cardiology physicians who will perform the PCIs at Samaritan medical centers. Those physicians will meet all the requires requirements related to PCI under the New York State regulations. They will also provide administrative services are outlined in the staff exhibit as well as technical staff who will be on site at Samaritan 40 hours a week, but on call 24/7 365. They will also, by the solution, will provide a cardiac catheterization laboratory manager to assist with development and implementation of policies, procedures, protocols, and practices to ensure compliance with all the applicable regulations for this program. The total project costs will be funded with cash equity from Samaritan Medical Center. Approval of this project will provide enhanced access to diagnostic cardiac catheterization and PCI procedure for local residents improving the cardiac health outcomes. The department based upon a review of public need, compliance and financial feasibility is recommending approval of conditions and contingency.

Mr. Robinson Any questions on this application?

Dr. Soffel Could you talk about clinical sponsorship model? Is that a term of art or is that a legal structure? I'm not familiar with that.

Ms. Glock The regulations require that for a facility to do PCI without a cardiac surgery program to be, you know, if they're not certified for cardiac surgery, which Samaritan is not, they need to enter, according to our regulations, a clinical sponsorship model with a full-service cardiac hospital likes to be. It's a requirement that oversight, they provide oversight of the program, technical assistance, and the applicant, I think, can certainly talk about some of the other things that will be provided under that clinical model, but it is required if they don't partake surgery.

Mr. Robinson It's a standard practice, wherever we've approved in the past, every community hospital that doesn't provide cardiac surgery, we had a stipulation in there, they must be part of a quality oversight of a center that has full services, and it's usually the referring center.

Dr. Soffel Can I ask one other quick question?

Dr. Soffel The payer mix says that 22.6 percent of the patients coming in will be all other. That's a huge percentage. I don't know what that means. What is all other?

Mr. Robinson The military, Fort Drum, it's right in the area.

Mr. Kraut What's the military Tricare?

Dr. Soffel Thank you.

Mr. Kraut You'll see that only tends to be near either where you have tribal lands or military.

Mr. Robinson Other questions for the department?

Mr. Robinson Applicants, questions only.

Mr. Robinson Thank you.

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

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson This one, Dr. Lim, you have a recusal.

Mr. Robinson Application 251001C, Mount Sinai South, Nassau, in Nassau County. Noting Dr. Lim's conflict and recusal. She's left the room. This is to certify cardiac surgery for adults and convert two existing operating rooms into cardiothoracic operating rooms with no construction. The department is recommending approval with conditions and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second, Dr. Torres.

Mr. Robinson Ms. Glock.

Ms. Glock Mount Sinai South Nassau, which is a member of the Mount Sinai Health System is requesting approval to certify an adult cardiac surgery program and convert to their existing operating rooms to be used for those cardiac surgery cases. There's no construction or renovation associated with this application. The operating rooms that will be used for the cardiac surgery case are currently under construction for a previously approved Certificate of Need, and that was a Certificate of Need to build a four-story addition that included an enhanced OR suite with nine ORs. These ORs are suitable for cardiac surgery and will be available upon final approval of this application. This project will be undertaken by Mount Sinai South Nassau in cooperation with and with direct clinical and quality oversight from the Mount Sinai Health System and the Mount Sinai hospital. The applicant has a well-known PCI and diagnostic catheterization program and by adding cardiac surgery, patients can remain close and ensure a continuity of care reducing their need to travel to another hospital for that service. They are projecting about 198 cardiac surgery procedures, year one, 319 by year three. The department has reviewed this application and is recommending approval with conditions and contingencies.

Mr. Robinson Questions on this application?

Mr. Robinson Applicant questions only.

Mr. Robinson Thank you.

Mr. Robinson Anyone from the public on this application?

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson Have Dr. Lim return please.

Mr. Robinson Now, moving on to applications for ambulatory surgery, Application 242332C, Ortho NY Surgical Suites in Saratoga County, certifying a new multi-specialty Ambulatory Surgery Center extension clinic to be constructed at 612 Maple Avenue in Saratoga Springs. The department is recommending approval with conditions and contingencies with an expiration of the operating certificate five years from the date of issuance as a recommendation.

Mr. Robinson May I have a motion?

Mr. Robinson Dr. Berliner.

Mr. Robinson A second, Dr. Torres.

Mr. Robinson Ms. Glock.

Ms. Glock Thank you.

Ms. Glock You will note that there are three Ortho New York applications on this agenda. This one is a little different in that this is a construction application, and the others you will see are change of ownerships. With this application, Clifton Park ASC, which is doing business as Ortho New York surgical suites at Saratoga is requesting approval to construct a multi-specialty Article 28, freestanding ambulatory surgery center extension clinic. That ASC extension clinic will specialize in orthopedic surgery and interventional pain management. Clifton Park ASC currently owns and operates Ortho New York Surgical Suites, which is an existing multi-Specialty ASC located in Clifton Park, which is Saratoga County. They're seeking to open this second ASC to accommodate their Saratoga Springs-based medical staff members and an aging patient base. The applicant projects that Ortho New York Surgical Suite's Saratoga-based surgeons will move their

cases to this extension, ASC, which will be substantially closer to their offices and patients. The Extension Clinic will lease space in a building that's being constructed by a development associate company. Excuse me, I apologize. The sixteen physician members are partners in Orthopedics New York, which is a forty-six-physician member orthopedic surgery and interventional pain practice with seven clinics throughout the Capital District. I apologize. The applicant is estimating that the projected case volume will come from Saratoga Hospital in Glens Falls Hospital, noting approximately 50% of their total joint cases, or 485 cases, to come from the Saratoga Hospital to this new ASC. The Oracle New York Physicians. Currently provide inpatient orthopedic surgery services and take calls at both hospitals and have made a commitment to continue to do so following the opening of this extension clinic. The applicant states there is a need for additional surgical capacity that can accommodate complex procedures in a location that's more convenient.

Ms. Glock Shelly, would you like to just hand it off to Patty while you have a moment?

Ms. Glock One second, I think I can get through this one.

Mr. Kraut All right, fair enough.

Ms. Glock The department did receive two public comment letters, one from Saratoga Hospital, noting it has adequate capacity to handle additional surgical cases at both the main hospital and the hospital extension clinic. In response to that public comment, the applicant noted that some total joint cases are going to migrate from that hospital to the new ASC, but the primary source of case volume will come from their Saratoga area or the New York physicians moving cases from their Clifton Park facility. Glens Falls Hospital also noted that some lower acuity cases may transition to the new facility. The department has looked at this application and feels that the project will provide some improve access to surgical services and is recommending approval with conditions and contingencies and an expiration of the operating certificate five years from the date of its issuance.

Mr. Robinson If there are questions, direct them to Patricia.

Mr. Kraut Save your voice for the amendments.

