

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

**AGENDA**

*June 18, 2025*

*Immediately following the Committee on Codes, Regulations and Legislation Meeting  
(Codes scheduled to begin at 9:00 a.m.)*

*90 Church Street, 4<sup>th</sup> Floor, Conference Rooms 4 A/B, NYC, 10007*

**COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW**

Peter Robinson, Chair

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

**Transplant Services – Construction**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1. 241258 C	NYU Langone Hospital-Brooklyn (Kings County)

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

**Residential Health Care Facilities – Establishment**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
1. 231213 E	Silvercrest Acquisition I, LLC d/b/a Silvercrest Nursing and Rehabilitation Center (Queens County)

**I. ADJOURNMENT**



Project # 241258-C  
NYU Langone Hospital-Brooklyn

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

**County:** Kings  
**Acknowledged:** June 11, 2024

Executive Summary

Description

NYU Langone Hospitals requests approval to certify a kidney transplant program within NYU Langone Hospital - Brooklyn, a 444-bed full-service academic medical center at 150 55th St, Brooklyn, New York (Kings County). The kidney transplant program will provide a full range of kidney transplantation services, including pre-transplant evaluation, transplant surgery, and post-transplant care through NYU's ambulatory care network. The program will also conduct outreach to dialysis centers and community physicians to identify patients approaching end-stage renal disease (ESRD) and promote access to comprehensive kidney transplant services.

The program is projected to perform forty (40) kidney transplants in the first full year of operation and one hundred (100) kidney transplants in Year Three.

OPCHSM Recommendation  
Contingent Approval

Need and Program Summary

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

Financial Summary

The application fee of \$2,000 is the only project cost.

Budget:	<u>Year One</u>	<u>Year Three</u>
Revenues	\$10,035,089	\$19,273,346
Expenses	<u>\$9,409,662</u>	<u>\$16,697,320</u>
Net Income	\$625,427	\$2,576,026

Health Equity Impact Assessment

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

## Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

**Approval contingent upon:**

1. Submission of OPTN letter granting NYULH-Brooklyn approval to perform adult kidney transplants, including approval of the practitioners proposed as primary physician and primary surgeon. [HSP]

**Approval conditional upon:**

1. This project must be completed by **one year from the date of the recommendation letter**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Actively participating in the New York Center for Kidney Transplantation, aka NYKidney, by sharing data, participating in peer review, research, quality improvement, and other activities endorsed by the Department, including but not limited to coordinating the facility's plan with efforts that NYKidney may be conducting. [HSP]
3. Implementing and enhancing, as needed, active outreach efforts to educate and support NYU Langone Hospitals (NYULH) affiliated and non-affiliated hospitals and providers in underserved areas, facilitating access to kidney transplant evaluation and care. [HSP]
4. Continuing to commit and devote resources to improving organ donation and NYS Donate Life Registry enrollments as a top priority in all system hospitals. This commitment must be reflected in a written plan to create a system-wide institutional culture that supports organ donation and NYS Donate Life Registry enrollment, which is continually evaluated and updated as needed. This plan should include, but not be limited to:
  - a) Implementation of and participation in programs and initiatives to promote health and prevent diseases associated with the need for organ and tissue donation and transplantation;
  - b) Implementation of practitioner-focused education and outreach efforts to inform them of the availability and breadth of NYULH-Brooklyn kidney transplant services.
  - c) Improving communication and coordination with the organ and tissue recovery agencies, for example, establishing onsite transplant coordinators, conducting regular multidisciplinary clinical case reviews to identify missed opportunities and/or opportunities for improvement, and reporting and reviewing aggregate donor data jointly with the OPO(s);
  - d) Enlisting participation, improving coordination, and holding staff throughout the facility accountable as partners in achieving these goals, including but not limited to critical care, emergency department, and palliative care staff;
  - e) Increasing awareness and education of staff about organ donation throughout system facilities, and the communities they serve, by partnering and coordinating with organ donation stakeholders, e.g., donation and transplant advocates, recovery agencies and community-based organizations such as interfaith organizations, organizations that provide services to different ethnic and cultural groups, etc. to implement awareness and education initiatives;
  - f) Share lessons learned and best practices with members of the organ donation and transplant community, including but not limited to other transplant centers;

- g) Conducting specific activities to improve enrollment in the NYS Donate Life Registry;
- h) Annually for the first five years and upon request, providing the Department with information and updates about the plan, including progress towards meeting the goals, benchmarks, and timelines developed and described above. [HSP]

Council Action Date  
June 18, 2025

## Program and Need Analysis

### Project Description and Background

New York University Langone Hospitals (NYULH) seeks approval to certify and implement an adult kidney transplant program at NYULH—Brooklyn. The facility is located at 150 55<sup>th</sup> Street in the Sunset Park neighborhood of Brooklyn.

The facility goals for this project are to:

1. Increase access to kidney transplantation for all New Yorkers, most notably for Brooklyn residents.
2. Accommodate kidney transplant patients who are currently seeking care at NYU Langone Hospital – Manhattan campus.
3. Improve the equity of kidney transplants. The applicant notes kidney transplants disproportionately affect black patients four times more than white patients.
4. Meet the U.S. Department of Health and Human Services directive to transform the national organ transplant system to better serve patients, including initiatives to dramatically increase the number of and equity in organ transplants.

NYULH is a 501(c)(3) New York not-for-profit quaternary care teaching hospital with inpatient hospital facilities located in Manhattan, Brooklyn, and Long Island, and four emergency departments in the aforementioned boroughs, including a freestanding emergency department in the Cobble Hill section of Brooklyn. The NYU Langone Hospital System consists of four hospital centers: Tish/Kimmel, Langone Orthopedic Hospital, Brooklyn, and Long Island. Under separate CON (CON #241192), NYULH is seeking a merger of the Joseph and Diane Steinberg Ambulatory Care Center and Long Island Community Hospital. A fully integrated electronic medical record (Epic) is used across inpatient and ambulatory settings. This provides real-time metrics and dashboards across all sites of service to focus on quality, safety, patient experience, values, and efficiency.

NYULH-Manhattan has CMS certified transplant programs for kidney, liver, heart, lung, and pancreas. They perform both adult and pediatric transplants. In 2016, the NYULH system established a Transplant Institute at the NYU-Manhattan campus. The NYULH Transplant Institute facilitates collaboration among practitioners to facilitate and improve patient care, practitioner education, and research advancing the field of organ donation and transplantation and addressing barriers to kidney transplantation across the NYULH system. The Phoenix module in Epic tracks transplant-specific information so patients are actively managed from the point of referral through post-transplant. Organ donation has been facilitated by partnering with LiveOnNY, the metropolitan NY organ procurement organization, and the establishment of a “donor care unit” at the facility.

The Transplant Institute employs a full-time outreach nurse coordinator and a nephrologist, Director of Outreach and Education, as well as five transplant nephrologists with a dedicated portion of their time for outreach efforts. They note an opportunity to extend outreach and education to patients most in need.

The Transplant Institute offers other resources such as:

- Dedicated transplant financial coordinators who work with patients to apply for Medicare, Medicaid, or other insurance benefits for which they may be eligible. The transplant financial coordinators are available Monday through Friday, 8:00 am-5:00 pm.
- A contract with the New York Legal Assistance Group (NYLAG) to thoroughly explore citizenship and PRUCOL status options for patients in need.
- A screening practice that allows the transplant evaluation process to start for patients while insurance options are pursued.

The applicant notes that NYU has 24 nephrologists within the physician network and 290 non-NYU affiliated nephrologists and 140 different dialysis units in their network.

Significant growth in the quantity of organ transplants and quality of transplant care provided by NYULH-Manhattan is evidenced in ongoing data and reports provided by the federally contracted Organ Procurement Transplant Network (OPTN) and Scientific Registry of Transplant Recipients (SRTR). NYULH-Brooklyn is an academic medical center. The facility is licensed to operate 444 beds and is designated as a Level 1 Adult Trauma Center, a Level 2 Perinatal Center, a STEMI Center, and a Comprehensive Stroke Center. Licensed beds in this facility include classification/counts of: Coronary Care – 8, Intensive Care – 28, Medical/surgical – 271, Pediatric – 10, and others. In addition, the application notes that there are 115+ NYULH system sites throughout Kings County, including the first federally qualified health center, and a kidney transplant evaluation clinic in Brooklyn, so patients can receive pre and post-transplant services in their community. Partnerships with One Brooklyn Health and initiating programs such as Building Bridges have been established to facilitate patient access to health care in the borough.

NYU Langone Hospital – Brooklyn is licensed to provide the following services: Ambulatory surgery – Multi Specialty, Cardiac Catheterization both adult diagnostic and Percutaneous Coronary intervention, and Electrophysiology Services, Certified Mental Health Services O/P, Emergency Department, Lithotripsy, MRI, Medical Services both primary care and other medical specialties, acute renal dialysis and others. The application cites multiple quality measures in which NYU-Brooklyn outperforms other Article 28 facilities in the borough.

The applicant seeks to expand adult kidney transplant services to better serve the residents of Brooklyn. They recount both socioeconomic factors and physical conditions that are experienced by Brooklyn residents as support for the need for increased access to kidney transplant services in the borough. Socioeconomic factors identified include that the median annual household income of Brooklyn residents is \$112,493, less than that of NYC and NYS. In addition, the applicant reports that in their own data collection, it was identified that 20.7% of Brooklyn households make less than \$25,000 annually, a percentage higher than that of NYS (17%).

It is well known that in the United States, diabetes and high blood pressure are the leading causes of kidney failure. The applicant presents data published in several 2023 NYS Department of Health reports, which identify approximately 10.5% of adults residing in Kings County (Brooklyn) being diagnosed with diabetes compared to 7.1% of adults in New York County. In addition, the reports note that in nearby counties, 14.4% of adults in Richmond County and 13.1% of adults in Queens County have diagnosed diabetes.

Additional 2023 DOH report findings identified hypertension trends similar to the diabetes rates, that is, 27.5% of adults in Kings County, 33.0% of adults in Richmond County, and 30.2% of adults in Queens County have been diagnosed with high blood pressure as compared to 23.5% of adults in New York County. They point out that these disparities in Kings, Richmond, and Queens Counties when compared to New York County demonstrate the need for local access to kidney transplantation services.

The applicant submitted data specifically in support of the need for additional resources to provide care to Brooklyn residents with chronic kidney disease and end-stage renal disease requiring dialysis. An analysis of SPARCS data reveals that in each year 2021, 2022, and 2023, approximately 16,000 patients, or 24% of discharges from non-Kings County metropolitan NY facilities, were patients that resided in Kings County.

In addition, the applicant referenced data from the National Institute of Health's National Institute of Diabetes and Digestive and Kidney Diseases' Renal Data System. USRDS data used in combination with OPTN data reveals that the:

- Incidence count of Kings County residents receiving dialysis per million population is much higher than those residing in New York and Nassau Counties, and
- Kidney transplant rate per 100 dialysis patients is much lower for Kings County residents than those residing in New York and Nassau Counties.

This pattern has persisted through several annual reporting cycles.

A separate analysis of OPTN data revealed that 82% of Brooklyn residents who received a kidney transplant traveled outside of Brooklyn to get it.

If the application is approved, NYULH commits to conduct outreach to dialysis centers and community physicians in Brooklyn to identify patients approaching end-stage renal disease and promote access to comprehensive kidney transplant services

The applicant projects performing 40 kidney transplants in the first full year of operation and 100 kidney transplants in Year Three of operation at NYULH-Brooklyn, with recipients being identified via a redistribution of Brooklyn residents currently listed and receiving transplant-related care at NYULH-Manhattan and through partnership and outreach activities.

If the application is approved, kidney transplant physicians and surgeons already practicing at the NYULH-Manhattan facility will be transitioned to staff and leadership positions in the new NYULH-Brooklyn's kidney transplant program. Members of the multidisciplinary team required to provide organ transplant care have been identified to be able to quickly get the program off the ground upon approval of the submitted CON and approval of the OPTN. NYULH has drafted its application to the OPTN seeking approval to start the program. Submission of the application is pending approval of this CON application.

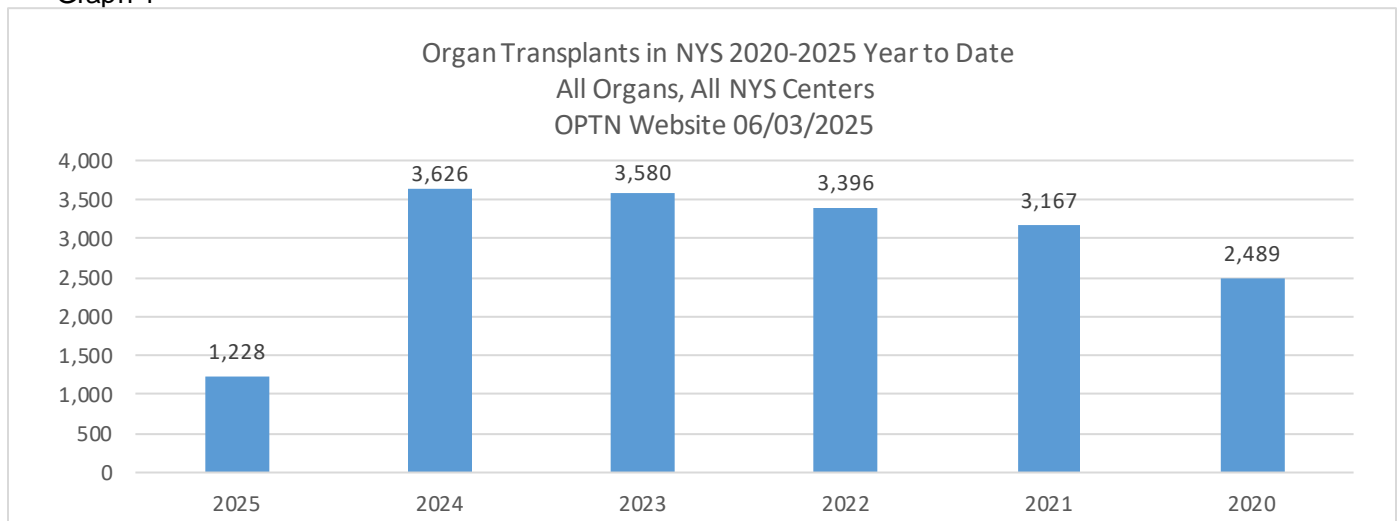
#### Transplant Program Review

In addition to materials provided as part of the CON application and the applicants response to the Department's Request for Additional Information, staff reviewed a draft of the facilities OPTN application seeking approval to provide adult kidney transplant services at NYULH-Brooklyn, NYULH-Manhattan's most recent CMS transplant recertification survey and relevant state and transplant center data. Program received feedback on the application from three external reviewers with expertise in kidney transplantation, one of which is a member of the Transplant Council.