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

Mr. Robinson Applicant questions only?

Mr. Robinson Anybody from the public wishing to speak?

Mr. Robinson Hearing none, we'll call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson Continuing on with ambulatory surgery, 251136C, specialist one-day surgery, LLC in Onondaga County. Convert an existing single specialty ambulatory surgery center into a multi-specialty ambulatory surgery center at 6711 Topath Road as an extension clinic. The department is recommending approval with a condition.

Mr. Robinson Motion, please, by Dr. Berliner.

Mr. Robinson Second by Dr Torre.

Mr. Robinson Patricia, are you going to take this one?

Ms. Wrobel Hi, everyone. Patricia Wrobel for the department. This application is for Specialist One Day Surgery Center, application 251136, Specialist One Day Surgery Center LLC, also known as the center, an existing Article 28 single specialty freestanding ambulatory surgery center is seeking approval certified the Glacier Creek facility for ambulatory a 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. Specialist One Day Surgery Center LLC currently operates two ambulatory surgery centers. One is the Taff Road facility, which is a dual single specialty ambulatory surgery center, specializing in orthopedics and pain management. The other is Glacier Creek facility, a four-procedure room single specialty ambulatory surgery center specializing in pain management. This project will free up capacity at the tap road facility for more complex orthopedic procedures. There is no project costs associated with this application. The department recommends approval with the condition.

Mr. Robinson Thank you.

Mr. Robinson Questions for the department?

Mr. Robinson Applicant questions only.

Mr. Kraut I have one.

Mr. Robinson You have a question.

Mr. Kraut Yeah.

Mr. Robinson Ask a question.

Mr. Kraut I think I'd like the applicant to come up. It gets back to what Mr. Lawrence said here. You have a charity care of 0.1%. You have Medicaid projected that owes half of the rate of the local county. We just want to be clear about when a physician's offices are converting over to centers there's an expectation in giving the approval. We give you a limited life of five years. We will not renew if that number is unacceptable to us. We just want to be clear, you understand the obligation to take on, have a policy that accepts people that are not able to pay. As you've heard us discuss earlier, that's likely to increase, more so than when you might have written the application. I just want to understand. You understand that and how are you going to do reach out to Medicaid patients in your

community to make them aware that you and the other colleagues that are going to be at this center are going to be available to them even if they can't pay your fees.

Mr. Smith I'm Bruce Smith. I'm the attorney for the applicant.

Mr. Kraut Is the applicant here?

Mr. Smith No, I am representing the applicant. This project, the applicant has two surgery centers. One is an extension clinic, right, orthopedics and pain management, and this other, Glacier Creek is an existing surgery center which has been certified only for pain management. Basically, they just want to move cases, some simple orthopedic cases that are currently being performed at the Taft Road facility. The applicant has been operating a surgery center for probably fifteen years. Really, they want to be in a position to move case from the Taft Road facility to the Glacier Creek facility. I mean, more, they do total joints, spine, and they want that ability. Also, I'll point out that the applicant, 25% of the applicant is owned by St. Joseph's Hospital Health Center. The thought was to make it maybe a little more flexible if there were other cases that needed to migrate there. Really, there's not the applicant takes all comers. Always has, and again, this is just the convenience just to facilitate moving lower acuity cases to the other Glacier Creek facility.

Mr. Kraut Just ask the department. I misspoke then, it's not a limited life, right? This is a construction application.

Mr. Kraut In the future, I would expect the applicant to... If they have an application and they feel it's important enough to be reviewed, that they should be present in the room, not just their representatives. It's a policy that we have asked all applicants to do before we would actually review.

Mr. Smith I will make sure next time.

Mr. Kraut I just would make the point here. I mean, St. Joseph's, it's fine. I understand. I understand the answer.

Mr. Robinson Other questions or comments?

Mr. Robinson Thank you.

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

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Okay, now to residential health care facilities. 242314C, Van Rensselaer in Rensselaer County. Perform renovations to modernize the facility including energy, infrastructure, and other improvements. Department is recommending approval with conditions and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Dr Torres.

Mr. Heeran Thank you.

Mr. Heeran Good morning. Van Rensselaer Manor is a 362-bed residential health care facility operated by Rensselaer County in the Capital District of Upstate New York. The facility was constructed in 1996. This application seeks approval for renovations and upgrades to approximately 200,000 square feet of the existing three-story building. There will be no changes in licensed beds or services under this application. The work is planned to be completed in the stages to prevent disruption of services to residents. The total project costs of \$121 million is to be fully funded by Rensselaer County General Obligation Bonds. The bonds will be purchased directly by Siemens Public Inc at an interest rate of 5% with maturity between eighteen and twenty-five years. \$74 million of the total project cost is potentially reimbursable under the RHEF bedcap limitation calculation, and I'll note that the details of the financing and bedcap calculation can be found in the exhibit starting on Page 7. This application as presented meets the requirements for approval and the department is recommending approval with conditions and contingencies.

Mr. Robinson Any questions or comments?

Mr. Thomas Hugh Thomas, member to council. This is a refresh of a 362-bed facility built in 1996. Maybe this is a question for the applicant, but one hundred twenty-two million dollars for a refresh. Well, it strikes me as...

Mr. Kraut Low or too high?

Mr. Cicero I'm Frank Cicero, a consultant to the applicant.

Mr. Wasielewski John Wasielewski, Executive Director, Van Rensselaer Manor.

Mr. Turner I'm David Turner of Siemens Smart Infrastructure.

Mr. Thomas Just to repeat, gentlemen, thank you. A little more color around the definition of refresh in this context. I know you're changing entrances, things like that, but maybe you can give us some context.

Mr. Cicero Mr. Thomas, there is major work that will be done on the units to individual rooms. There's significant building system work that we'll be done as well and throughout the environment of the home. This has been professionally vetted by Siemens with their construction management team They're going through final cost estimates now, but they're reasonably confident in this estimate. I think maybe the characterization as a refresh just may not be correct. It's more than that. This is to see this building through for another thirty years.

Mr. Thomas Thank you. That probably answers my question, although I can't recall your mix inside of this facility, but that kind of a capital expenditure in nursing home business, residential health care facility business in the state of New York. I mean, there are other people here who know a lot about that more than I do, but any reaction to your business planning and things like that.

Mr. Cicero I think I'd like to speak to that, and John will as well. First of all, it would not be possible, I think, without the partnership of Siemens. There is embedded within this operational savings that is right on the same par as the reimbursement that will be lost as a result of the cap. I would like to say briefly, since we are up here and have been asked about the cap, and I think for Mr. Holt and Mr. La Rue's committee. If I can recommend, this is a great topic. Cost cap that we're talking about came about in 1983. It was created at a time when there was significant nursing home construction in the state. It was meant to keep in line that construction and keep it affordable. What it has done in more recent times is really to prevent construction. The cost cap of \$229,000 or \$239,00 per bed, whichever it is. I can show you a lot of people, some people here will remember Tom Jung who was one of the greats. This is the memo he wrote that has that cost cap in it. He wrote it in 2007. This cost cap that we're talking about is for a midpoint of construction in 2010. It does not include the 4% per year escalation that in any CON application you're required to do to the midpoint construction. It does not include the escalation that has occurred since the economic recovery of 2012 or the post-COVID costs or tariffs for that matter. This entity is prepared to go forward with this project. It's primarily because of the partnership of Siemens with the savings, but we certainly, and we've had discussions with the department, and we'll continue discussions after approval. OHIP ultimately makes the final decision. There is some hope and again, I think it's a great topic for discussion at that new committee on nursing home payments that this should be discussed because it served its purpose. It definitely still serves a purpose. We have things in the state where VAP money or safety net transformation programs are given to facilities that have 35%/40% Medicaid. This facility, as you see in your staff report, 53% Medicaid on admission in the most recent year, 64% the year before that. Perhaps exemptions to this cap, keeping it in place so that we don't have a proliferation of unneeded construction, but perhaps exemptions for a facility like this would be a concept for discussion as we move forward.

Mr. Kraut I mean, I'd like to just want to follow up. Putting the cap aside for a moment just commend the leadership for a county owned nursing home at a time when everybody is walking away from their nursing homes. This county is stepping up and making investments in the environment of care to make sure that their facility is sustainable and provides the best possible resident experience to be commended. In the context of the financial challenges that you're actually penalized for making the capital investment. I think your point is right, and it is something. Obviously. It's out of our purview. It's something to be considered. If given the challenges we're going to experience in Medicaid, these type projects, particularly they're publicly owned. There might be ways to exempt them from the caps. I would apply the same thing to the not-for-profits, if we're still have a challenged with some of the for-profits to at least start replacing the infrastructure of our aging nursing homes, because they're not going to last long enough as we've extended life in our county, in our country. We're going to need to provide these superior environments. I just want to compliment the leadership, your governmental leadership, and the professionals that are working with them and doing this. It's very impressive. Thank you.

Mr. Cicero Mr. Kraut, just one fact for you on what you just raised. 2002, thirty-nine counties operated nursing homes in this state. 2025, sixteen. One a year, Rensselaer County intends not to be the one per year in this year.

Mr. Kraut Congratulations.

Mr. Cicero Thank you.

Mr. Thomas Just follow up on Mr. Kraut also, Frank. 75% current capacity, it should. I mean, so answering my own question a little bit. I appreciate you acknowledging. It's a little more than a refresh, but I appreciate the work.

Applicant If I may, we've had to keep two units empty for this building renovation project to occur so that we can move our residents into two units at a time. Once this building project is complete, we anticipate filling those 362 without a problem.

Dr. Friedrich Marcus Friedrich, member of the council. I see in the application about Siemens building technology. Can you talk a little bit about it? I have not seen that in any other application. What does that entail? Siemens is an international company. I'm just curious. What are you guys implementing there in the nursing home? Is this something maybe for the future for other nursing homes as well?

Mr. Turner Yes, definitely.

Mr. Turner My division in Siemens is the Smart Infrastructure Division. We primarily work with large institutional government entities to basically renovate their assets and their facilities to make them more energy-efficient and able to deliver services to the residents or the users more effectively. We've been under about a decade-long partnership with the Rensselaer County. Calling refresh Rensselaer County or reimagine Rensselaer County, where we're helping deliver better services and better facilities to all the residents of Rensselaer County. This is a continuation of earlier phases where we are handling the equipment behind the scenes, the air conditioning systems, the control systems. We're providing all new data systems, all new fire systems, all new security systems. It's definitely more than a refresh. This is a complete revitalization of this facility to deliver better services or a better outcome for the residents. That's what my division does. We work with, again, counties and government entities to help offset those with energy savings and any kind of government subsidies rebates we can do to help the economics.

Mr. Robinson Anything else for the applicant?

Mr. Robinson Thank you very much.

Mr. Cicero Thank you.

Mr. Robinson Any other questions from the committee?

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

Mr. Robinson Call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson The motion carries.

Mr. Robinson I echo the comments that Mr. Kraut and others of you made. This is really such a positive development and to see investments in long-term care infrastructure. Long overdue and needed across the industry. Thank you for taking the initiative for the residents of Rensselaer.

Mr. Robinson We are now at establishment applications for acute care services. Application 241015E, Centralis Health Inc in Tompkins County. Noting a conflict and recusal by Mr. Thomas, who's left the room. This is to establish Centralis Health Inc as the parent of Cayuga Health System Inc and Arnot Health Inc. The active parent and co-operator of four hospitals, two residential health care facilities, one certified home health agency and one licensed home care service agency. I want to note for both the public and the members of the council that a revised exhibit has been distributed and posted to the PHHPC material, so you should have that. The department is recommending approval with a condition.

Mr. Robinson May I have a motion?

Mr. Robinson Dr. Berliner.

Mr. Robinson A second?

Mr. Robinson Dr. Torres.

Mr. Robinson Ms. Glock, are you going to take this one?

Ms. Glock Thank you.

Ms. Glock I got a little rest on the last project. Centralis Health Inc is seeking approval to be established as the sole member and the common active parent of Cayuga Health System Inc and Arnot Health Inc. Centralis Board of Directors will be comprised of the current board members of current board member from Cayuga Medical Center and Arnot Medical Center. Cayuga and Arnot are comprised of four hospitals, two nursing homes, a certified home health agency, and a licensed home care agency. Cayuga's 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 the surrounding community. Centralis Board of Directors, as I mentioned, is comprised of both current members from Cayuga Medical Center and Arnot, and they are shown in the staff report. The proposed organizational structure will oversee the following hospitals, Cayuga Medical Center at Ithaca in Tompkins County, Schuyler Hospital in Schuyler County, Arnot Medical Center in Chemung County, and Ira Davenport Memorial Hospital in Steuben County. On September 5th of 2023, Cayuga and Arnot entered into an executed affiliation agreement with Centralis Health Inc. As sole member and common active parent, Centralis will have the power and the authority to make decisions for its affiliates, as stated in its affiliation agreements, Certificate of Incorporation, bylaws, and the active parent powers described in 405.1. The approval of Centralis as the active parent co-operator is part of a transformation plan that's been 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. One neat example of this is the enterprise-wide implementation of the Electronic Health Record System which was supported with a New York State Transformation Grant Fund. There will be no changes to beds, services or projected utilization included as part of this application and there are no project costs. While the applicant has shown losses, you'll see in the financials, the applicant is shown losses from the year, two year, three, but they've projected improved operations by year three with an overall positive change of almost \$40 million. The loss in year three includes over \$35 million in depreciation expense and about almost \$3 million in interest expense, without which the operations would generate earnings before interest in depreciation of approximately \$6 million. The department has reviewed this application and is recommending approval of the condition.