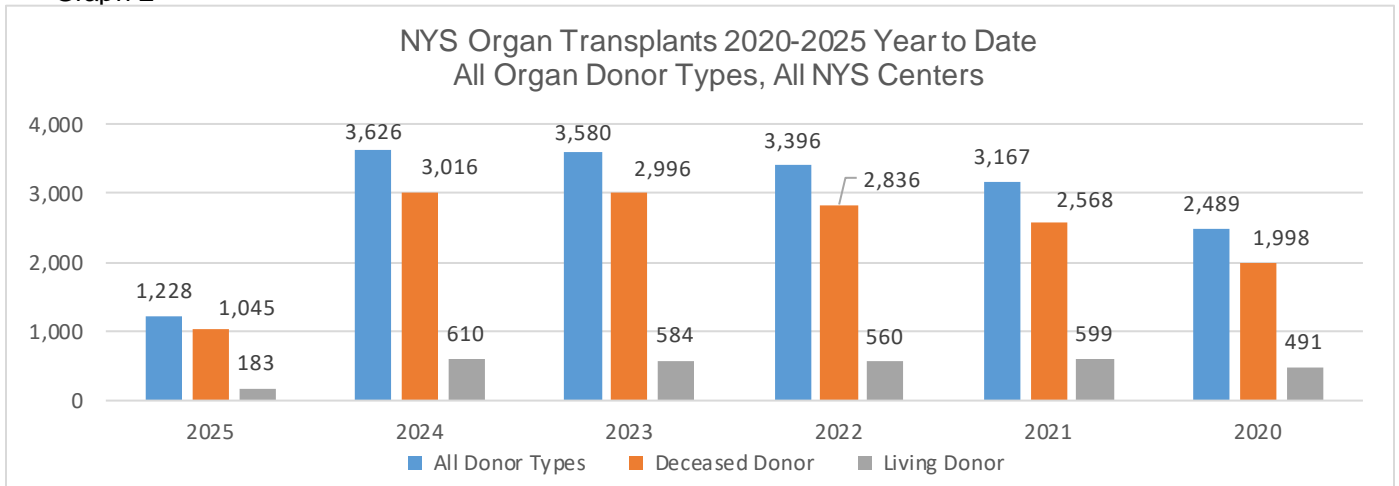
#### Status of Donation and Transplantation in NYS

As Graph 1 indicates, there were 3,626 organ transplants in 2024, and since 2020, transplants in NYS have increased 31%. Graph 2 shows that while deceased donor transplants are continuing to climb, living donor transplants have remained relatively flat.

Graph 1



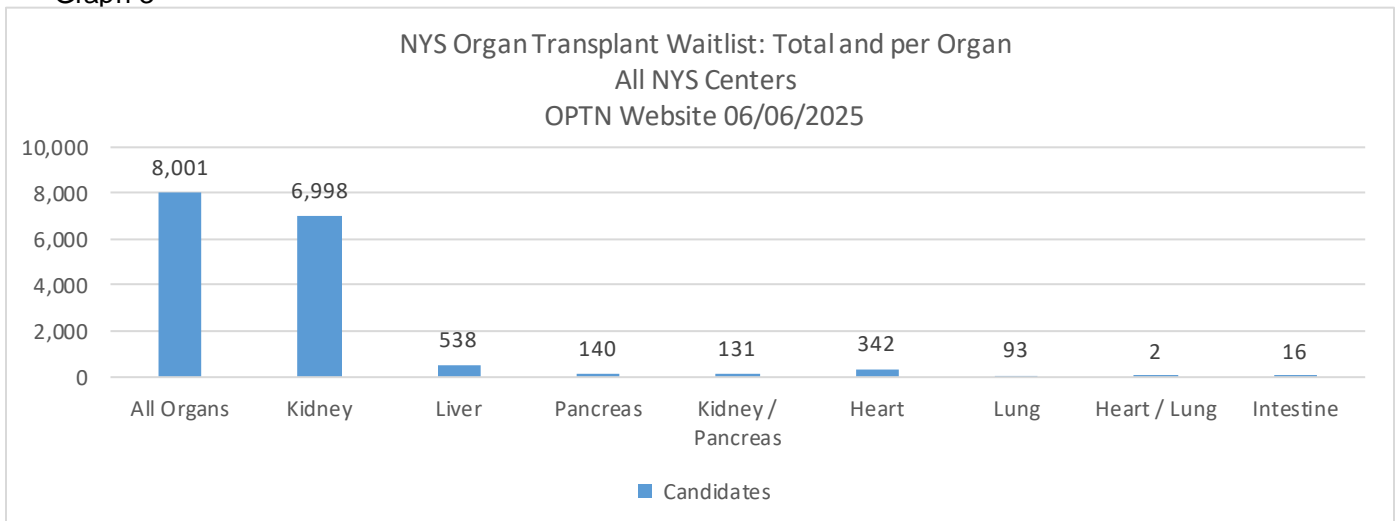
Graph 2



Waitlist

Graph 3 reveals that the total number of people waiting for an organ transplant in NYS is approximately eight thousand, with kidneys being the organ in most need by far.

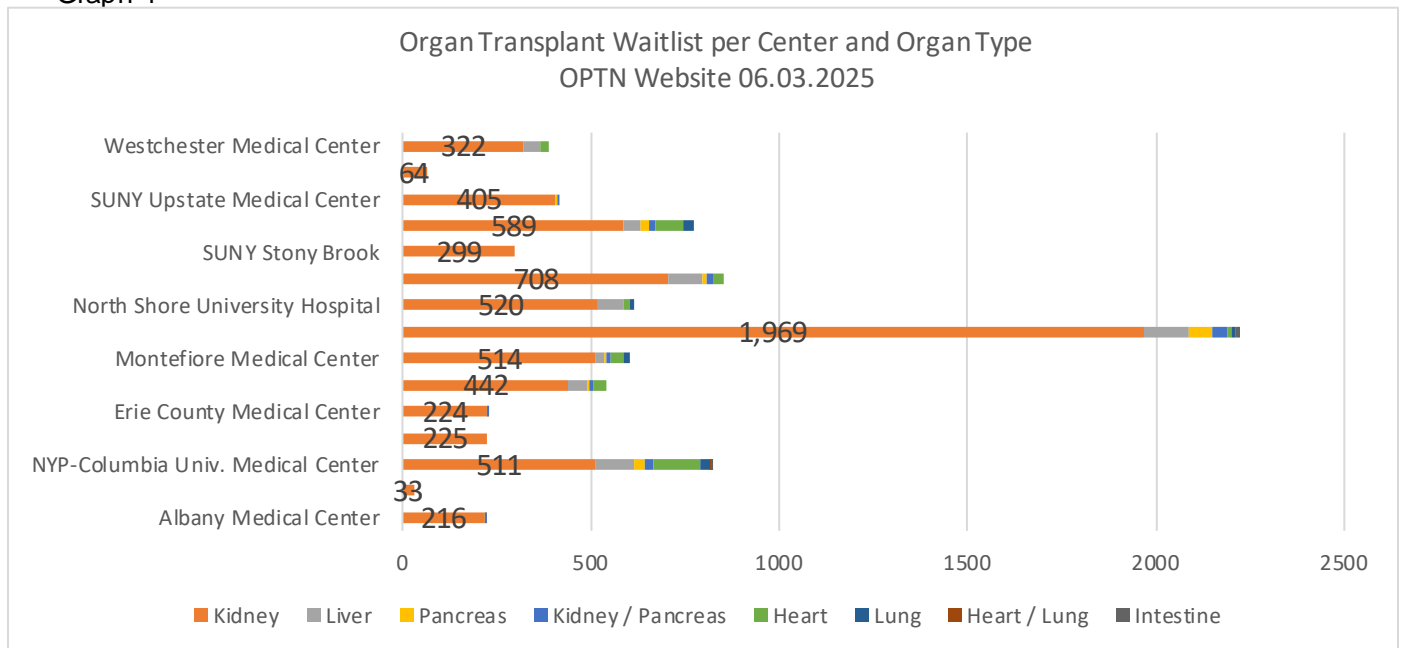
Graph 3



In Graph 4, we see how many people each transplant center in NYS has on its waitlist for each of the organ types that they transplant. Not unlike that state waitlist, the majority of people waiting for an organ at each NYS center are waiting for a kidney, with Mount Sinai having the largest kidney transplant waitlist. The size of Weill Cornell's kidney waitlist is a distant second. Graph 4 also shows that, unlike the statewide waitlist, where the liver is the second most needed organ by patients waiting for a transplant, some facilities with both liver and heart transplant programs have larger heart waitlists than liver waitlists.



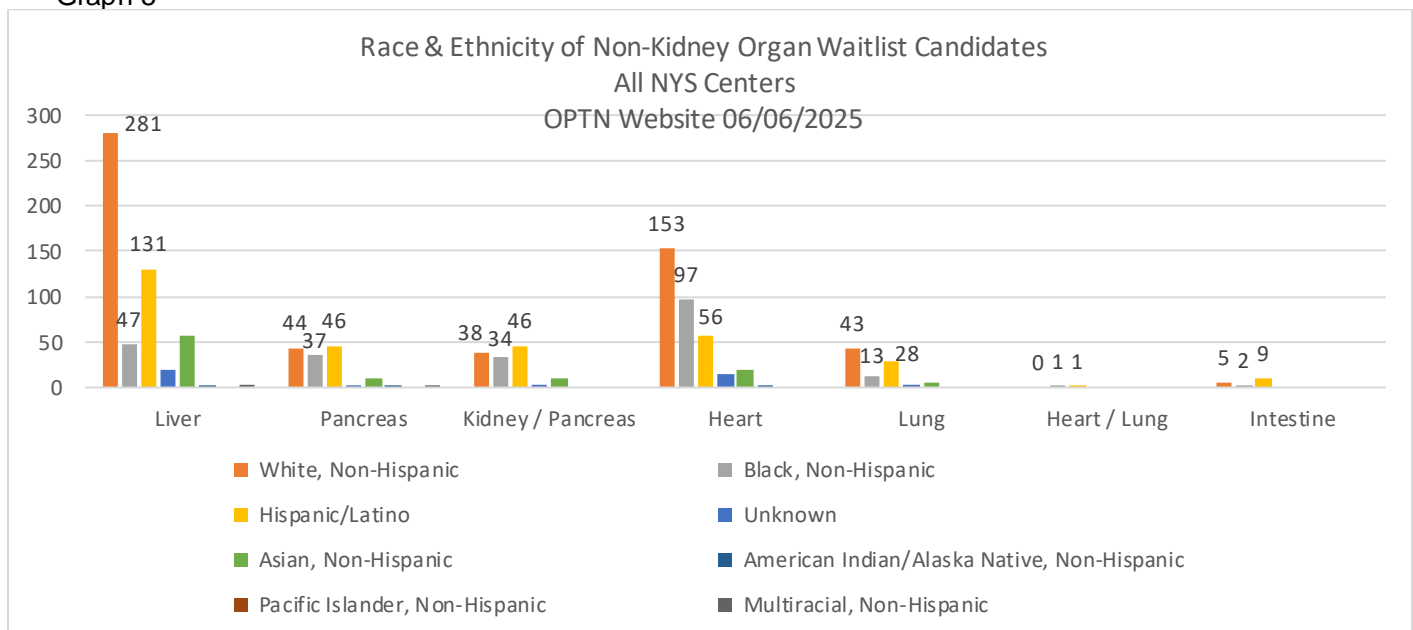
Graph 4



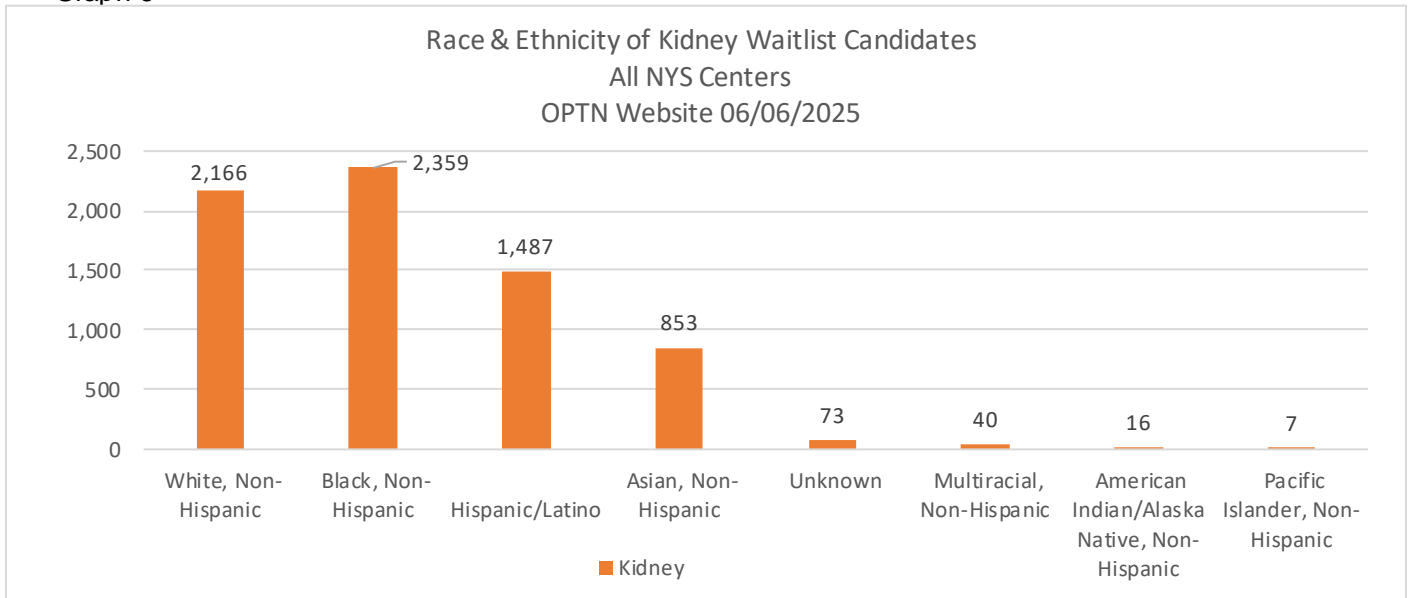
Graphs five and six indicate the racial and ethnic background of waitlist candidates from all New York transplant centers. Graph 5 shows this information for all non-kidney transplant waitlist candidates and Graph 6 shows it for kidney transplant waitlist candidates.

There are slightly more black, non-Hispanic kidney transplant candidates than there are white, non-Hispanic candidates on this list, with Hispanic/Latino and Asian, non-Hispanic candidates coming in third and fourth on the waitlist. White, non-Hispanic transplant candidates dominate the waiting lists for livers and hearts. Whereas Hispanic/Latino candidates are the second most frequent ethnic/racial group on the liver waiting list, black, non-Hispanic candidates are the second most frequent ethnic/racial group waiting for a heart.