Mr. Robinson Thank you very much.

Mr. Robinson Any questions on this application?

Dr. Soffel Yeah, I am curious. I had never heard of this particular entity. When I looked at it, it apparently sent out the affiliation between Arnot and Cayuga was announced in January. I'm confused, and maybe this is a question for you guys. Why do they go ahead and then come to us for approval rather than the other way around?

Mr. Robinson They're creating a new corporate parent over the two partners, and they have to do that because that's the establishment of a new entity.

Dr. Soffel But they've already done it, haven't they?

Mr. Robinson The affiliation as a partnership, that doesn't actually corporately align them. They needed to establish a parent that they both essentially worked together.

Mr. Kraut Lawyers, can you correct me?

Mr. Kraut We can ask the applicant to speak, maybe they'll come up, but essentially an entity can become a parent or a single voting member of another entity without CON approval. They come to us to confer upon the parent, active parent powers over the entities. They could essentially passively create this relationship, but it doesn't provide the full benefits of the parent to the partner institution until we approve it. Essentially, these acquisitions always come in two phases. It takes them a year to negotiate it, develop a definitive agreement, go through FTC, New York State AG to clear the transaction, then they would clear the transaction, and they can close on it, then they'll come to us to approve the conveyance of Article 28 powers, or what's called active parent powers. It is a corporate thing. I believe I stated it correctly. They're all nodding their heads. You can question them further. It's a process.

Mr. Kraut Excuse me?

Dr. Soffel If they said no, what would have happened?

Mr. Kraut Well, the benefits that they aspire in this application could be harder to realize. For example, there's certain sharing of medical information, quality data that can't be done. They delegate powers to the boards. It's actually in our interest to have oversight over both the parent and the inquiring institution. We would have no oversight and no accountability

of the parent until we made them fiducially responsible for the partner hospital. It's in, I believe it's in the state's interest to do so.

Dr. Soffel My question was really about---

Mr. Kraut The timing, and I think this is a function of not-for-profit law and how it's structured in New York.

Dr. Friedrich Marcus Friedrich, member of the council.

Dr. Friedrich Will that involve a change in the certificate of the individual hospitals under that? Is this what we are voting for?

Mr. Kraut I'll defer that to the department.

Mr. Kraut Shelly, would you be able to answer that?

Ms. Glock Sorry, Jeff, I missed the question.

Mr. Kraut In approving this transaction, the parent or centralis is the parent of Cayuga Health System and Arnot. It affects the operating certificate. They're listed as a cooperator, I believe, or a parent on the operating certificates.

Ms. Glock On the operating certificate, they will be the active parent.

Mr. Kraut They'll issue them a new operating certificate indicating that whenever those things occur.

Ms. Glock That I can't confirm it.

Mr. Robinson I do appreciate the sort of technical questions and understanding the rationale. I just want to make a sort of a positive comment here. This is creating stability around in a region where the individual entities are going to have more and more difficulty continuing as viable ongoing operations. Together, I think they have enough in the way of critical mass and can create economies of scale that will actually create more stability for the organizations themselves and therefore the availability of health care in that community. This is a very positive move and what's I think especially good about it is that it maintains local control. The board members of the two respective institutions are now coming together and cooperating the hospitals that fall under this affiliation. I think you could almost view my institution as a somewhat competitor. I don't know. I think for the overall health of the health care system this is a very important step for Upstate New York. I'm very supportive of it.

Mr. Robinson Any other questions from the committee?

Mr. Robinson Applicant questions only.

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

Mr. Robinson Hearing none, we'll call the question.

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson The motion carries.

Mr. Robinson Congratulations.

Mr. Robinson Application 251101B, Bronx Endovascular Center, LLC in Bronx County. To establish and construct a single specialty ambulatory surgery center for vascular surgery at 1733 Eastchester Road in the Bronx. Department is recommending approval with conditions and contingencies with an expiration of the operating certificate five years from the date of issuance. That is the recommendation.

Mr. Robinson Motion by Dr. Berliner, second by Dr Torres.

Ms. Glock Thank you.

Ms. Glock I'll keep going as long as I can here. Bronx Endovascular Center is seeking approval to establish and construct an Article 28 single specialty freestanding ambulatory surgery center that'll specialize in providing vascular surgery services for renal dialysis patients. This project aims to convert an existing private office-based surgical practice into a freestanding Article 28 ambulatory surgery center and will have two ORs. The proposed operator of the center will be Bronx Endovascular Center, which you can see in the staff report will be equally owned by Raymond Figueroa and Dr. Hamadeh. The project is a partnership between Dr. Hamadeh. He is the Medical Director of Advanced Access Medical Care, which is an existing private physician practice specializing in dialysis care. Raymond Figueroa, who is the CEO and managing member of American Endovascular Amputation Prevention, LLC, which is an existing company which provides administrative and business support services to medical professionals who provide care in the field of endovascular and interventional radiology. Dr. Hamadeh will serve as the Medical Director. He is board certified in internal medicine and nephrology. In addition to the other non-member physicians, two other nonmember physicians have committed to perform cases, which are currently being performed at New York Endovascular Center. The applicant is projecting about 2,881 procedures by year three. Medicaid is expected to account for approximately 14.8 percent of those procedures' year one and three. Charity cares they are projecting at two percent and that is based on the current caseload of the physicians who will be practicing at the center. You can see the funding sources in the application. The department is recommending approval with conditions and contingencies with an expiration of the operating certificate five years from the date of issuance.

Mr. Robinson Apologies.

Mr. Robinson Thank you for that.

Mr. Robinson Questions from the committee?

Mr. Robinson Applicant questions only.

Mr. Robinson Thank you.

Mr. Robinson Anyone from the public on this application?

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson Application 251137B, Wellness Way ASC LLC in Albany County establish and construct the multi-special gambling story surgery center at for Wellness Way Suite 100 in Latham. Department recommending approval with conditions and contingencies, with an expiration of the operating certificate five years from the date of issuance.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Dr Torres.

Mr. Robinson Do I go back to you, Ms. Glock, or are you handing off?

Ms. Glock I'm good. I can take this one as well. Thank you.

Ms. Glock Wellness Way Holdings, as stated, is seeking approval to establish this multi-specialty, freestanding ambulatory surgery center at Wellness Way in Latham in Albany County. The center will focus on a number of different types of surgeries, including neurology, plastic surgery, general surgery, and breast surgical procedures. It will also offer services in obstetrics and gynecology, excluding abortion services. Upon approval, the proposed operator name will be Wellness Way ASC. This will be an occupied leased space in a building that's being constructed by Columbia Development Company. I do have to correct the exhibit. We'll correct it for a full PHHPC meeting. You'll see in the staff report, the current sole member of the operate of the operating entity is Dr. Parikh. He is not the real estate owner. He is the current 100% member of the applicant entity. Upon approval of this application, you can see that composition of membership will change to those physicians that you can see listed in the exhibit. They are projecting about 5,000 procedures by year three with Medicaid at 8 percent and charity care at 2 percent. Those projections are based on the caseloads that participating surgeons have committed to bring to the center. Those participating physicians will continue to perform their more complex procedures in the hospital sending and most of the anticipated procedures that will transition to this ASC are expected to come from regional hospitals if our approval of this project will allow the applicant to continue providing some essential surgical services in the community, but in a more cost-effective manner The total project costs will be funded with bank loans and members equity. The department is recommending approval with conditions and contingencies with an expiration of the operating certificate five years from the date of issuance.

Mr. Robinson Any questions on this application?

Dr. Soffel When you say more cost effective, is that because they expect that procedures will be moving from the hospital to the ASC and that's a more cost-effective setting?

Ms. Glock Correct, these will be coming from the hospital.

Mr. Kraut And to that point, I'll just use this unrelated to the applicant or this project, but I'll make this point. Exactly what you just said that it almost, and this application says the participating physicians will continue to perform more complex, read that as more costly procedures. They'll leave those in the hospital environment. They may do so not only because they're more expensive, but because it's safer to do so. This is the false equivalency of the site neutrality issue that we're having in New York State. The fact of the matter is, and here's evidence of it, when you are doing things in the hospital, they tend to be more complex, more concerned about patient safety, and there is a differential in the cost of doing so in order to do that. That essentially talk kind of undermines the discussion that's happening now, the false equivalency of hospital based versus freestanding office-based procedures. This is kind of another evidence point of it that it doesn't really hold water the arguments that are being made because it is a more expensive environment to provide that care, because it is more complex, or it is to ensure patient safety. I say that without comment, without prejudice to the application. I will vote yes on it. I just thought I'd get that into the record in case anybody is quoting us today.

Mr. Robinson Was your question answered?

Mr. Robinson Other questions from the committee?

Mr. Robinson Applicant questions only.

Mr. Robinson Anybody from the public on this application?

Mr. Robinson Hearing none, all in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson We're moving to two Ortho NY projects. The first is 251118E, Ortho NY Ambulatory Surgery Center, Albany in Albany County. This is transferring 100% ownership interest from nineteen individual physician members to two new corporate members with no change of operator. Department recommends approval with conditions and contingencies with an expiration of Operating Certificate three years from the date of its issuance.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Dr Torres.

Mr. Robinson Ms. Glock.

Ms. Glock Thank you.

Ms. Glock This first application is Executive Woods Ambulatory Surgery Center, which is doing business as Ortho New York Ambulatory Surgery center. They're an existing Article 28 single specialty freestanding ASC located in Albany County. They are requesting approval to transfer 100% of their membership to two new proposed members, Ortho New York Masters ASC Holdings LLC and Orthopedics New York, LLP. ASC Holdings will own 75% of the center and Ortho of New York will own 25% of the center after approval of the application. One existing member of the Center, Dr. Fletcher will redeem his membership interest and thereby withdraw from the center. The center will continue to be operated by Executive Woods Ambulatory Surgery Center. The center is currently owned by nineteen individual physicians, each of whom have approximately a 5.263% interest in the center. Those are shown in the staff report. ASC Holdings will own 75% of the center after the transaction. They are comprised of thirty-eight physician members. Including twenty new physicians with direct membership, each of whom will own approximately a 2.632%. Ortho New York will own 25% of the center and that entity is comprised of thirty-three physician partners. One physician, Dr. Kaabach will owe approximately a 5.88% interest and the other thirty-two will own approximately 2.941. The Medical Director will not change. Dr. Flick will continue to serve in that Medical Director role. There are no project costs or service changes associated with this application. The center will pay Dr. Fletcher \$225,000 to redeem his membership interest. Six new physicians will each pay \$400,000 for a 2.632% membership interest. Those payments will be held in escrow. The applicant, as you can see in the staff report, has submitted two contribution, exchange and distribution agreements, one for Ortho New York Master ASC Holding members and one for Orthopedics New York LLP. These agreements account for the current members equity contribution into the new organization. The department has reviewed this application, including character and competence, and is recommending contingent approval and expiration of the operating certificate three years from the date of its issuance.

Mr. Robinson Thank you.

Mr. Robinson Dr. Berliner.

Dr. Berliner Why three years and not five?

Ms. Glock It's an existing ASC, so we go back in three years. With a new entity, we give them two years to ramp up, and so we give five. That are already existing, they have those contracts in place, so it's a three-year limit to life.

Dr. Soffel I'm trying to understand why they are doing this. I'm particularly interested in if there's no change in the services... Is there any benefit to the public of this change?

Ms. Glock That's a great question, Dr. Soffel. I had the same question for the applicant. It's a somewhat complicated legal transactor and involving many, many, many physicians. I would like to defer on not being an attorney. I want to defer to the applicant for them to explain why they structured this change membership to two corporate members, many of which, as you can see have overlap of existing members.

Mr. Robinson Thank you.

Mr. Robinson We have the applicant at the table. Please introduce yourself.

Mr. Cicero I'm Frank Cicero, a consultant to the applicant.

Mr. Fitzgerald I'm David Fitzgerald, Chief Executive Officer of Ortho New York.

Mr. Cicero It's a very good question, Dr. Soffel. I will say David and I are allowed to attend today without the chaperoning of attorneys because we were able to explain it to them yesterday in a prep call, so we'll do our best for you. If I can take this and the two applications that follow together, the rationale for this is that these three centers all have overlapping similar ownership today. The attorneys in coming together determined that to better align these three affiliated centers, they would essentially even out the ownership among the owners and make it roughly the same in each of these entities apart from the third one that has a hospital and another physician group. The reason for creating two entities is that one will essentially stay the same, the other will be available for additional investment or perhaps, so just as an example, I'm not saying that they're playing this, if they wanted to with St. Peter's in the one where St. Peter's is in it, go do an extension clinic. They could use that one entity without disturbing the ownership of the other entity. It's to create stable ownership, common incentives across the three entities with similar ownership. In reality, as much as each application correctly says that there will be twenty to twenty-four new owners. There are only six new owners who don't have ownership in any of these three facilities today. That's what Ms. Glock mentioned, each paying \$400,000. From each entity, one individual is going out. All the same doctors will be roughly the same in ownership in the three entities. That's the rationale.