Graph 5

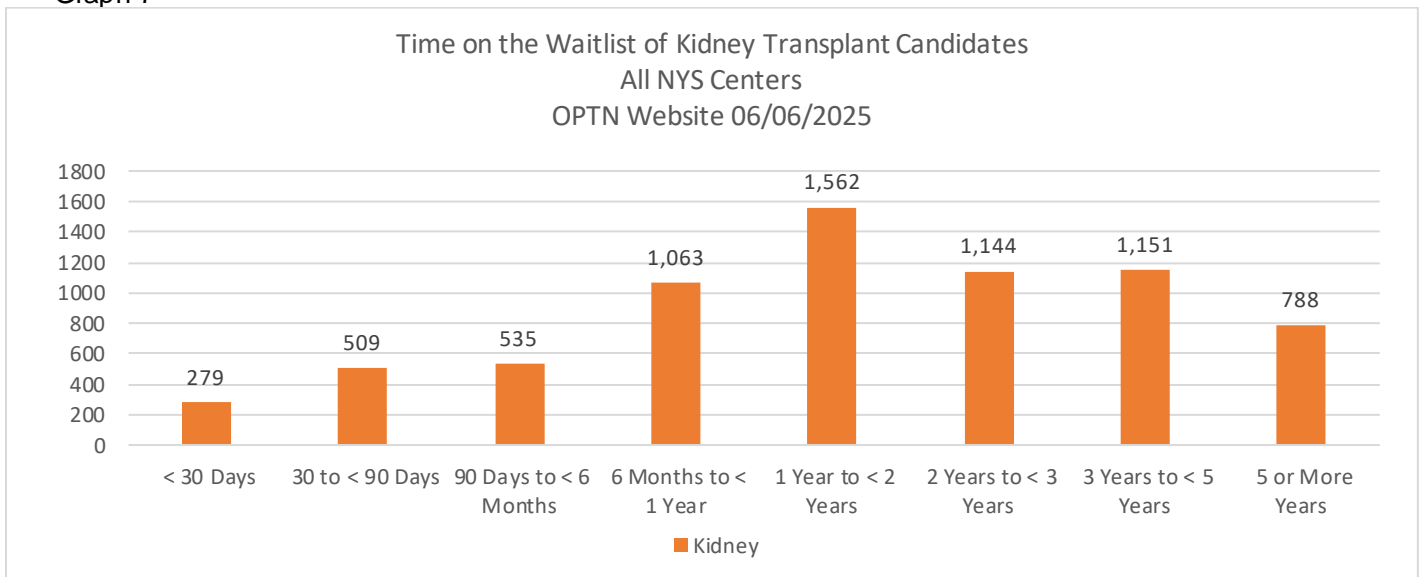


Graph 6

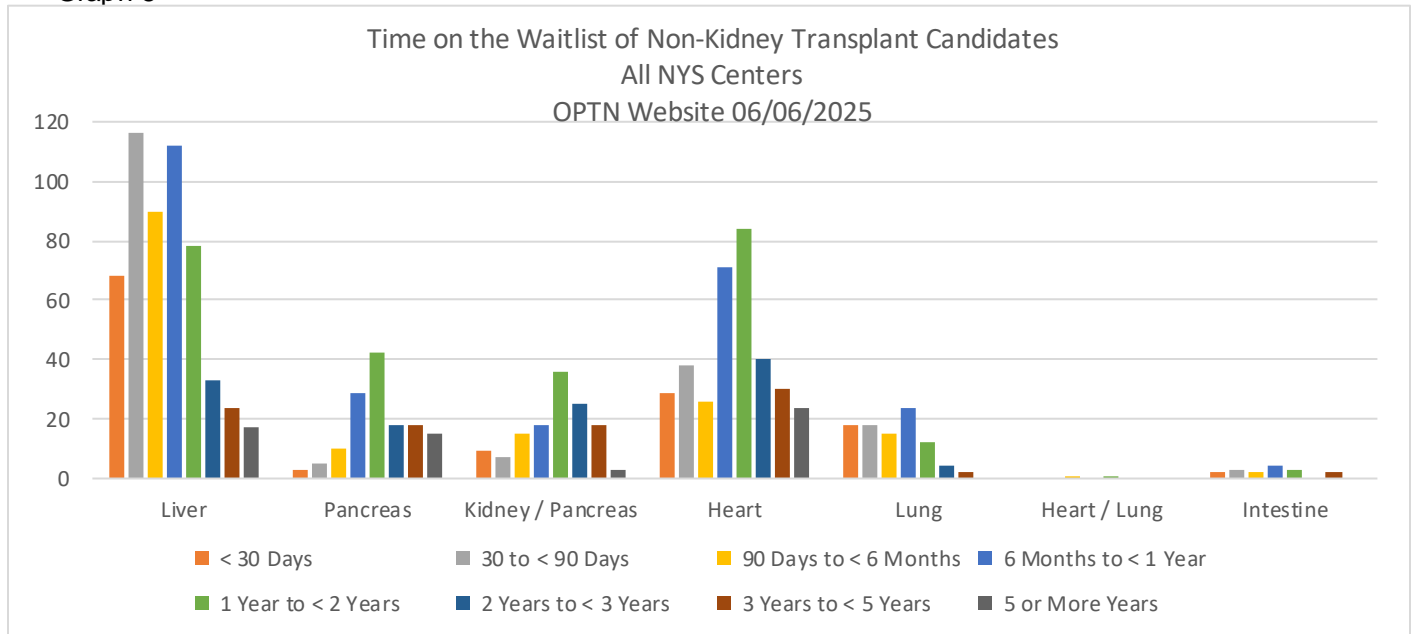


Graphs seven and eight show the length of time that waitlist candidates have been waiting for a kidney and other organs. Graph 7 shows that most people waiting for a kidney wait at least one year, with the majority of waitlist candidates not receiving a kidney for much longer than that. Graph 8 shows that each organ has a somewhat different wait time pattern. Heart waitlist candidates most frequently receive a transplant between 6 months and 2 years after being added to the list, whereas a significant number of liver waitlist candidates seem to receive their organ within 6 months of being added to the list.

Graph 7



Graph 8



#### Status of Kidney Transplantation in NYS

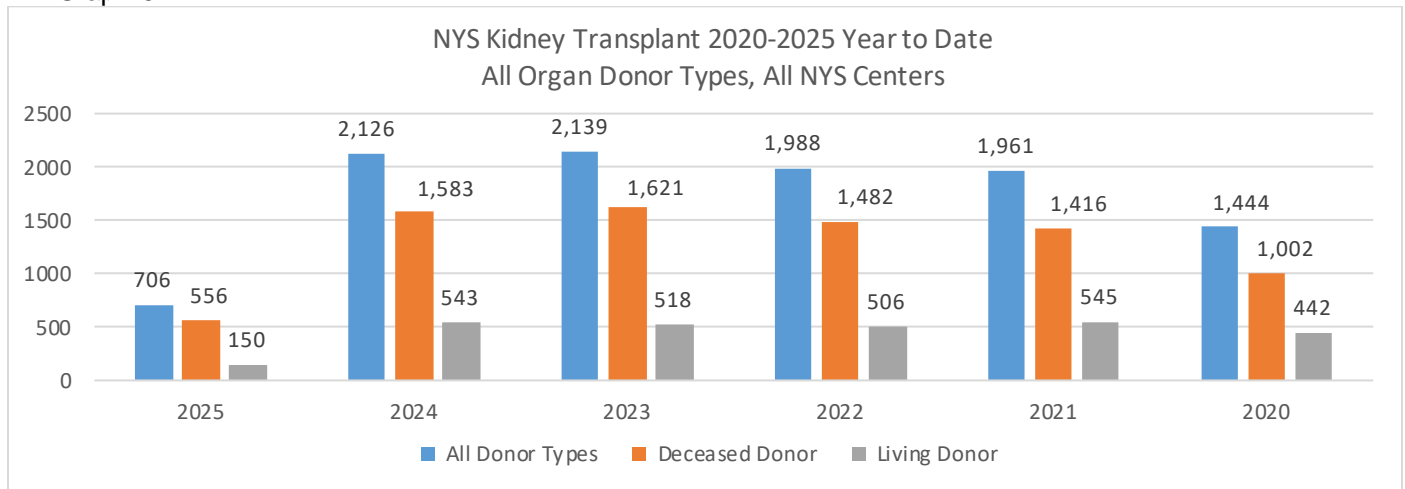
There are 15 transplant centers in NYS that perform kidney transplants. Fourteen of them are licensed by NYS. Six of the NYS licensed centers are located in New York City; three are located on Long Island. Table 1 shows the total number of kidney transplants performed by all New York centers and the number performed by each center, 2020-2025, year to date. NYU Langone-Manhattan, NYP-Weill Cornell, and Mount Sinai Medical Center consistently perform the most kidney transplants per year.

Table 1: Number of Kidney Transplants All Centers &amp; Per Center

	2025 YTD	2024	2023	2022	2021	2020
All Centers	706	2,126	2,139	1,988	1,961	1,444
Albany Medical Center	13	34	34	35	29	69
NYP-Columbia Medical Center	79	223	227	190	208	177
SUNY Downstate Medical Center	14	44	60	61	43	3
Erie County Medical Center	34	137	141	141	139	130
U of R, Strong Memorial Hospital	45	93	104	104	104	86
Montefiore Medical Center	70	221	247	199	171	114
Mount Sinai Medical Center	94	260	276	279	300	194
North Shore University Hospital	70	207	195	134	119	74
NYP-Weill Cornell Medical Center	83	317	280	236	265	194
SUNY Stony Brook Medical Center	21	61	64	73	89	88
NYU Langone Health	119	338	329	335	311	192
SUNY Upstate Medical Center	23	77	94	97	86	60
Westchester Medical Center	24	93	66	86	69	49
LIJ-Cohen Medical Center	3	10	7	7	8	6
James J. Peters VA Medical Center	14	11	15	11	20	8

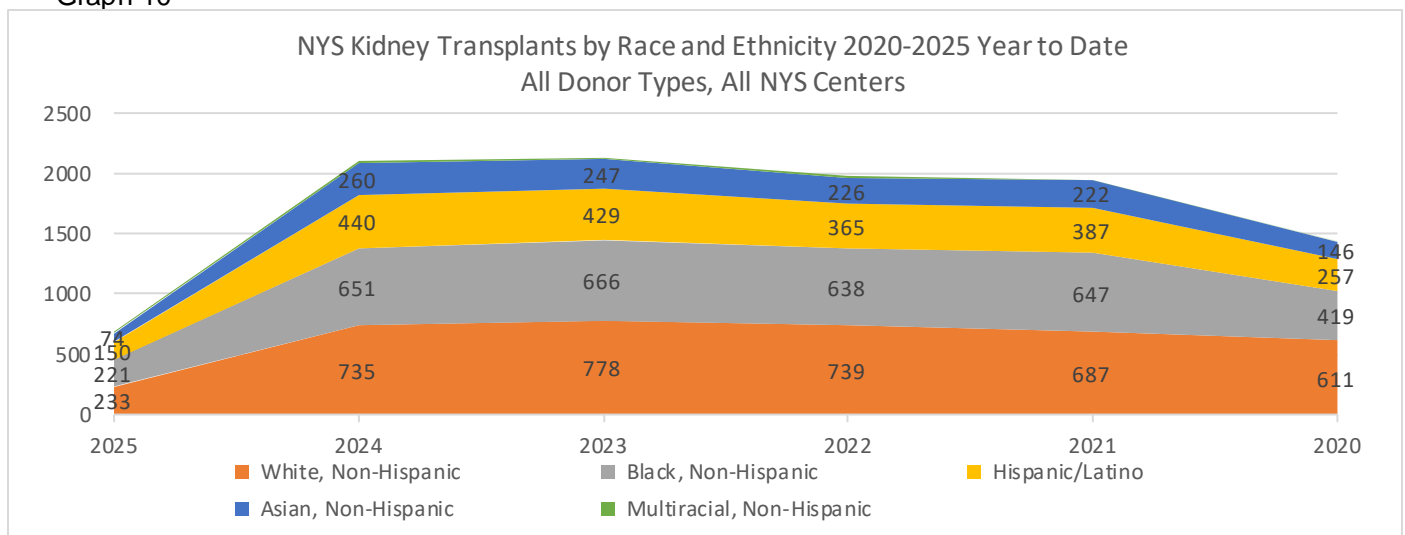
Similar to Graph 1, Graph 9 shows an approximate growth of 30% in kidney transplants between 2020 and the close of 2024, with most of the growth being in deceased donor transplants, with living kidney donor numbers remaining fairly steady.

Graph 9



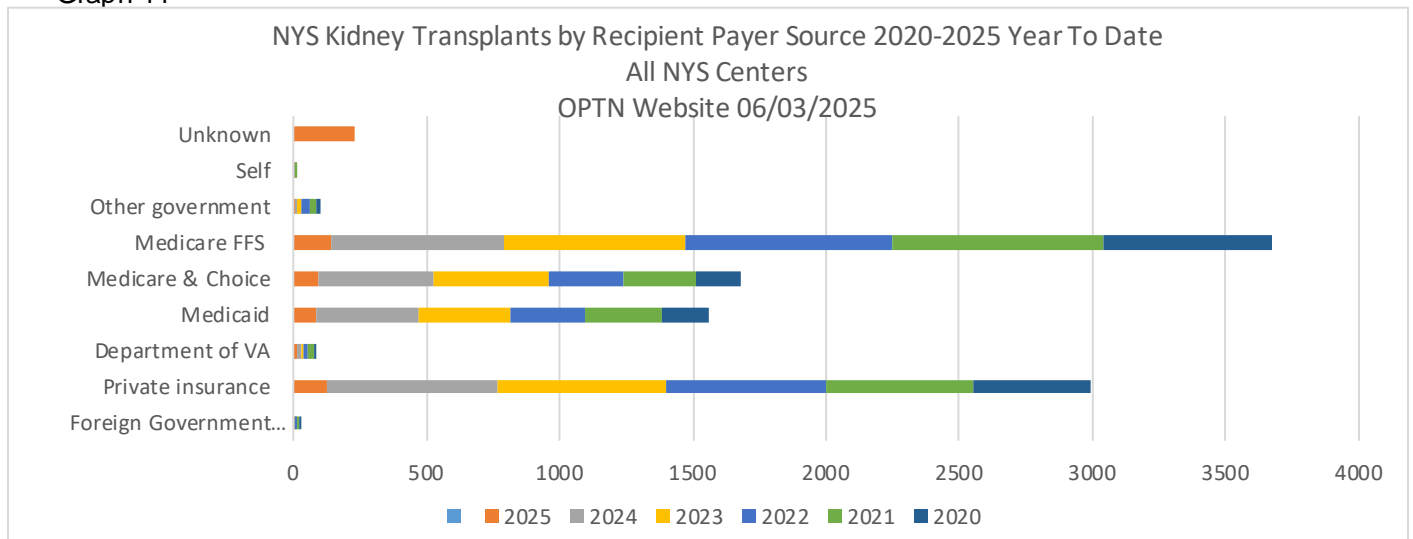
Somewhat inconsistent with Graph 6, where there are more black, non-Hispanic kidney waitlist candidates than white, non-Hispanic kidney waitlist candidates, Graph 10 shows more white people receiving kidney transplants than black people between 2020 and the close of 2024 and 2025, year to date.

Graph 10



Graph 11 shows that over the 2020-2025 period that Medicare Fee for Service and Private insurance are the primary payor source for kidney transplant care.

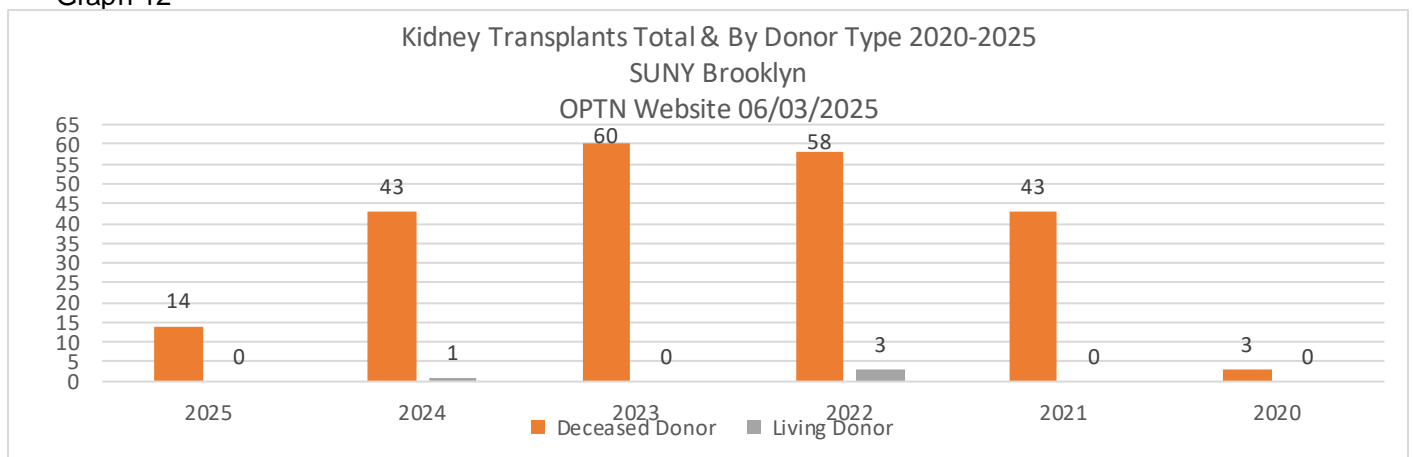
Graph 11



### Status of Kidney Transplantation in Brooklyn

SUNY Downstate, located in Brooklyn, has an active kidney transplant program. As shown in Graph 12, SUNY Downstate's kidney transplant volume has vacillated through time, as low as three and as high as 60 kidney transplants between 2015 and the present. Since 2021, their volume has been above 40 kidney transplants per year.

Graph 12



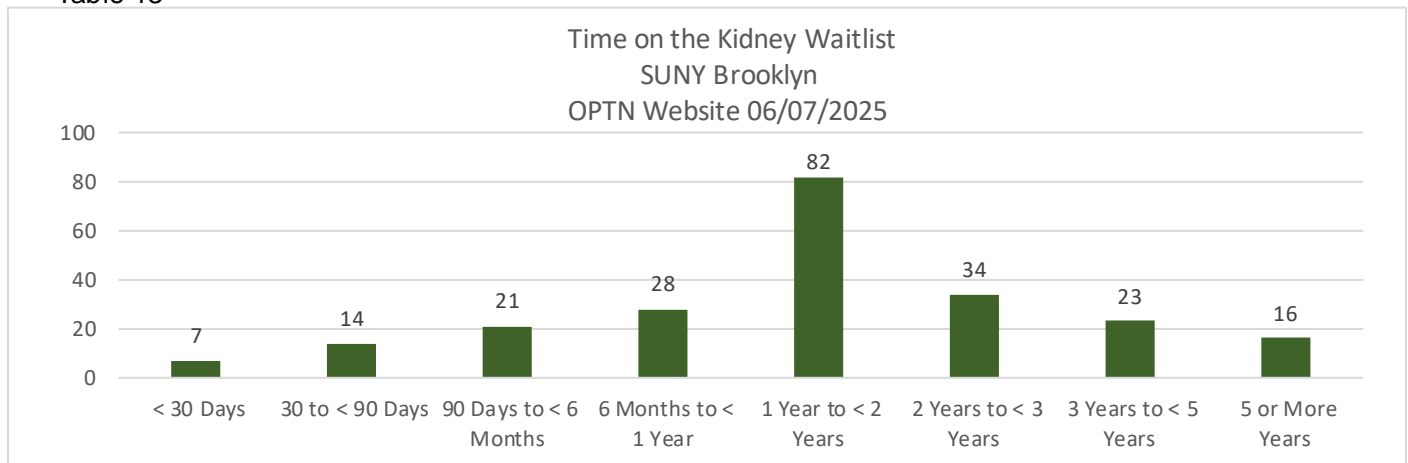
SUNY Brooklyn has 225 kidney transplant candidates on their kidney waitlist and primarily lists and transplants black, non-Hispanic patients. Their primary payor sources for transplant care are the same as the rest of the state, that is Medicare Fee for Service and private insurance. Graph 13 indicates the number of patients added to the kidney waitlist by SUNY Brooklyn from 2020 to present.

Table 2: Additions to SUNY Brooklyn Waitlist 2020-Present

	2025	2024	2023	2022	2021	2020
Waitlist Additions	36	113	139	95	96	6

Table 13 is consistent with the statewide time on the kidney waitlist graph in that it shows that most patients stay on the list for a least one year.

Table 13



Comparison of Kidney Transplant Program Performance Measures

Table three shows specific metrics used by the OPTN and CMS to evaluate transplant center performance and quality of care for select metropolitan NYC transplant centers. Values in the table below that are bolded are worse than one or both the Donor Service Area and the US average for that measure.

While NYU-Manhattan has the shortest median time on the waitlist before transplant, NYP Columbia and Weill Cornell are also significantly below average (better) on this measure. Mount Sinai, Montefiore, and SUNY Brooklyn are significantly above average (worse) on this measure. Only Mount Sinai and SUNY Brooklyn's observed transplant rates are less than the expected rate.

Performance on one-year post-transplant graft survival and 1-year graft survival hazard ratio shows that NYU, Columbia, Mount Sinai, and North Shore perform on this measure are all better than the national average. While some of the transplant centers whose data is posted below are worse than the average for 2 or 3 of these measures, it is notable that SUNY Brooklyn's performance is worse than the average on all four of the measures.

Table 3: Metropolitan NYC Transplant Center Performance on Transplant Quality Measures

Metropolitan NY Transplant Center Adult Kidney Tx Performance Metrics Scientific Registry of Transplant Recipients Center Specific Reports, 01/2025				
Center	Median Months on Waitlist to Transplant	Transplant Rate (Observed vs Expected)	1-Year Post-Transplant Graft Survival	1-Year Graft Survival Hazard Ratio*
NYU Langone-Manhattan	9.10	O>E	96.90	0.54
NYP Columbia Medical Center	13.70	O>E	95.85	0.97
Mt Sinai Medical Center	>72	O<E	95.44	0.96
North Shore University Hospital	30.60	O>E	95.11	0.91
NYP Weill Cornell Medical Ctr.	19.90	O>E	93.89	1.20
Montefiore Medical Center	64.90	O>E	93.77	1.04
SUNY Downstate/Brooklyn	>72	O<E	88.05	1.47
LiveOnNY Donor Service Area	31.20	N/A		
U.S.	29.30		94.97	1.00
* The hazard ratio provides an estimate of how the transplant program's results compare with what was expected based on modeling the transplant outcomes from all U.S. programs. A ratio above 1 indicates higher than expected graft failure rates (e.g., a hazard ratio of 1.5 would indicate 50% higher risk), and a ratio below 1 indicates lower than expected graft failure rates (e.g., a hazard ratio of 0.75 would indicate 25% lower risk). If the program's graft failure rate were precisely the expected rate, the estimated hazard ratio would be 1.0.				

#### Summary Review of NYULH Application to Certify an Adult Kidney Transplant Program in Brooklyn

Both DOH staff and external parties reviewed NYULH CON application and associated materials seeking to certify a new kidney transplant program at the NYU Brooklyn Hospital. The Department identified a number of experts in the field of nephrology and Kidney transplant, provided them with the information contained within this Exhibit and requested feedback on the merits of the proposed project, any strengths or weaknesses in the project discernable from the information provided, and the need for an additional kidney transplant program in NYS Kings County.

#### External Review

External reviewers noted that the NYU Langone Hospital CON application and associated materials seeking to certify a new kidney transplant program at NYU- Brooklyn was thorough and evidences the facilities plans and capabilities of adherence to OPTN and CMS requirements for kidney transplant centers.

External reviewers recommend approval of the project.

#### OPTN Application Review

NYULH has not yet submitted their Organ Procurement and Transplant Network (OPTN) application seeking approval to provide kidney transplant services at their Brooklyn location. Staff and external reviewers found the application to be strong and contain evidence of compliance with OPTN and CMS requirements for transplant programs.

Compliance with Applicable NYS Codes, Rules and Regulations

NYU Langone - Brooklyn has received a total of 5 citations resulting from onsite allegation surveys between January 2021 and May 2025. Posted citations issued include:

- 11/29/2021 Complaint investigation survey: Nursing Care Plan deficiency
- 5/12/2022 Complaint investigation survey: Physical Environment, Nursing Services and Infection Prevention and Control and Antibiotic Stewardship Program.
- 1/16/2024 Complaint investigation survey: Nursing Services
- 10/29/2024 Complaint investigation survey: Patient Rights, Discharge Planning and Surgical Services
- 4/29/2025 Complaint investigation survey: Patient Rights, Nursing Services, and Emergency Services

Adherence of NYULH-Manhattan to CMS Conditions of Participation for Transplant Program

NYULH-Manhattan underwent its most recent CMS re-certification survey of its kidney, liver, heart, lung, and pancreas programs in 2022. During that survey, one standard level deficiency was found and corrected.

Prevention Agenda

NYU Langone Hospitals (NYULH) requests approval for the implementation of a kidney transplant program at its Brooklyn location in Kings County. The project aims to expand access to comprehensive kidney transplant services to Brooklyn residents.

NYU Langone Hospitals (NYLUH) is implementing multiple interventions to support priorities of the 2019-2024 New York State Prevention Agenda, including:

- Preventing Chronic Diseases
- Promote a Healthy and Safe Environment
- Promoting Healthy Women, Infants, and Children

The proposed project will advance the Prevention Agenda priority of Preventing Chronic Diseases by allowing NYULH Brooklyn to provide comprehensive chronic disease management care to its patient population.

As per the latest available report, in 2021, NYULH spent \$35,214,098 on community health improvement services, representing 0.53 % of total operating expenses.

Program Conclusions and Recommendation

This application reflects that the NYU Langone Hospital System and NYU Langone - Brooklyn Hospital is dedicated to increasing the availability of Nephrology and Kidney organ transplantation to the residents of Brooklyn and Kings County.

The application and responses to Department requests for additional information assured the Department that NYU Langone – Brooklyn, with the support and guidance of the NYU Langone Hospital system and Manhattan based Transplant Institute, has the structure, processes, staff and other resources to implement a kidney transplant program.

The performance of the transplant programs at the NYULH Manhattan location have shown significant growth in recent years and consistently attain or exceed performance on transplant quality measures.

Program recommends approval of the application with contingencies and conditions.



## Financial Analysis

### Operating Budget

The applicant has submitted an incremental operating budget for the first and third years of operation of the service. The budget includes revenues and expenses associated with the hospital stay for living kidney donors as well as for the recipients. The budget is summarized below:

	<u>First Year</u>		<u>Third Year</u>	
	<u>Per Discharge</u>	<u>Total</u>	<u>Per Discharge</u>	<u>Total</u>
Inpatient Revenue				
Commercial MC	\$50,928	1,928,994	\$70,574	\$3,167,656
Medicare FFS	\$44,197	\$3,627,040	\$77,799	\$7,568,697
Medicare MC	\$44,126	\$1,949,822	\$78,136	\$4,093,126
Medicaid FFS	\$28,644	\$361,644	\$36,191	\$541,672
Medicaid MC	\$28,613	\$2,167,528	\$43,453	\$3,902,196
All Other				
Total Inpatient Revenue		\$10,035,089		\$19,273,346
Inpatient Expense				
Operating	\$37,001	\$9,409,662	\$55,844	\$16,697,320
Capital				
Total Expense		\$9,409,662		\$16,697,320
Net Income (Loss)		<u>\$625,427</u>		<u>\$2,576,026</u>
Patient Discharges		255		299
Cost per Procedure		\$37,001		\$55,844

The budget is based on the following assumptions:

- Inpatient expenses apply to the actual transplant procedure and full inpatient stay.
- The clinical program assumes organs will come from both live and deceased donors. All related live donor expenses as well as the costs related to deceased donor organ acquisition are included in inpatient expenses.
- Fees for the United Network for Organ Sharing and New York Organ Donor Network are included as part of the inpatient expenses.

Utilization by payor source is anticipated as follows:

<u>Payor Source</u>	<u>Year One</u>	<u>Year Three</u>
Inpatient		
Commercial Managed Care	14.9%	15.05%
Medicare FFS	32.16%	32.44%
Medicare MC	17.25%	17.39%
Medicaid FFS	5.1%	5.1%
Medicaid MC	29.8%	30.02%
Other	<u>.78%</u>	<u>0%</u>
Total	100.00%	100.00%

The budget is based on NYS DRG 440 (Medicaid) and MS DRG 652 (Medicare) for kidney transplants for reimbursement of costs. Reimbursement for other payors is anticipated to approximate Medicaid. Revenues and expenses are based on the existing adult kidney transplant program.

### Capability and Feasibility

There is no project cost associated with this application.

The submitted budget indicates a net income of \$625,447 and \$2,576,026 during Year One and Year Three, respectively. The budget is based on existing reimbursement methodologies, including reimbursement for both donors and recipients. The submitted budget appears reasonable.

BFA Attachment A, Financial Summary - 2022-2024 NYU Langone Hospitals Certified Financial Statements, shows average positive working capital, an average positive net asset position, and a net income of \$890,451,000 as of August 31, 2024.

BFA Attachment B, Financial Summary - September 1, 2024 - November 30, 2024, Internal Financial Statements of NYU Langone Hospitals, show the entity had a positive working capital position and a positive net asset position during the period shown. Also, the entity achieved a net income of \$281,574,000.

### Conclusion

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

Attachments	
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BFA Attachment A	Financial Summary - 2022-2024 NYU Langone Hospitals Certified Financial Statements
BFA Attachment B	Financial Summary- September 1, 2024 - November 30, 2024, Internal Financial Statements of NYU Langone Hospitals.



# Department of Health

# Public Health and Health Planning Council

## Project # 231213-E Silvercrest Acquisition I d/b/a Silvercrest Nursing and Rehabilitation Center

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

**County:** Queens  
**Acknowledged:** May 26, 2023

### Executive Summary

#### Description

Silvercrest Acquisition I d/b/a Silvercrest Nursing and Rehabilitation Center, a New York limited liability company, is requesting to be established as the operator of Silvercrest, an existing 320-bed voluntary not-for-profit residential health care facility (RHCF), which includes an 80-bed ventilator-dependent unit, at 144-45 87th Avenue, Jamaica, NY (Queens County).

New York-Presbyterian Healthcare System, Inc. (NYPHS), a tax-exempt organization, is Silvercrest's current passive parent. NYPHS selects Silvercrest's members who in turn select Silvercrest's Board of Trustees. The relationship between NYPHS and the subject facility will terminate upon completion of the proposed transaction.

On December 12, 2022, Silvercrest (as Seller) and Silvercrest Acquisition I, LLC (as the Buyer) entered into an Asset Purchase Agreement (APA) for the sale and acquisition of the operating interest in Silvercrest for \$3,000,000. Silvercrest will also transfer its membership interest in Silvercrest Senior Housing Development Fund Corporation (SHDF), a New York not-for-profit corporation and owner and operator of an 80-bedroom adult independent living facility at 86-19 144<sup>th</sup> Street in Jamaica NY (Queens County) to a not-for-profit corporation that will replace the Silvercrest as the sponsor of SHDF.

Concurrently, on December 12, 2022, Silvercrest (as Seller) and Silvercrest Acquisition II, LLC (as Purchaser) entered into a Real

Property Agreement (RPA) for the sale of the real property for \$93,000,000. Silvercrest Acquisition I, LLC will lease the RHCF premises from Silvercrest Acquisition II, LLC.

Ownership of the operations before and after the requested change is as follows:

#### Current Operator

Silvercrest  
(Not-for-Profit Corporation)

#### Passive member:

New York-Presbyterian Healthcare System, Inc.

#### Proposed Operator

Silvercrest Acquisition I, LLC d/b/a Silvercrest  
Nursing and Rehabilitation Center

#### Members:

Pasquale DeBenedictis*	40.0%
Alex Solovey*	40.0%
Joseph F. Carillo II*	10.0%
Michael Schrieber*	10.0%
<b>Total</b>	<b>100.0%</b>

*\*Managing member of the facility*

There are common members of the operating entity, Silvercrest Acquisition I, LLC, and the real property entity, Silvercrest Acquisition I, LLC. All members of the operating LLC are members of the real property LLC.