Dr. Friedrich Marcus Friedrich, member of the council. This is probably common more to us and the department. I was a little underwhelmed by the table of organization for the first application there. As I understand that also New York Master ASC Holdings has 75%. I'm interested in how the structure looks after. These changes and how kind of the organizational table looks like. There is one figure in one of the addendums, but I still don't have a good understanding of what you just said like with the three structures and kind of who is this New York Master behind it and how is that organized.

Mr. Cicero David, if you want to give more details, let me start. In the first two applications, ortho New York Master ASC Holdings will have 75%, Orthopedics New York LLP will have 25% each application. Within those entities there are physician owners in each one. The physician owners will be exactly the same in those two entities. There's essentially an evening of the ownership of the physicians across the three entities into those two entities. That's what they're doing.

Mr. Fitzgerald Simply put, we have forty-six partners merging them all into one ownership so they can all use all the surgery centers. Just alignment.

Mr. Robinson Other questions?

Mr. Robinson Hearing none, thank you.

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

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson The second Ortho NY Surgical Suites is 251131E. This one is in Saratoga County, transferring 100% ownership interest from fifteen individual physician members to two new corporate members with no change of operator. A very similar path as the earlier one. Department recommends approval with conditions and contingencies, again, with an expiration of the operating certificate three years from the date of its issuance.

Mr. Robinson Motion by Dr. Berliner, second by Dr Torres.

Mr. Robinson Ms. Glock.

Ms. Glock Thank you.

Ms. Glock Very similar here to the last application, but I will read it so it's part of the record. Clifton Park ASC doing business as Ortho New York Surgical Suites is an Article 28 multi-specialty freestanding ASC in Clifden Park, which is in Saratoga. They are requesting approval to transfer 100% of their membership interest to two proposed new corporate members, Ortho New York Masters ASC Holdings and Orthopedics New York LLP. The centers currently owned by fifteen individual physician, each of whom has approximately a 6.67% interest in the center. Under the proposed membership entity, Ortho New York Masters Holdings LLC will own 75% of the center. They'll be comprised of thirty-eight physician members, twenty-four each of whom will own approximately a 2.632 interest in the ASC Holdings. Ortho New York will own 25% of the center with a prize of thirty-three physician members. One physician member, Dr. Kavak will own approximately a 5.888% interest, and the remaining thirty-two physicians will own 2.941. One exiting member, Dr. O'Connor, will redeem his membership entity and therefore withdraw. The center will continue to be operated at Clifton Park ASC LLC. There is no change in Medical Director, Dr Aronowitz will continue whose board certified in orthopedics, an existing member will continue to serve as that Medical Director. No project costs. The center will pay Dr. O'Connor \$450,000 to redeem his membership. You can see in the staff report the six new physician members will each pay \$400,000 for their membership interest with the contribution exchange and distribution agreements. The department has reviewed the application and is recommending approval with conditions and contingencies with an expiration of the operating certificate three years from date of issuance.

Mr. Robinson Thank you.

Mr. Robinson Back to all of you, any questions?

Mr. Robinson Applicant questions only.

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

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Calling application 251147E, Everett Road, Surgery Center in Albany County. Although she's not here, I will note that Ms. Mazzacco noted a conflict with this application. Transfer 66% of ownership interest from one withdrawing member to two new corporate members with no change of operator. Department recommends approval with a condition.

Mr. Robinson Motion by Dr. Torres.

Mr. Robinson Second by Dr. Kalkut.

Ms. Glock Thank you.

Ms. Glock Everett Road ASC doing business as Everett Road Surgery Center. It's a multi-specialty, freestanding ambulatory surgery center located in Albany County. They're seeking approval for Ortho New York ASC Holdings to transfer its entire sixty-six membership interest to two proposed new corporate members, Ortho New York Master ASC Holding and Orthopedics New York LLP. Upon completion of the application, ASC Holdings LLC will withdraw from the center. This is a little bit different in that the center is currently owned by three members, Ortho New York ASC Holdings at 66%, which is being transferred as a result of this application if approved, St. Peter's Hospital in the City of Albany, 20%, and AENT ASC Holdings at 14%. That's the current membership. The application is seeking approval for Ortho New York ASC Holdings to transfer its 66% membership to the proposed new two corporate members we've been talking about, Ortho New York Master ASC Holdings and Orthopedics New York LLP. As a result of that ASC Holdings will own 49.5% of the center and Ortho New York will own 16.5%. One existing on exiting existing member. I'm sorry. Dr. Fletcher will redeem his membership interest in their board. Therefore, withdraw in the center will continue to be operated by Everett Road ASC. You can see the new proposed membership in the staff report. I will not just say there are no project cost. You'll see again on financing that there is a payment to redeem his membership and each of the new members will pay \$400,000 for their membership with the two-contribution exchange and distribution agreements. The department has reviewed the application and is recommending approval with a condition.

Mr. Robinson Questions?

Mr. Robinson Applicant questions only.

Mr. Robinson Anyone from the public on this application?

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson We are on to diagnostic and treatment centers. And for this one, Mr. Thomas is going to leave the room. This is Application 241290E, Elmira Community Health in Chemung County, noting the conflict by Mr. Thomas, who has now left the room, established Cayuga Community Services Inc as the new operator of a hospital extension clinic currently owned by Arnot Ogden Medical Center at 200 Madison Avenue in Elmira. Department recommending approval with a condition and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Dr Torres.

Mr. Robinson Ms. Glock.

Ms. Glock Cayuga Community Services CCS is requesting approval. They are an existing 501C3 not for-profit corporation. They're requesting approval to be established as the operator of a previously approved Article 28 Diagnostic and Treatment Center on Madison Avenue in Elmira. The space is currently owned and operated by Arnot Ogden Medical Center as a hospital extension clinic. Upon approval of the application, the site will be known as Elmira Community Health. You can see in the members of the board listed in the application. Cayuga Community Services will lease the space. They'll be certified for medical services primary care, and they will. They will offer a number of primary care services, including screenings, family planning, immunizations, basic medical logical care, and behavioral health services under the 30% threshold that they're allowed with the certification as primary care. Arnot Ogden Medical Center is a 266th hospital in Elmira. The service area here is in a health professional shortage area for primary care and mental health providers. It's a medically underserved area population and Cayuga Community Services intends to implement a federally qualified health center model in place of the current primary care model and change the name to Elmira Community Health. The application is projecting about 50% Medicaid by year three. We are recommending approval of this project with a contingency in conditions.

Mr. Robinson Questions from the committee?

Mr. Robinson Dr. Soffel.

Dr. Soffel Shelly, can you speak at all to Cayuga Community Services Inc, and what they actually do and whether they have any expertise or background in operating health care facilities?

Ms. Glock I'm going to refer to the applicant. You can see that the members at the board, Martin Stallone, Dr. Stallone is currently associated with Cayuga Medical Center and has much experience with the delivery of healthcare services in the community. I'm going to defer to the applicant. I can see that this not for profit was formed in 2019. I'll defer to them to answer your question.