OALTC Recommendation  
Contingent Approval

### Need Summary

There will be no changes to beds or services as a result of this application. As of April 15, 2025, the facility reported 100.0% occupancy of staffed beds, and Queens County had 95.6% occupancy of staffed beds.

### Program Summary

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

### Financial Summary

There are no project costs associated with this application. The combined purchase price for the RHCF's operations and realty is \$96,000,000. The purchase price of operations of \$3,000,000 will be met with the proposed

members' equity. The purchase price for the real estate of \$93,000,000 will be met with equity of \$11,400,000 from the proposed realty members' equity and a non-amortized bridge loan of \$81,600,000 with a three-year term and an estimated interest rate of 7.96% to 8.26%. The proposed budget is as follows:

<u>Budget</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$62,971,400	\$63,506,200
Expenses	<u>61,439,500</u>	<u>61,736,867</u>
Net Income	\$1,531,900	\$1,769,333

### Health Equity Impact Assessment

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

## Recommendations

Long-Term Care Ombudsman Program  
The LTCOP recommends Approval. (See LTCOP Attachment A)

Health Systems Agency  
There will be no HSA recommendation for this project.

Office of Aging and Long-Term Care

**Approval contingent upon:**

1. Submission of a final financing package acceptable to the Department of Health. [BFA]
2. Submission of an executed Assignment and Assumption Agreement acceptable to the Department of Health. [BFA]
3. Submission of a commitment signed by the applicant which indicates that, within two years from the date of the council approval, the percentage of all admissions who are Medicaid and Medicare/Medicaid eligible at the time of admission will be at least 75 percent of the planning area average of all Medicaid and Medicare/Medicaid admissions, subject to possible adjustment based on factors such as the number of Medicaid patient days, the facility's case mix, the length of time before private paying patients became Medicaid eligible, and the financial impact on the facility due to an increase in Medicaid admissions. [RNR]
4. Submission of a plan to continue to enhance access to Medicaid residents. At a minimum, the plan should include, but not necessarily be limited to, ways in which the facility will: a. Reach out to hospital discharge planners to make them aware of the facility's Medicaid Access Program; b. Communicate with local hospital discharge planners on a regular basis regarding bed availability at the nursing facility; and c. Identify community resources that serve the low-income and frail elderly population who may eventually use the nursing facility, and inform them about the facility's Medicaid Access policy. [RNR]
5. Submission of a photocopy of the executed Consulting Agreement, acceptable to the Department. [CSL]

**Approval conditional upon:**

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

Council Action Date  
June 18, 2025

## Need Analysis

### Background and Analysis

The primary service area is Queens County, which has a population projected to increase to 2,565,268 by 2030 based on Cornell Program on Applied Demographics estimates. Demographics for the primary service area are noted below, including a comparison with New York State.

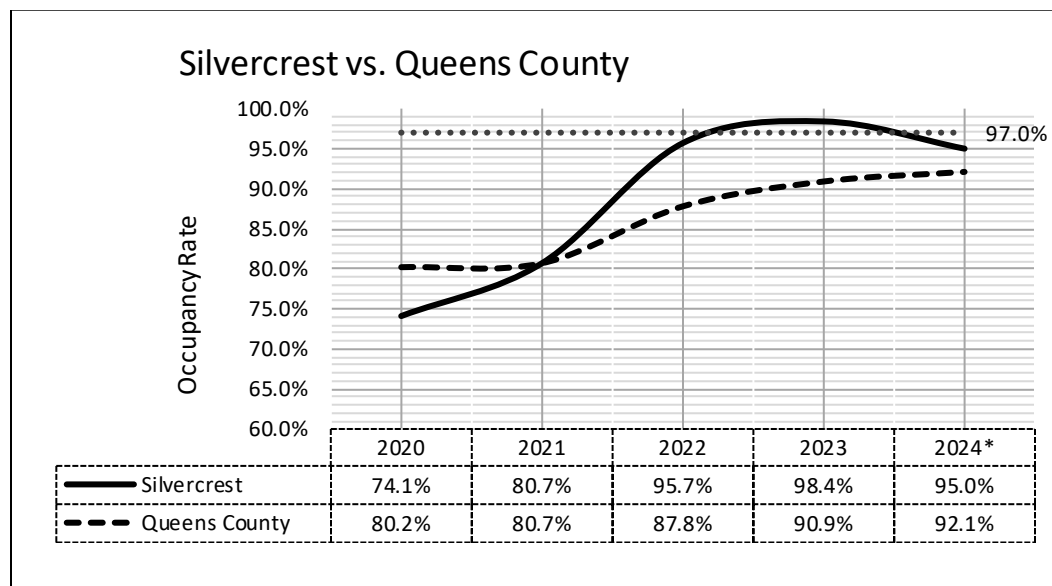
Demographics	Queens County	New York State
Total Population-(2023 Estimate)	2,330,124	19,872,319
Hispanic or Latino (of any race)	27.9%	19.6%
White (non-Hispanic)	23.6%	53.4%
Black or African American (non-Hispanic)	16.5%	13.6%
Asian(non-Hispanic)	25.9%	8.8%
Other (non-Hispanic)	6.1%	4.6%

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

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

	Queens County Age Group 65-84	Queens County Age Group 85+	New York State Age Group 65-84	New York State Age Group 85+
Estimated 2023 Population	349,102	50,678	3,019,337	441,849
Population Projection by 2030	447,990	69,109	3,723,556	618,653
Percent Change	+28.3%	+36.3%	+23.3%	+40.0%

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



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

Based on weekly census data, the facility reported that 96.6% of their 320 licensed beds were staffed and 96.6% occupied on April 15, 2025, for a 100.0% occupancy of staffed beds. Queens County had 97.2% of the county's 12,320 licensed beds staffed and 92.9% occupied for a 95.6% occupancy of staffed beds.

The table below shows the CMS Rating and the utilization of the closest RHCs to Silvercrest.

Facility Name	CMS Overall Rating	Number of Beds	Distance from other RHCs	Occupancy			
	As of 5/2025			2021	2022	2023	2024*
Silvercrest	2	320	0 miles/0 mins	80.7%	95.7%	98.4%	95.0%
Jamaica Hospital Nursing CO Inc	5	228	0.8 miles/8 mins	84.3%	91.5%	94.5%	97.2%
Margaret Tietz Nursing	5	200	1.0 miles/5 mins	95.1%	95.3%	94.7%	96.4%
Chapin Home	5	220	1.1 miles/6 mins	57.0%	61.2%	63.9%	67.3%
Meadow Park Rehab	4	143	1.7 miles/10 mins	82.4%	87.9%	90.5%	92.6%
Highland Care Center	3	320	1.8 miles/9 mins	93.3%	95.0%	96.9%	97.9%
Forest Hills Care Center	3	100	2.8 miles/15 mins	85.1%	88.4%	87.5%	88.9%

Source: CMS and RHC cost report.

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

The following table provides the Case Mix Index (CMI) for the facility and surrounding RHCs, which reflects the relative resources predicted to provide care to a resident. The higher the case mix weight, the greater the resource requirement for the residents.

Case Mix Index	2021		2022		2023	
	All Payor Mix	Medicaid Only	All Payor Mix	Medicaid Only	All Payor Mix	Medicaid Only
Silvercrest	1.2609	1.211	1.3218	1.3063	1.3116	1.2797
Jamaica Hospital Nursing	1.314	1.079	1.3039	1.1038	1.3444	1.1084
Margaret Tietz Nursing	1.364	1.299	1.395	1.3451	1.445	1.3353
Chapin Home	1.091	1.023	1.1131	1.0422	1.0915	1.0676
Meadow Park Rehab	1.412	1.371	1.4674	1.398	1.5438	1.4415
Highland Care Center	1.417	1.375	1.5217	1.5206	1.4589	1.4771
Forest Hills Care Center	1.363	1.422	1.4699	1.4151	1.4629	1.4968

### Medicaid Access

To ensure that the Residential Health Care Facility needs of the Medicaid population are met, 10 NYCRR §670.3 requires applicants to accept and admit a reasonable percentage of Medicaid residents in their service area. The benchmark is 75% of the annual percentage of residential health care facility admissions that are Medicaid-eligible individuals in their planning area. This benchmark may be increased or decreased based on the following factors:

- the number of individuals within the planning area currently awaiting placement to a residential health care facility and the proportion of total individuals awaiting such placement that are Medicaid patients and/or alternate level of care patients in general hospitals.
- the proportion of the facility's total patient days that are Medicaid patient days and the length of time that the facility's patients who are admitted as private paying patients remain such before becoming Medicaid eligible;
- the proportion of the facility's admissions who are Medicare patients or patients whose services are paid for under provisions of the federal Veterans' Benefits Law;
- the facility's patient case mix based on the intensity of care required by the facility's patients or the extent to which the facility provides services to patients with unique or specialized needs;
- the financial impact on the facility due to an increase in Medicaid patient admissions.

An applicant will be required to make appropriate adjustments in its admission policies and practices to meet the resultant percentage. The facility's Medicaid admissions rate was below the threshold of 75% of the Queens County rate for the year 2022.

<b>Medicaid Access</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Queens County Total	<b>42.1%</b>	<b>44.0%</b>	<b>42.4%</b>
<i>Queens County Threshold Value</i>	<b>31.5%</b>	<b>33.0%</b>	<b>31.8%</b>
Silvercrest	54.0%	<b>22.7%</b>	60.1%

#### Conclusion

There will be no changes to beds or services due to this application. As of April 15, 2025, the facility reported 100.0% occupancy of staffed beds and Queens County reported 95.6% occupancy of staffed beds.



## Program Analysis

### Program Description

	Existing	Proposed
<b>Facility Name</b>	Silvercrest	Silvercrest Nursing and Rehabilitation Center
<b>Address</b>	144-45 87 <sup>th</sup> Avenue Jamaica, New York 11435	Same
<b>RHCF Capacity</b>	RHCF beds       240 Ventilator beds   80 Total beds       320	Same
<b>ADHCP Capacity</b>	N/A	N/A
<b>Type of Operator</b>	Not-for-Profit Corporation	Limited Liability Company
<b>Class of Operator</b>	Voluntary	Proprietary
<b>Operator</b>	<b>Silvercrest</b>  <u>Passive member:</u> New York-Presbyterian Healthcare System, Inc.	<b>Silvercrest Acquisition I, LLC</b>  <u>Membership:</u> Pasquale DeBenedictis*   40% Alex Solovey*               40% Joseph Carillo, II*       10% Michael Schrieber*       10%  *Managing Members

Upon approval of this application, an administrative/consulting services agreement (CASA) will commence between Silvercrest Acquisition I, LLC, and Cassena Care, LLC. There is common ownership between the CASA provider and the proposed operator, where some (not all) of the members, either directly or indirectly, have a membership interest in both the CASA provider and the proposed operator. Per the applicant, Cassena Care, LLC is a privately held Limited Liability Company managed by Pasquale DeBenedictis, Alex Solovey, and Joseph F. Carillo, II, who hold their membership interests through their respective holding companies. The services to be provided by the CASA include back-office and non-clinical services, including but not limited to, billing, collections, accounting, and consulting services.

Currently, there is an affiliation between Silvercrest and New York-Presbyterian. New York-Presbyterian Healthcare System, Inc. (NYPHS) is a New York not-for-profit corporation that serves as the coordinating body of an integrated network of separately incorporated but affiliated healthcare providers. NYPHS elects the members of Silvercrest, and these members elect the Silvercrest Board of Trustees. From a federal tax perspective, NYPHS is a supporting organization of several not-for-profit, tax-exempt corporations that make up the New York-Presbyterian Healthcare System, including Silvercrest and New York-Presbyterian Hospital (Hospital). The members and trustees of NYPHS and the Hospital are the same. Thus, New York-Presbyterian Healthcare System, Inc. is currently the passive parent of Silvercrest. Upon approval and completion of this transaction, NYPHS will no longer be the passive parent, and a Certificate of Dissolution for Silvercrest will be submitted for approval upon receipt from NYPHS and as authorized by its Board of Directors.

### Character and Competence

**Pasquale DeBenedictis** lists concurrent employment as Managing Member of Cassena Care LLC, Woodbury, New York (delivers rehabilitation and nursing services) and as Chief Financial Officer at Upper East Side Rehabilitation and Nursing Center, New York, New York. Previously, Pasquale was Chief Financial Officer at Center for Nursing and Rehabilitation, Brooklyn, New York, Controller at Hillside Certified Home Health Agency, Jamaica Estates, New York, and Chief Financial Officer at Theradynamics Rehab Management, Woodbury, New York. Pasquale holds a bachelor's degree in accounting from SUNY Plattsburg and was previously a New York State licensed certified public accountant. Pasquale DeBenedictis discloses the following healthcare facility ownership interests:

### New York Nursing Homes

East Neck Nursing and Rehabilitation Center (15%)	02/2005 to present
Workmen's Circle Multicare Center (25%)	07/2013 to present
Shore View Nursing and Rehabilitation Center (32.5%)	06/2014 to present
Morningside Nursing and Rehabilitation Center (35%)	07/2014 to present
Peninsula Nursing and Rehabilitation Center (25.05%)	08/2014 to present
Upper East Side Rehabilitation and Nursing Center (34.5%)	06/2015 to present
Sea Crest Nursing and Rehabilitation Center (32.5%)	07/2015 to present
Fordham Nursing and Rehabilitation Center (28.25%)	08/2016 to present
Long Beach Nursing and Rehabilitation Center (22.75%)	08/2016 to present
Downtown Brooklyn Nursing and Rehabilitation Center (28.84%)	06/2018 to present
Margaret Tietz Nursing and Rehabilitation Center (30.33%)	02/2019 to present
West Village Rehabilitation and Nursing Center (35%)	08/2023 to present
Saints Joachim & Anne Nursing and Rehabilitation Center (37.5%)	Pending

### Out-of-State Nursing Homes

Cassena Care at Norwalk [CT] (34%)	06/2013 to present
Cassena Care at Stamford [CT] (34%)	11/2015 to present

### End-Dated Ownership

Barnwell Nursing and Rehabilitation Center [NY] (33.33%)	11/2003 to 12/2017
Mills Pond Nursing and Rehabilitation Center [NY] (29%)	10/2010 to 04/2018
Sayville Nursing and Rehabilitation Center [NY] (33.34%)	12/2012 to 04/2018
Cassena Care at New Britain [CT] (32.58%)	11/2015 to 12/2020

### Assisted Living/Adult Home Facilities

Morningside at Home Assisted Living Program (35%)	06/2018 to present
Bay Vista Assisted Living (25%)	08/2022 to present

### Diagnostic and Treatment Centers

Cassena Kidney Care at Workmen's Circle (25%)	08/2015 to present
Cassena Kidney Care at East Neck (33.33%)	09/2015 to present
Cassena Kidney Care at Peninsula (23.75%)	11/2016 to present
Cassena Care Dialysis at Morningside (35%)	07/2019 to present
Cassena Kidney Care at Sea Crest (32.5%)	09/2017 to present
Cassena Kidney Care at Norwalk [CT] (30%)	03/2023 to present
Beach Channel D&TC	Pending**
Pelham Parkway SC LLC	Pending**

\*\*Under construction

### Certified Home Health Agency

Cassena Care at Home (30%)	12/2020 to present
Hillside Certified Home Care Agency (30%)	10/2017 to present

### Licensed Home Care Services Agency

Morningside at Home (35%)	06/2018 to present
Long Beach Home Care (25%)	05/2021 to present