Mr. Robinson Thank you.

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

Mr. Robinson Could you please introduce yourselves?

Mr. Murray Yes.

Mr. Murray My name is Derek Murray. I'm the CEO of Cayuga Community Services.

Dr. Stallone I'm Dr. Marty Stallone, CEO of Cayuga Health, Centralis Health also, when we were the parent company that formed Cayuga Community Services.

Mr. Robinson Did you get the question?

Mr. Murray Yes, you were asking about the experience of operating community health centers, federally qualified health centers.

Dr. Soffel What do you do?

Mr. Murray My name is Derek Murray. I am a public health practitioner. I hold a master's in public health.

Dr. Soffel I meant the organization, I didn't mean you personally but thank you.

Mr. Murray The organization was formed to create community health centers that would become federally qualified health centers. And as such, the organizations focused on providing care to the neediest in the population, obviously reaching patients where they live, work, and play. The organization is obviously looking at using primary care as a draw to bring in patients who currently don't have significant access to care. In the zip code 14901, that's also identified by the federal government as being one of the zip codes with the highest unmet need score in the state of New York. We see a significant opportunity to bring services directly to patients who are not currently receiving those primary care services.

Mr. Robinson The answer to the question of what you do is you are a comprehensive primary care center that's looking to evolve into a federally qualified health center.

Mr. Kraut You have a substantial experience in doing so.

Mr. Murray Correct and have done so in other communities in New York State.

Mr. Kraut That was the question that was posed.

Mr. Kraut Thank you.

Mr. Lawrence Just for the record, Harvey Lawrence, member of the council. Usually FQHCs, they start in communities that are underserved, and quite often they have no healthcare experience, and one of the things that is looked for is essentially commitment to serving the community. Not to have sort of a standard traditional health care experience, but to represent the people of the neighborhood and to... I guess, tailor the needs, tailor their care and services to the needs of the people in those individual neighborhoods. It's almost a plus not to have health care experience. You're basically reacting and responding to the needs of the local community and serving those needs. Sort of figuring it out as you go along and hiring professionals who do have some understanding of healthcare, but from a different perspective, from sort of a street level, ground level perspective. I appreciate what you're doing because, you know, most health FQHCs start out that way.

Mr. Robinson Thank you, Mr. Lawrence. Your expertise is particularly evident in this conversation, so thank you very much.

Mr. Robinson Other questions of the applicant while they're sitting here ready for them?

Mr. Robinson Hearing none, we say thank you very much.

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

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Compliments to the organization for undertaking this initiative. Good addition to the health system of the state.

Mr. Robinson Application 251068B, Trimmed Health Pavilion in Queens County. Establish and construct the Diagnostic and Treatment Center at 14-25 Central Avenue in Far Rockaway. Department recommends approval with conditions and contingencies.

Mr. Robinson Motion, Dr. Berliner.

Mr. Robinson Second, Dr Torres.

Mr. Robinson Ms. Glock.

Ms. Glock Private Health Pavilion is seeking approval to establish and construct this Article 28 Diagnostic and Treatment Center in lease space. The lease space is currently mixed use, meaning there are some Article 28 space in here with nineteen exam rooms, are proposing nineteen exam room, seven treatment rooms, and some support areas. They'll be certified for primary care, other medical specialties in podiatry, outpatient podiatry. They also are looking to provide other medical specialties to include infectious

disease, pulmonary, endocrinology, cardiology, and behavioral health. They'll be known as Tri Med Health Pavilion. As I mentioned, the primary service area is within the Queens Community District 14. The ownership of the operations is depicted in the staff report. They are projecting about 110,000 visits by year three with 62% Medicaid and 3% charity care. The department is recommending approval with conditions and contingencies.

Mr. Robinson Any questions for the department?

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

Mr. Black Good morning. Andrew Black, consultant to the applicant.

Mr. Sinha Good morning. My name is Vinod Sinha.

Mr. Kraut Hi. My question, Mr. Sinha, is that I note in the application, in addition to being the sponsor, the head of Tri-Med Health Pavilion. You have ownership or equity interest in Tri-Med staffing, Tri-med home care and your partner with the social adult day services. You're predicting 110,000 visits, which obviously is substantial for any facility. The concern I have is because of the ownership in the other facilities, what policies are you putting in place to ensure that there are no stark violations and self-dealing between these entities.

Mr. Black We've discussed that. We are aware of that. We will make sure that there's policies, we've already reviewed that with legal counsel to make sure first of all the people who utilize those other services of the social daycare or anything else, they're not obligated whatsoever to come to the Tri-Med Health Pavilion, the Article 28 D&TC will be completely separate and independent.

Mr. Kraut Thank you.

Mr. Robinson Other questions?

Dr. Soffel Hi. I'm curious about you mentioned that you'll be providing behavioral health services. I'm just curious about what you envision in terms of the integration between behavioral health and other primary care services and how you imagine staffing that and coordinating that.

Mr. Sinha I've been part of the Rockaways for the last many decades. I've noticed and I've realized that delivering the care has been a major segment for us involving behavioral health, the mental health. We are ready to handle that portion, that issue also for the community. We're trying to have the experts, bring in the experts who can help that community that we live in around the areas there. We're willing to go ahead and provide the behavior together with the primary care and all the other diabetes and hypertension and podiatry and all other things. We'll also prepare to handle the mental health. I hope it helps.

Dr. Lim Just to sort of get a little bit more concrete, I think you included a social worker and psychologist. You're doing primarily psychotherapy and counseling. Is that correct?

Mr. Sinha Yeah.

Mr. Robinson Other questions for the applicant?

Mr. Robinson Any other questions for the department?

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

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson Application 251106B, Accelerated Care Inc in New York County to establish and construct a new diagnostic and treatment center at One Wadsworth Terrace in New York County, Manhattan. The department is recommending approval with conditions and contingencies.

Mr. Robinson Motion Dr. Berliner.

Mr. Robinson Second, Dr. Torres.

Mr. Robinson Ms. Glock.

Ms. Glock Thank you.

Ms. Glock Accelerated Care Inc is an existing not-for-profit corporation that is seeking to establish and construct an Article 28 Diagnostic and Treatment Center in leased space in New York County. The Diagnostics and Treatments Center will be certified for primary care, other medical specialties including cardiology, dermatology, urology, and podiatry. The applicant has stated that the intent to seek certification as a federally qualified health center after commencing operations. They are located in New York County, represent zip codes within Washington Heights, Fort George and Inwood neighborhoods. The facility will be within a health professional shortage area for dental, mental health and primary care as part of a medically underserved area. In addition to serving the general population, the proposed diagnostic and treatment center also will improve access to medical services for residents of two nearby residential healthcare facilities. They are located within half a mile of Fort Tryon Center for Rehab and within half a mile of Isabella Geriatric Center. You can see the board members in the application. They are projecting about 19,000 visits by year three with Medicaid at 70%, Medicare at 5%. The department is recommending approval with conditions and contingencies.