**Alex Solovey** lists concurrent employment as Managing Member of Cassena Care LLC (delivers rehabilitation and nursing services), Woodbury, New York, as Director of Operations at Saints Joachim & Anne Nursing & Rehabilitation Center, Brooklyn, New York, as Chief Executive Officer at Upper East Side Rehabilitation and Nursing Center, New York, New York and as Director of Rehabilitation at Theradynamics Rehab Management, Woodbury, New York. Previously, Alex was employed as the Chief Executive Officer at Center for Nursing and Rehabilitation, Brooklyn, NY, and as Director of Operations at Hillside Certified Home Health Agency, Jamaica Estates, NY. Alex holds a bachelor's degree in physical therapy from New York University and is a New York State licensed physical therapist. Alex Solovey discloses the following healthcare facility ownership interests:

#### New York Nursing Homes

East Neck Nursing and Rehabilitation Center (15%)	02/2005 to present
Workmen's Circle Multicare Center (25%)	07/2013 to present
Shore View Nursing and Rehabilitation Center (32.5%)	06/2014 to present
Morningside Nursing and Rehabilitation Center (35%)	07/2014 to present
Peninsula Nursing and Rehabilitation Center (25.05%)	08/2014 to present
Upper East Side Rehabilitation and Nursing Center (34.5%)	06/2015 to present
Sea Crest Nursing and Rehabilitation Center (32.5%)	07/2015 to present
Fordham Nursing and Rehabilitation Center (28.25%)	08/2016 to present
Long Beach Nursing and Rehabilitation Center (22.75%)	08/2016 to present
Downtown Brooklyn Nursing and Rehabilitation Center (28.83%)	06/2018 to present
Margaret Tietz Nursing and Rehabilitation Center (30.34%)	02/2019 to present
West Village Rehabilitation and Nursing Center (35%)	08/2023 to present
Saints Joachim & Anne Nursing and Rehabilitation Center (37.5%)	Pending

#### Out-of-State Nursing Homes

Cassena Care at Norwalk [CT] (34%)	06/2013 to present
Cassena Care at Stamford [CT] (34%)	11/2015 to present

#### End-Dated Ownership

Barnwell Nursing and Rehabilitation Center [NY] (33.33%)	11/2003 to 12/2017
Mills Pond Nursing and Rehabilitation Center [NY] (29%)	10/2010 to 04/2018
Sayville Nursing and Rehabilitation Center [NY] (33.33%)	12/2012 to 04/2018
Cassena Care at New Britain [CT] (32.58%)	11/2015 to 12/2020

#### Assisted Living/Adult Homes

Morningside at Home Assisted Living Program (35%)	06/2018 to present
Bay Vista Assisted Living (25%)	08/2022 to present

#### Diagnostic and Treatment Centers

Cassena Kidney Care at Workmen's Circle (25%)	08/2015 to present
Cassena Kidney Care at East Neck (33.33%)	09/2015 to present
Cassena Kidney Care at Peninsula (23.75%)	11/2016 to present
Cassena Care Dialysis at Morningside (35%)	07/2019 to present
Cassena Kidney Care at Sea Crest (32.5%)	09/2017 to present
Cassena Kidney Care at Norwalk [CT] (30%)	03/2023 to present
Beach Channel D&TC	Pending***
Pelham Parkway SC LLC	Pending***
***Under construction	

#### Certified Home Health Agency

Hillside Certified Home Care Agency (30%)	10/2017 to present
Cassena Care at Home (30%)	12/2020 to present

#### Licensed Home Care Services Agency

Morningside at Home (35%)	06/2018 to present
Long Beach Home Care (25%)	05/2021 to present

**Joseph F. Carillo, II** lists employment as Managing Member/Administrator/Chief Executive Officer of Carillon Nursing & Rehab Center, Huntington, New York. Joseph holds a master's degree in business administration from Adelphi University and is a New York State licensed nursing home administrator. Joseph F. Carillo II discloses the following healthcare facility ownership interests:

#### New York Nursing Homes

Carillon Nursing and Rehabilitation Center (11.12%)	11/1994 to present
East Neck Nursing and Rehabilitation Center (26.68%)	02/2005 to present
Workmen's Circle Multicare Center (25%)	07/2013 to present
Morningside Nursing and Rehabilitation Center (10%)	07/2014 to present

Upper East Side Rehabilitation and Nursing Center (10.50%)	03/2016 to present
Downtown Brooklyn Nursing and Rehabilitation Center (10%)	06/2018 to present
West Village Rehabilitation and Nursing Center (5%)	08/2023 to present

End-Dated Ownership

Barnwell Nursing and Rehabilitation Center [NY] (33.33%)	11/2003 to 12/2017
Mills Pond Nursing and Rehabilitation Center [NY] (29%)	10/2010 to 04/2018
Sayville Nursing and Rehabilitation Center [NY] (33.33%)	12/2012 to 04/2018

Assisted Living/Adult Home

Morningside at Home Assisted Living Program (10%)	06/2018 to present
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Diagnostic and Treatment Centers

Carillon Dialysis, LLC (11.11%)	10/2003 to present
Cassena Kidney Care at Workmen's Circle (25%)	08/2015 to present
Cassena Kidney Care at East Neck (33.33%)	09/2015 to present
Cassena Care Dialysis at Morningside (10%)	07/2019 to present

Certified Home Health Agency

Hillside Certified Home Care Agency (5%)	10/2017 to present
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Licensed Home Care Services Agency

Morningside at Home (10%)	06/2018 to present
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**Michael A. Schrieber** lists concurrent employment as Vice President of Strategic Planning and Corporate Compliance for Cassena Care (delivers rehabilitation and nursing services), Woodbury, New York, as well as, Administrator of Record (AOR) and/or Regional Administrator for Cassena Care. Prior to working for Cassena Care, Michael was concurrently employed as Executive Director of Sea Crest Health Care Center, Brooklyn, NY, and Assistant Executive Director of Shoreview Nursing Home, Brooklyn, NY. In addition, Michael founded and was President of MAS Consulting Associates (health care consultancy), New York, New York. Michael holds master's degrees in public administration and public health from New York University Wagner Graduate School of Public Service and is a New York State licensed nursing home administrator. Michael A. Schrieber discloses the following healthcare facility ownership interests:

New York Nursing Homes

Shore View Nursing and Rehabilitation Center (30%)	06/2014 to present
Upper East Side Rehabilitation and Nursing Center (1.5%)	03/2016 to present
Sea Crest Nursing and Rehabilitation Center (30%)	07/2015 to present
Fordham Nursing and Rehabilitation Center (5%)	08/2016 to present
West Village Rehabilitation and Nursing Center (5%)	08/2023 to present
Saints Joachim & Anne Nursing and Rehabilitation Center (10%)	Pending

Diagnostic and Treatment Centers

Cassena Kidney Care at Sea Crest (30%)	09/2017 to present
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Quality Review

The proposed owners have been evaluated, in part, on the distribution of CMS Star ratings for their portfolios. For all proposed owners, the distribution of CMS star ratings for their facilities meets the standard described in state regulations.

CMS Star Rating Criteria					
	Duration of Ownership*				
		< 48 Months		48 months or more	
Proposed Owner	Total Nursing Homes	Number of Nursing Homes	Percent of Nursing Homes With a Below Average Rating	Number of Nursing Homes	Percent of Nursing Homes With a Below Average Rating
Pasquale DeBenedictis	14	1	0%	13	23.08%
Alex Solovey	14	1	0%	13	23.08%
Joseph Carillo, II	7	1	0%	6	16.67%
Michael Schrieber	5	1	0%	4	0%

\*Duration of Ownership as of 06/18/2025

Data date: 05/2025

**New York.** The proposed owner's portfolio includes ownership in thirteen New York facilities. Twelve of the New York facilities in the ownership portfolio have a CMS overall quality rating of average or higher. The remaining facility, Morningside Nursing and Rehabilitation Center, has a CMS overall quality rating of two stars (below average). To improve the quality at the aforementioned facility, the applicant stated the following:

***MORNINGSIDE NURSING AND REHABILITATION CENTER:** Morningside's health inspection has a 3-star rating and a 4-star rating for quality measures. The 2-star rating is due to the facility's staffing levels. The facility is actively working to increase its staffing by recruiting, marketing, and using outside recruiters. Our staffing has improved. The average increase of 800 hours a week in the last 2 months.*

**Connecticut.** The proposed owner's portfolio includes ownership in two Connecticut facilities. Cassena Care at Stamford has a CMS overall quality rating of two stars (below average rating), and Cassena Care at Norwalk has a CMS overall quality rating of one star (much below average). To improve the quality of the aforementioned facilities, the applicant stated the following:

*Cassena Care at Stamford is currently a CMS rated 2-Star facility, with both 4-Star Quality Measures and 4-Star Staffing scores. The Facility is putting a heavy focus on its process of short stay residents who newly receive antipsychotics medications following a hospitalization by doing a thorough review of the medical need and appropriateness of the prescription. Routine audits have been put in place and validation of the prescription is checked with the Medical Director to ensure accuracy. The Facility had a spike in Long Stay residents with Falls with Major Injury in Q4-2023 and has implemented greater risk awareness and monitoring. They have seen success in this program and Q1-2024 showed a good decrease in falls, and that trend is still following, where they expect to show a significant decrease and thus improvement in this marker. The last marker they are putting a heavy focus on for 5-Star are the claims based measures, specific to rehospitalization. Administration at Cassena Care of Stamford are constantly re-educating the staff on the necessary components of e-interact to ensure earlier notifications of patient monitoring. The facility has raised the acuity level of the patients it admits and has improved the quality of care in numerous areas, namely accidents & incidents, and wound care. It is our expectation that when working with the predictive analytic tools that the Cassena Care at Stamford will obtain 5-Star status in its QMs, and thus become an overall 3-Star facility in July of 2024.*

*In October, 2023, Cassena Care at Norwalk ("Norwalk") was put into immediate jeopardy, as a result of a complaint survey. Such complaint survey and corresponding deficiency resulted in a 1-star rating. Notwithstanding, Norwalk has a 4-star rating in Quality Measures. Norwalk has implemented numerous quality assurance measures, programs and audits that are conducted on a daily, weekly, or monthly basis with the goal of improving the overall care provided and achieving better outcomes. Such measures are resulting in improvements, and we are hopeful that the facility's Quality Measures rating increases to a 5-star. Norwalk's staffing component is 3-Star, which is above average. Unfortunately, due to the weighting of the immediate jeopardy, even with such quality assurance*

measures in place, the best the facility can achieve at this time is a 2-star rating. We expect the star rating to improve as the weighting of the immediate jeopardy decreases over the next few years.

<b>Facility</b>	<b>Ownership Since</b>	<b>Overall</b>	<b>Health Inspection</b>	<b>Quality Measure</b>	<b>Staffing</b>
<b>New York</b>					
Silvercrest	Subject Facility	**	**	****	****
East Neck Nursing and Rehabilitation Center	Current	***	**	*****	**
	02/2005 (CMS ratings started 1/2009)	**	***	****	*
Workmen's Circle Multicare Center	Current	****	****	****	***
	07/2013	*****	*****	*****	**
Shore View Nursing and Rehabilitation Center	Current	*****	*****	*****	****
	06/2014	*****	*****	*****	*
Morningside Nursing and Rehabilitation Center	Current	**	**	****	**
	07/2014	*****	****	*****	***
Peninsula Nursing and Rehabilitation Center	Current	*****	****	*****	**
	08/2014	*	*	****	*
Upper East Side Rehabilitation and Nursing Center	Current	*****	****	*****	***
	06/2015	*****	****	*****	**
Sea Crest Nursing and Rehabilitation Center	Current	****	****	****	***
	07/2015	*****	****	*****	**
Fordham Nursing and Rehabilitation Center	Current	***	***	****	***
	08/2016	***	****	***	*
Long Beach Nursing and Rehabilitation Center	Current	***	***	****	***
	08/2016	****	**	*****	*****
Downtown Brooklyn Nursing & Rehabilitation Center	Current	***	***	****	***
	06/2018	*****	****	*****	†
Margaret Tietz Nursing & Rehabilitation Center	Current	*****	****	*****	***
	02/2019	*****	*****	*****	**
Carillon Nursing and Rehabilitation Center	Current	*****	****	*****	***
	11/1994 (CMS ratings started 1/2009)	****	*****	****	*
	Current	*****	****	*****	**

<b>Facility</b>	<b>Ownership Since</b>	<b>Overall</b>	<b>Health Inspection</b>	<b>Quality Measure</b>	<b>Staffing</b>
West Village Rehabilitation and Nursing Center	08/2023	*****	*****	*****	****
<b>Connecticut</b>					
Cassena Care at Norwalk	Current	*	*	***	**
	06/2013	***	**	****	****
Cassena Care at Stamford	Current	**	**	****	***
	11/2015	****	**	*****	****

‡Data Not Available

Data date: 05/2025

<b>End-Dated Ownership</b>					
<b>New York</b>					
Barnwell Nursing and Rehabilitation Center	12/2017	*	*	**	**
	11/2003 (CMS ratings started 1/2009)	***	****	**	*
Mills Pond Nursing and Rehabilitation Center	04/2018	**	**	****	‡
	10/2010	**	**	****	***
Sayville Nursing and Rehabilitation Center	04/2018	***	**	*****	‡
	12/2012	***	****	****	*
<b>Connecticut</b>					
Cassena Care at New Britain*	12/2020 (11/2020 data)	***	***	****	***
	11/2015	**	**	***	***

\*Facility voluntarily closed on 12/31/2020 (per the applicant: The facility was consistently losing money and it became unattainable for the operators to maintain operations.)

‡Data Not Available

## Enforcement History

### New York

A review of the operations of East Neck Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$4,000 pursuant to Stipulation and Order NH-23-025 for surveillance findings on 12/16/2022. Deficiencies were found under 10 NYCRR 415.19(a)(1-3) - Infection Control. The facility failed to follow infection and control program procedures in two instances.
- The facility was assessed a federal CMP of \$650 on 07/12/2021 for failure to report COVID data under F884 at an F level.
- The facility was fined \$6,000 pursuant to Stipulation and Order NH-15-039 for surveillance findings on 03/21/2014. Deficiencies were found under 10 NYCRR 415.3(e)(1)(ii) - Resident Rights and 415.26 & 415.27(a-c) - Administration. The facility failed to respect the resident's right to accept/refuse treatment as well as the right to formulate advance directives. The facility was also cited by CMS on 03/21/2014 for multiple deficiencies, including F155, F490, and F520, all at an L level.

A review of the operations of Workmen's Circle MultiCare Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$10,000 pursuant to Stipulation and Order NH-21-220 for surveillance findings on 05/11/2021. Deficiencies were found under 10 NYCRR 415.12(h)(1) - Quality of Care (Accidents). The facility improperly transferred a resident, resulting in a fall and injury. The facility was also assessed a federal CMP of \$11,300 on 05/11/2021 under F689 at a G level.

A review of the operations of Shore View Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals no enforcements.

A review of the operations of Morningside Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- Per applicant: The facility was fined \$2,000 for surveillance findings on 12/10/2020. Deficiencies were found under 10 NYCRR 415.19 - Infection Control. The facility failed to maintain a required supply of PPE.
- The facility was fined \$8,000 pursuant to Stipulation and Order NH-20-062 for surveillance findings on 08/13/2020. Deficiencies were found under 10 NYCRR 415.5(h)(2) - Quality of Life and 415.19(b)(4) & 415.19(c) - Infection Control.
- The facility was fined \$6,000 pursuant to Stipulation and Order NH-20-019 for surveillance findings on 05/20/2020. Deficiencies were found under 10 NYCRR 400.2 and 415.30 - Other Laws, Codes, Rules and Regulations, and General Records.