Mr. Robinson Questions for the department?

Mr. Robinson Applicant questions only.

Mr. Robinson Anyone from the public on this?

Dr. Soffel I have a question that may actually be for my colleague, Mr. Lawrence. How easy is it these days to attain FQHC certification, and what are the implications if they are successful in their effort to obtain such certification?

Mr. Lawrence I know it's usually really hard. It's usually very hard. I don't know to be honest with you. Just based on what I read in the papers and hear about what's going on in terms of Department of Health and other federal agencies, it might be impossible.

Dr. Soffel So then what happens, what changes in terms of the calculus of this entity?

Mr. Lawrence Well, what happens typically is that you continue to operate, and you would have to operate like an Article 28 facility and be able to pay your bills and meet payroll and survive. In some cases, you get some benefits if you are a lookalike working with some other FQHC and so you sort of survive until the clouds go away and rain stop, and hopefully by then you have a lifeline. I was just looking. They're looking at dermatology, urology, and these are typically not things that you would find in a typical FQHC specialty and maybe what they're looking to do. The pay mix makes is also atypical in terms of 52% employee plan payer mix, which is unusual for an FQHC. If they are able to meet that payer mix they may have a shot at surviving the atmospheric river that we are experiencing for a couple of years.

Mr. Robinson I think while the pathway is certainly, let's just say it's going to be uphill for quite a while, usually these things don't actually turn over overnight. Even in the best of times, it'll take a couple of years from getting established to actually getting certified. There are many benefits to being a federally qualified center, but really the core of is a funding subsidy. That essentially offsets the cost of the charity or free care that you're going to provide to people who aren't insured.

Mr. Lawrence One of the biggest benefits, in addition to the funding, is what is the federally tort claim. That is where your professional liability is covered by the feds.

Mr. Kraut You can't start the path unless you get approved as a D&TC.

Mr. Robinson Mr. Thomas, you're another expert on the federally qualified health center front, are you not?

Mr. Thomas I sit on one, sit in the board of one. Deeply involved. HRSA is difficult, I'll leave it at that. They've got a voodoo doll of me down there somewhere, I think. I think that we're probably going to see more and more of this because the economics of running a D&T center as a freestanding D&T center versus an FQ are dramatically different. Even a hospital-based extension clinic, the economics are much different than hers than FQ, which is why there's a high bar to achieve it.

Mr. Thomas I'll leave it through that, Mr. Lawrence. I shouldn't have brought that up.

All (Laughing)

Mr. Robinson I would agree with that, by the way, thank you for this conversation, I mean I think what we're clearly getting here is a sentiment that projects that are on the pathway to FQHC are something that we are embracing and strongly supporting and recognize that it's not an easy path, but we appreciate the folks that have decided to embark on that.

Mr. Robinson With that, anybody from the public wishing to speak on this application?

Mr. Robinson Hearing none, call the question.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you all.

Mr. Robinson Application 251114E, Bronx Renal Services LLC in Bronx County. Established Bronx Renal Services LLC as the owner and operator of a 40-station chronic renal dialysis diagnostic and treatment center currently owned by St. Barnabas Hospital at 4451 3rd Avenue in the Bronx. Department recommending approval with conditions and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Dr Torres.

Mr. Robinson Bronx Renal Services seeking approval to become the established operator of St. Barnabas Hospital Hemodialysis Center, which is a forty-station end stage renal dialysis extension clinic located in the Bronx. There will be no changes to the services or the number of stations per this application. The proposed membership of Bronx Renal Services you can see in the staff report Miles Davis and Racy Davis and the facility currently sees about 22,000 visits annually. They expect that to go to about 30,000 almost 34,000 by year three with Medicare at 75% as you would expect and Medicaid at 2%. I'm sorry. Medicaid at 10%. There are no project costs. To this the purchase price will be paid with members equity and a promissory note. The department is recommending approval with conditions and contingencies.

Mr. Robinson Thank you.

Mr. Robinson Questions for the department?

Mr. Robinson Applicant, questions only.

Mr. Robinson Thank you.

Mr. Robinson Anyone from the public on this application?

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson I'm going through these certificates individually because we have to have a separate motion on them, but we're not going to do anything other. I assume you've looked at those, looked those over in the pre-read packet.

Mr. Robinson The certificate of amendment for the certificate of incorporation for Finger Lakes Migrant Healthcare Project Inc. Department recommends approval.

Mr. Robinson Motion Dr. Berliner.

Mr. Robinson Second Dr. Torres.

Mr. Robinson Call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Certificate of assumed name for Community Health Center of Buffalo Inc. Department recommends approval.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Dr Torres.

Mr. Robinson Call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson A restated certificate of incorporation for Finkel Lake's Health Foundation Inc. Department recommends approval.

Mr. Robinson Motion by Dr Berliner.

Mr. Robinson Second by Dr. Torres.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstention?

Mr. Robinson Motion carries.

Mr. Robinson Department recommends approval.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Dr. Torres.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Ladies and gentlemen, members of the public, we are done. The meeting is adjourned.

Mr. Robinson Thank you all very much.

Mr. Kraut I just have a statement to make for the next full council meeting is going to be held on June 18th. If everybody could just listen for a second. We are going to have a long day on the 18th, there's a number of issues that we have to address. I'll go through them in a moment. First of all, if Mr. Holt is agreeing, we're going to start Codes Committee a bit than usual around 9:00am. If those of you who are in Codes can make that, we may have to extend some other business that may become before us, but during the full council, in addition to getting reports, and you know there's a lot of things happening both in Albany and in Washington, we want to give ample time to the Commissioner for his remarks. We are also going to take back the review of the three applications that we were unable to come to a consensus on last week, last cycle where we had a number of abstentions. We will now have the applicant available to meet with the full council. Anybody who abstained will be able to get all of their questions answered to permit them to vote accordingly. The second issues, we have a ruling from an administrative law judge, which will come back to us. We will go through process issues with you before we consider the application, and then we have the normal business of our agenda, EPRC, planning committee, public health, and the like. We'll try to front end the meeting and make it start maybe a little earlier. I'm just making you aware that it's going to be a little bit of a full day. If you could

just accommodate the schedules, we'll try to get all the votes in earlier in the process, so we have ample time to deal with it.

Mr. Robinson And to conclude, thanks to the staff, and especially to Shelly Glock for Yeoman's work today, really do appreciate all you've done. Thank you, everybody.

Mr. Kraut Rest up that throat.

Ms. Glock Thank you.

Mr. Kraut Take care.

Mr. Kraut Bye, bye.

Mr. Kraut We're adjourned.