A review of the operations of Peninsula Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- Per applicant: The facility was assessed a US DOL-OSHA fine of \$12,468 for surveillance findings from 12/28/2016-05/11/2017 for failures related to the Respiratory Protection Program (FIT testing documentation), Hazards Communication Program, and Sharps Injury Log.

A review of the operations of Upper East Side Rehabilitation and Nursing Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$12,000 pursuant to Stipulation and Order NH-18-021 for surveillance findings on 02/20/2018. Deficiencies were found under 10 NYCRR 415.12(m)(2) - Quality of Care/No Significant Med Errors and 415.15(b)(2)(iii) - Physician Services/Physician Visits. The facility failed to ensure that the residents are free of any significant medication errors and that the responsible physician reviews the resident's total program of care, including medications and treatments, at each regularly scheduled visit. The facility was also assessed a federal CMP of \$7,023 on 02/20/2018 under F333 and F386, both at a G level.

A review of the operations of Sea Crest Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$2,000 for surveillance findings on 10/10/2023. Deficiencies were found under 10 NYCRR 415.19(a)(1-3) - Infection Control and 415.19(b)(4) - Infection Control (Handwashing).

A review of the operations of Fordham Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$10,000 pursuant to Stipulation and Order NH-23-068 for surveillance findings on 08/31/2022. Deficiencies were found under 10 NYCRR 415.4(b)(1)(i) - Abuse - Verbal, sexual, physical, and mental corporal punishment, and involuntary seclusion. The facility failed to ensure that a resident was free from physical abuse. Specifically, a facility staff member slapped and then pushed a walker-using resident, causing the resident to fall to the floor. The resident sustained a left femoral neck fracture as a result. The facility was also assessed a federal CMP of \$16,180 on 08/31/2022 under F600 at a G level. Per applicant: DAB Appeal Pending.
- The facility was fined \$10,000 pursuant to Stipulation and Order NH-24-021 for surveillance findings on 04/22/2022. Deficiencies were found under 10 NYCRR 415.3(d)(1)(vii), 415.12 and 415.4(b)(1) - Resident's Legal Rights (each resident shall have the right to be free from verbal,



sexual, mental or physical abuse, corporal punishment and involuntary seclusion, and free from chemical and physical restraints); Quality of Care; Resident Behavior and Facility Practices - Staff treatment of residents (The nursing home shall develop and implement written policies and procedures that prohibit mistreatment, neglect or abuse of residents and misappropriation of resident property). The facility failed to ensure that a resident was free from sexual abuse. The facility was also assessed a federal CMP of \$43,585 on 04/22/2022 under F600 at a J level. Per applicant: DAB Appeal Pending.

A review of the operations of Long Beach Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$2,000 for surveillance findings on 09/13/2023. Deficiencies were found under 10 NYCRR 415.19(a)(1-3) - Infection Control.
- The facility was fined \$2,000 pursuant to Stipulation and Order NH-21-211 for surveillance findings on 07/13/2021. Deficiencies were found under 10 NYCRR 415.19(b)(4) - Infection Control (Handwashing). Specifically, the facility failed to maintain an infection prevention and control program and ensure hand hygiene occurs during wound care to prevent cross-contamination. The facility was also assessed a federal CMP of \$5,000 on 07/13/2021 under F880 at a D level.
- The facility was fined \$4,000 pursuant to Stipulation and Order NH-20-056 for surveillance findings on 07/27/2020. Deficiencies were found under 10 NYCRR 415.19(a)(1) and 145.19(a)(2) - Infection Control. Specifically, the facility failed to ensure that all staff used facemasks covering their nose and mouth on all units when within 6 feet of residents.

A review of the operations of Downtown Brooklyn Nursing & Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$2,000 pursuant to Stipulation and Order NH-22-027 for surveillance findings on 10/29/2021. Deficiencies were found under 10 NYCRR 415.19(a) - Infection Control. Specifically, the facility failed to ensure that infection control practices were maintained for a resident receiving respiratory care (oxygen tubing was observed on the floor on multiple occasions).

A review of the operations of Margaret Tietz Nursing & Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$10,000 pursuant to Stipulation and Order NH-24-064 for surveillance findings on 05/29/2024. Deficiencies were found under 10 NYCRR 415.12(h)(1) – Accident-Free Environment. The facility failed to ensure residents received adequate supervision and assistance devices consistent with a resident's needs, goals, and care plan when a resident requiring the use of a mechanical lift for transfer was transferred without a mechanical lift and scraped their left leg against a wheelchair, requiring 13 stitches. The facility was also assessed a federal CMP of \$8,512 on 05/29/2024 under F689 at a G level.
- The facility was assessed a federal CMP of \$650 on 02/22/2021 for failure to report COVID data under F884 at an F level.

A review of the operations of Carillon Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$10,000 pursuant to Stipulation and Order NH-24-032 for surveillance findings on 02/13/2024. Deficiencies were found under 10 NYCRR 415.4(b)(1)(i) - Abuse - Verbal, sexual, physical, and mental, corporal punishment, and involuntary seclusion. Specifically, the facility failed to prevent staff on resident abuse. The facility was also assessed a federal CMP of \$22,522.50 on 02/13/2024 under F600 at a G level.
- The facility was fined \$2,000 pursuant to Stipulation and Order NH-24-027 for surveillance findings on 03/10/2021. Deficiencies were found under 10 NYCRR 415.19(a)(1) - Infection Control. The facility failed to establish and maintain an infection control program under which it investigates, controls, and takes action to prevent infections in the Facility when it failed to ensure that all authorized visitors entering the facility have a verified negative COVID-19 test result within seven days prior to entry. Deficiencies were also found under 400.2 - Other laws, codes, rules, and regulations. The facility failed to comply with Executive Order 202.1 (9 NYCRR 8.202.1)

which required all authorized visitors to have a verified negative COVID-19 test result within seven days prior to entry into the facility.

A review of the operations of West Village Rehabilitation and Nursing Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was assessed federal CMPs of \$1,881.75 on 02/20/2024 and \$3,387.15 on 01/30/2024 for failure to report COVID data under F884 at an F level.

A review of the operations of Barnwell Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$18,000 pursuant to Stipulation and Order NH-15-038 for surveillance findings on 09/26/2013 and 02/01/2013. Deficiencies on 09/26/2013 were found under 10 NYCRR 415.4(b)(1)(2)(3) - Staff Treatment of Residents and Free from Mistreatment, Neglect and Misappropriation of Property, Nurse Aide Registry and 415.12 Quality of Care - Highest Practicable Potential. Deficiencies on 02/01/2013 were found under 10 NYCRR 415.12(m)(2) Quality of Care - No Significant Medication Errors, 415.26 - Administration and 415.27(a-c) – Administration, Quality Assessment and Assurance. The facility was also assessed a federal CMP of \$8,000 on 09/26/2013 under F225 at a J level and of \$5,000 on 02/01/2013 under F333, F490, and F520, all at a K level.
- The facility was assessed a federal CMP of \$5,000 on 01/15/2013 under F323 at an E level for failure to ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent avoidable accidents.
- The facility was fined \$2,000 pursuant to Stipulation and Order NH-15-001 for surveillance findings on 03/13/2012. Deficiencies were found under 10 NYCRR 415.12(h)(1) - Quality of Care - Accidents/Supervision. The facility failed to ensure that the resident environment remains as free of accident hazards as possible. The facility was also assessed a federal CMP of \$3,250 on 03/13/2012 under F323 at a K level.

A review of the operations of Mills Pond Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was fined \$10,000 pursuant to Stipulation and Order NH-17-050 for surveillance findings on 07/12/2017. Deficiencies were found under 10 NYCRR 415.12(m)(2) - Quality of Care. The facility failed to ensure that residents were free of any significant medication errors.

A review of the operations of Sayville Nursing and Rehabilitation Center under 10 NYCRR § 600.2 requirements for approval reveals no enforcements.

A review of the operations of Morningside at Home (ALP) under 10 NYCRR § 600.2 requirements for approval reveals the following:

- Per the applicant: A federal CMP of \$540 was assessed on 02/02/2017 for violations of Article 7 of the Social Services Law of NY and 18 NYCRR 487.10(e)(2).

A review of the operations of Cassena Care at Home under 10 NYCRR § 600.2 requirements for approval reveals the following:

- Per the applicant: The agency was issued multiple citations on 10/08/2024 including G0406 – 42 CFR § 485.50 (Patient Rights) – failure to ensure all patients receive the necessary goods and/or services to avoid hospitalization and/or readmission; G0510 – 42 CFR § 484.55 (Comprehensive Assessment of Patients) – failure to ensure each patient's comprehensive assessment accurately reflects the patient's status, which is critical in assisting the agency in developing the patient's plan of care and G0572 – 42 CFR § 484.60 (Planning Coordination of Services and Quality of Care) – failure to ensure all patients receive care and services as identified in the plan of care and failed to ensure all patient care orders, including verbal orders, are documented in the patient's clinical record.

## Connecticut

A review of the operations of Cassena Care at Norwalk under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was assessed a federal CMP of \$38,422 on 10/09/2024 for failure to protect each resident from all types of abuse such as physical, mental, sexual abuse, physical punishment, and neglect by anybody under F600 (per the applicant).
- The facility was assessed a federal CMP of \$159,803 and a payment denial of 27 days on 10/26/2023 for failure to ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent accidents under F689 at a K level and for failure to protect each resident from all types of abuse such as physical, mental, sexual abuse, physical punishment, and neglect by anybody under F600 at a H level. The facility failed to ensure that a resident did not leave the building unattended (F689) and failed to ensure residents were free from physical abuse resulting from multiple resident-to-resident altercations resulting in multiple significant injuries for one resident (F600).
- The facility was assessed a federal CMP of \$21,045 and, per applicant, a Connecticut state fine of \$4,100 on 11/28/2018 for failure to ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent accidents under F689 at a G level.
- The facility was assessed a federal CMP of \$13,003 and, per applicant, a Connecticut state fine of \$3,000 on 04/09/2018 for failure to ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent accidents under F689 at a J level.
- The facility was assessed a federal CMP of \$24,980 and, per applicant, a Connecticut state fine of \$2,530 on 07/13/2017 for failure to ensure that a nursing home area is free from accident hazards and provide adequate supervision to prevent avoidable accidents under F323 at a G level.
- The facility was assessed a federal CMP of \$2,316 on 09/15/2016 for failure to ensure that residents are safe from serious medication errors under F333 at a G level.
- Per applicant: The facility was assessed a federal CMP of \$8,750 and Connecticut state fines of \$2,370 and \$3,000 on 03/31/2016 for failure to protect each resident from mistreatment, neglect, and misappropriation of personal property under F224 at a J level and for failure to provide necessary care and services to maintain or improve the highest well-being of each resident under F309 at a J level.
- The facility was assessed a federal CMP of \$15,250 and, per applicant, a Connecticut state fine of \$3,000 on 01/26/2016 for failure to protect each resident from all abuse, physical punishment, and involuntary separation from others under F223 at a G level and for failure to ensure that a nursing home area is free from accident hazards and provide adequate supervision to prevent avoidable accidents under F323 at a J level.
- The facility was assessed a federal CMP of \$13,650 and, per applicant, a Connecticut state fine of \$1,370 on 02/28/2014 for failure to provide necessary care and services to maintain or improve the highest well-being of each resident under F309 at a G level and for failure to give residents proper treatment to prevent new bed (pressure) sores or heal existing bed sores under F314 at a G level.
- Per applicant: The facility was assessed a Connecticut state fine of \$1,160 on 12/23/2013 for a shower fall/injury.
- Per applicant: The facility was assessed a Connecticut state fine of \$360 on 10/17/2013 for failure to keep the facility free from accidents, hazards, and risks and for failure to provide supervision to prevent avoidable accidents.
- The facility was assessed a federal CMP of \$7,850 and, per applicant, a Connecticut state fine of \$1,020 on 09/05/2013 for failure to provide necessary care and services to maintain or improve the highest well-being of each resident under F309 at a J level and for failure to ensure that a nursing home area is free from accident hazards and provide adequate supervision to prevent avoidable accidents under F323 at a J level.
- The facility was cited by CMS on 02/05/2013 for failure to ensure that a nursing home area is free from accident hazards and provide adequate supervision to prevent avoidable accidents under F323 at a G level.
- The facility was assessed a federal CMP of \$3,250 on 01/04/2013 for failure to protect each resident from all abuse, physical punishment, and involuntary separation from others under F223 at a D level.

A review of the operations of Cassena Care at Stamford under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was assessed a federal CMP of \$16,489 on 06/03/2022 for failure to provide and implement an infection prevention and control program under F880 at a D level.
- The facility was assessed a federal CMP of \$5,349 on 08/25/2021 for failure to provide and implement an infection prevention and control program under F880 at an E level.
- Per applicant: The facility was assessed a Connecticut state fine of \$1,140 on 09/02/2020 for failures related to CT General Statutes Section 19a-524 through 19a-528.
- The facility was assessed a federal CMP of \$11,000 on 08/23/2018 for failure to protect each resident from all types of abuse such as physical, mental, sexual abuse, physical punishment, and neglect by anybody under F600 at a G level and for failure to provide appropriate treatment and care according to orders, resident's preferences and goals under F684 at a G level.

A review of the operations of Cassena Care at New Britain under 10 NYCRR § 600.2 requirements for approval reveals the following:

- The facility was assessed a federal CMP of \$21,060 and, per the applicant, a Connecticut state fine of \$1,530 on 08/16/2018 for failure to provide appropriate treatment and care according to orders, resident's preferences, and goals under F684 at a G level.
- The facility was assessed a federal CMP of \$17,821 and, per applicant, a Connecticut state fine of \$1,730 on 09/15/2016 for failure to provide necessary care and services to maintain or improve the highest well-being of each resident under F309 at a G level, for failure to ensure that a nursing home area is free from accident hazards and provide adequate supervision to prevent avoidable accidents under F323 at a G level and for failure to give each resident enough fluids to keep them healthy and prevent dehydration under F327 at a G level.

#### Conclusion

The individual background review indicates the applicants have met the standards as set forth in Public Health Law §2801-a (3).

## Financial Analysis

### Operating Budget

The applicant has provided the current year (2023) results and the first- and third-year operating budget, in 2025 dollars, after the change in ownership. The budget is summarized below:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>
<b><u>RHCF Bed Revenues</u></b>						
Commercial FFS	\$2,286.08	\$2,169,488	\$525.36	\$5,951,800	\$538.50	\$6,100,300
Medicare FFS	\$972.59	6,099,135	\$966.22	7,307,550	\$975.88	7,380,550
Medicare MC	\$639.66	2,371,204	\$825.00	3,106,950	\$875.00	3,295,250
Medicaid FFS	\$351.89	18,171,624	\$373.73	17,068,779	\$373.73	17,068,779
Medicaid MC	\$532.62	6,886,234	\$373.75	3,678,821	\$373.75	3,678,821
Private Pay	\$599.69	<u>6,392,734</u>	\$525.34	<u>4,761,200</u>	\$538.49	<u>4,880,300</u>
Total Rev. by Payor		\$42,090,419		\$41,875,100		\$42,404,000
<b><u>Vent Bed Revenues</u></b>						
Commercial FFS	\$1,547.64	\$917,750	\$700.00	\$280,000	\$700.00	\$280,000
Medicare FFS	\$1,267.34	2,259,670	\$1,218.58	2,071,590	\$1,218.58	2,071,590
Medicare MC	\$1,157.58	688,760	\$898.61	726,975	\$898.61	726,975
Medicaid FFS	\$679.59	9,228,859	\$742.19	11,310,286	\$742.19	11,310,286
Medicaid MC	\$680.93	4,107,355	\$730.60	4,894,274	\$730.60	4,894,274
Private Pay	\$1,133.83	<u>671,225</u>	\$1,291.22	<u>1,562,375</u>	\$1,291.22	<u>1,526,375</u>
Total Rev. by Payor		\$17,873,619		\$20,845,500		\$20,845,500
Ancillary Revenue		\$348,862		\$249,600		\$255,500
Net Pat. Svc. Rev.		\$60,312,900		\$62,970,200		\$63,505,000
Other Oper. Rev.		2,257,770		1,200		1,200
Total Project Rev.		\$62,570,670		\$62,971,400		\$63,506,200
<b><u>Expenses</u></b>						
Operating	\$650.58	\$67,848,588	\$456.40	\$51,706,506	\$458.82	\$51,980,991
Capital	<u>\$17.47</u>	<u>1,910,426</u>	<u>\$85.91</u>	<u>9,732,994</u>	<u>\$86.11</u>	<u>9,755,876</u>
Total Expenses	\$638.05	\$69,759,014	\$542.31	\$61,439,500	\$544.93	\$61,736,867
Net Income/(Loss)		<u>(\$7,188,344)</u>		<u>\$1,531,900</u>		<u>\$1,769,333</u>
Patient Days (RHCF)		86,156		87,236		87,236
Patient Days (Vent)		23,175		26,057		26,057
Occupancy (RHCF)		98.35%		96.99%		96.99%
Occupancy (Vent)		79.37%		89.24%		89.24%

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

- The Current Year reflects the facility's 2023 RHCF-4 cost report information.
- Current Year Commercial Fee for Service rates include vent revenues. The projected reduction in the FFS rate in Years One and Three is attributable to the reclassification of RHCF revenue and vent revenue.
- Medicare rates are projected based on Federal rates for the Medicare Prospective Payment System for fiscal year 2023, with a 2.50% increase to reflect 2025 dollars.
- The increase in RHCF's Commercial and Medicare FFS utilization between the Current Year and Years One and Three is based on the anticipated market conditions and the needs of upstream and downstream providers.

- The decline in utilization, rates, and revenue dollars for Commercial and Medicare FFS for vented beds is based on a conservative assumption that the majority of vent days will be recorded at the lower Medicaid rate.
- Medicaid rates are projected based on the reimbursement methodology under statewide pricing.
- The projected reduction in RHCF Medicaid FFS and MC revenue dollars and patient days between the Current Year and Years One and Three is based on the anticipated market conditions and the needs of upstream and downstream providers.
- Private Pay and Other rates are based on similar facilities in the same geographical area and an annual increase of 2.50%.
- Reduction in RHCF Private Pay revenue dollars and patient days between the Current Year and Years One and Three is based on the anticipated market conditions and the needs of upstream and downstream providers.
- The increase in vent bed utilization is predicated on the assumption that operations will continue to return to pre-pandemic levels.
- The \$7,188,344 net loss reported in the Current Year is due to revenue and expense fluctuations resulting from the COVID-19 pandemic and the academic cost structure currently in place.
- Staffing assumptions are based on historical operations, analysis of similar facilities, and experience of the proposed operator. Projected First- and Third-year staffing levels and costs are based upon the operator's Current Year staffing plan and reflect compliance with the minimum staffing requirements outlined in Public Health Law (PHL) §2895-B and direct spending requirements outlined in Title 10 of the New York Codes, Rules and Regulations (NYCRR) § 415.34.
- December 2022 and 2023 occupancy levels reached 95.7% and 98.4%, respectively. Queens County occupancy rates for December 2022 and 2023 are 87.8% and 90.9%, respectively.
- The facility's 2022 Medicaid admission rate of 22.7% was below the Queens County 75% threshold rate of 33.0%. Silvercrest's 2023 Medicaid admissions of 60.1% exceeded Queens County's 75% threshold rate of 31.8%.

Utilization by payor source is summarized below:

	<u>Current Year</u>		<u>Years One and Three</u>	
<u>Payor – RHCF</u>	<u>Days</u>	<u>%</u>	<u>Days</u>	<u>%</u>
Commercial FFS	949	1.10%	11,329	12.99%
Medicare FFS	6,271	7.28%	7,563	8.67%
Medicare MC	3,707	4.30%	3,766	4.32%
Medicaid FFS	51,640	59.94%	45,672	52.35%
Medicaid MC	12,929	15.01%	9,843	11.28%
Private Pay	<u>10,660</u>	<u>12.37%</u>	<u>9,063</u>	<u>10.39%</u>
Total	86,156	100.00%	87,236	100.00%

	<u>Current Year</u>		<u>Years One and Three</u>	
<u>Payor - Vent</u>	<u>Days</u>	<u>%</u>	<u>Days</u>	<u>%</u>
Commercial FFS	593	2.56%	400	1.54%
Medicare FFS	1,783	7.69%	1,700	6.52%
Medicare MC	595	2.57%	809	3.11%
Medicaid FFS	13,580	58.60%	15,239	58.48%
Medicaid MC	6,032	26.03%	6,699	25.71%
Private Pay	<u>592</u>	<u>2.55%</u>	<u>1,210</u>	<u>4.64%</u>
Total	23,175	100.00%	26,057	100.00%

The applicant submitted a business plan outlining measures and initiatives that the facility will take to improve its financial position. The proposed measures include the following:

- Census and revenue management, which includes a marketing program aimed at raising awareness of facilities' 5-Star CMS quality rating in the hospital referral departments, as well as, outreach initiatives to increase ventilator referrals from New York Presbyterian Hospital (NYPH) and other nearby facilities.
- Expense management with a focus on finding opportunities to replace the academic cost structure with a cost structure aligned with community best practices.

- Additional initiatives include streamlining and optimization of services, reducing operational costs by reducing overtime usage, outside contractors, managing transfers, and physician oversight.

#### Asset Purchase Agreement (APA)

The applicant has submitted an executed APA to acquire the RHCF's operating interests. The terms are summarized below:

Date:	December 12, 2022
Seller:	Silvercrest
Buyer:	Silvercrest Acquisition I, LLC
Facility:	320-bed Article 28 skilled nursing facility located at 144-45 87 <sup>th</sup> Avenue Jamaica, New York 11435
Asset Acquired:	Rights, title and interest in and all operating assets of the facility including without limitation all tangible personal property used or to be used in the business operations of the facility, operating certificate, physical plant, contents, the assumed contracts, inventory, licenses (to the extent transferrable), all books and records, the intellectual property rights associated with the facility, marketing information, computer software and software licenses, the name of seller "The Silvercrest Center" and any name or phrase which includes "Silvercrest" and all intellectual property related thereto, all telephone numbers and facsimile numbers used by the facility, all security deposits and prepayments held by seller for future services to be performed by the facility, the Medicare and Medicaid provider numbers related to the facility, the resident trust funds, all books, files, and other business records attributable to business operations of the facility, and all goodwill.
Excluded Assets:	Cash, deposits (other than resident funds), cash equivalents, accounts receivable, prepaid expenses, securities and refundable deposits, all right, title and interest in and to the name "New York Presbyterian Hospital", or any manner that implies the facilities' affiliation with New York Presbyterian Hospital, all of sellers or affiliate of sellers proprietary manuals, marketing materials, standard operating procedures, and marketing brochures, data and studies or analyses except to the extent they are used without the name "New York Presbyterian Hospital", portions of inventory and other assets disposed of, expended or canceled prior to effective date, assets owned and provided by vendors, all claims, rights, interests and proceeds to state or local tax refunds (property and COVID-19 employee tax credits), all of sellers corporate record books and minute books, overpayments to any third parties, sellers bank accounts, reimbursement owed by any payor or health plan and payment from government agencies or programs related to COVID-19, third party retroactive rate increases, refunds, credits, proceeds of any appeal, donations and bequests, all right, title and interest in and to the name "Silvercrest Senior Housing Development Fund Corporation".
Purchase Price:	\$3,000,000
Escrow Deposit	\$150,000 upon execution of the APA
Payment of Purchase Price:	\$2,850,000 due at closing less Escrow Deposit.

The applicant has submitted an original affidavit, which is acceptable to the Department, in which the applicant agrees, notwithstanding any agreement, arrangement, or understanding between the applicant and the transferor to the contrary, to be liable and responsible for any Medicaid overpayments made to the facility and/or surcharges, assessments or fees due from the transferor pursuant to Article 28 of the Public Health Law with respect to the period of time prior to the applicant acquiring its interest, without releasing the transferor of its liability and responsibility. As of August 13, 2024, the facility has no outstanding Medicaid liabilities.

### Real Property Agreement

The applicant submitted an executed Real Property Agreement to acquire the RHCF's real property, as summarized below:

Date:	December 12, 2022
Seller:	Silvercrest
Buyer:	Silvercrest Acquisition II, LLC
Assets Acquired (Real Estate):	All seller's rights, title, and interest in and to the Real Property (land, buildings, and improvements) located at 144-25 87 <sup>th</sup> Avenue, Jamaica, NY (Queens County).
Excluded Assets (Real Estate):	N/A
Purchase Price:	\$93,000,000
Payment of the Purchase Price:	\$4,850,000 deposited and held in escrow. \$88,150,000 due at closing.

### Draft Assignment and Assumption Agreement

The applicant submitted a draft Assignment and Assumption Agreement to acquire the right, title, and interest in the assumed contracts, summarized below:

Assignor:	Silvercrest
Assignee:	Silvercrest Acquisition I, LLC
Assignment and Assumption:	<p>Assignor desires to assign to Assignee all of its rights, title, and interest in the Assumed Contracts; and Assignee desires to accept such assignment effective as of the Effective Time.</p> <p>As of the Effective Time, Assignor transfers, assigns, and sets over unto the Assignee all of its rights, title and interest in and to the Assumed Contracts, and Assignee hereby undertakes, assumes and agrees to pay, perform or otherwise discharge when due all of the Assumed Contracts subject to and in accordance with the provisions set forth in the APA.</p>

### Consulting Agreement

The applicant submitted an executed Consulting Agreement to acquire the RHCF's real property, as summarized below:

Date:	July 31, 2023
Consultant:	Cassena Care, LLC
Facility Operator:	Silvercrest Acquisition I, LLC
Term:	Agreement will begin upon the effective date of the operating certificate to be issued by the New York State Department of Health and will continue unless terminated.
Consulting Services:	Plant and maintenance consulting, billing and collection consulting services, accounting, financial services, payroll and accounts payable, clinical policies and procedure review and implementation, service contracts, and purchasing
Service Fee:	\$1,500,000 (\$125,000/month)

Cassena Care, LLC will be providing all of the above services, and Silvercrest Acquisition I, LLC will retain ultimate control in all final decisions associated with the facility. The applicant has submitted an executed attestation stating that the applicant understands and acknowledges that there are powers that must not be delegated, the applicant will not willfully engage in any illegal delegation and understands that the Department will hold the applicant accountable.



## Lease Agreement

The applicant submitted an executed lease agreement, the terms of which are summarized below:

Date:	July 17, 2023
Landlord:	Silvercrest Acquisition II, LLC
Tenant:	Silvercrest Acquisition I, LLC d/b/a Silvercrest Nursing and Rehabilitation Center
Facility:	Long-term skilled nursing facility located at 144-45 87 <sup>th</sup> Avenue in Briarwood, New York.
Term:	20 years from Commencement Date
Rent:	\$9,600,000 per year (\$800,000 per month), rent will increase 2% thereafter throughout the term.
Provisions:	Taxes, insurance, utilities.

The lease arrangement is a non-arms-length agreement. The applicant has submitted an affidavit attesting to the relationship between the landlord and tenant in that there is a common membership between the entities. The applicant has submitted a facility market lease rate analysis report intended to provide an opinion of the market rent, which appears to be consistent with several market participants and market comparables.

## Capability and Feasibility

There are no project costs associated with this application. The combined purchase price for the RHC's operations and realty is \$96,000,000. The purchase price for the operations is \$3,000,000 and will be met with equity from the proposed members. The purchase price for the real estate is \$93,000,000 and will be met with equity of \$11,400,000 from the proposed realty members and a non-amortized bridge loan of \$81,600,000 with a three-year term. The loan will bear an interest rate equal to the prevailing SOFR rate plus 2.65% to 2.95%, plus a credit spread adjustment of 0.10%. The SOFR rate is 5.31% for an estimated interest rate of 7.96% to 8.26%. Monthly payments cover interest only and the principal amount due at maturity. Bank of America Merrill Lynch provided a letter of interest for the loan at the stated terms. The borrowers intend to refinance the mortgage to a long-term permanent financing program prior to the end of the bridge loan term. The four proposed members provided affidavits confirming their willingness to use personal resources in the event that refinancing, prior to the end of the loan term, is unavailable.

The working capital requirement is estimated at \$10,239,917, based on two months of Year One expenses, and will be funded with equity from the proposed members. BFA Attachment A, Net Worth of Proposed Members of Silvercrest Acquisition I, LLC, reveals sufficient equity overall to fund the acquisition and working capital needs. A \$150,000 cash deposit was paid on the execution of the APA for operations, and a \$4,850,000 cash deposit was paid on the execution of the Real Property Agreement for the sale of the realty interest, with a remaining cash balance of \$91,000,000.

BFA Attachment F, Pro-Forma Balance Sheet, as of the first day of operation, indicates positive members' equity of \$13,354,000. It is noted that the assets include \$3,000,000 in goodwill, which is not an available liquid resource, nor is it recognized for Medicaid reimbursement purposes. Excluding goodwill, members' equity would be \$10,354,000. The submitted budget indicates a net income of \$1,531,900 and \$1,769,333 in Years One and Three, respectively. The budget appears reasonable.

BFA Attachment B, 2022-2024 Financial Summary of Silvercrest shows the facility maintained a negative working capital position and negative equity between 2022 and 2023. In 2022 and 2023, Silvercrest reported net losses of (\$5,358,226) and (\$6,298,026), respectively. The working capital and net assets deficiencies are impacted by the operating losses of the facility. NYPH continues to support Silvercrest with extensions on payments for NYPH services and through a line of credit to assist the facility in its post-COVID-19 recovery and implementation of its initiatives. Both 2022 and 2023 losses are attributable to adverse impacts from the COVID-19 pandemic, including a slower recovery of vent patients post-COVID-19, who have higher complexity and reimbursement rates. The losses were further impacted by staffing shortages, higher turnover, and increased use of agency and temporary staff, resulting in labor cost increases.

For the year ending December 31, 2024, Silvercrest maintained a negative working capital position and, a negative equity position, and reported a net loss of (\$6,260,278). The net equity deficit position is

attributable to \$45,181,247 reported as related party debt due to NYPHS. The reported loss is attributable to lower occupancy of the vent beds and higher overall operating costs. Silvercrest has implemented a number of initiatives to reduce operating losses, including census and revenue management, and expense management, with a goal of replacing the academic cost structure with one based on community best practices, reducing overtime, limiting outside contractors, and optimization of contracted services.

BFA Attachment D, Financial Summary of Proposed Members' Affiliated Nursing Homes, shows that between 2021 and 2022, the affiliated facilities maintained positive net asset and working capital positions, as well as, positive net income from operation. Margaret Tietz, Downtown Brooklyn, Shore View, and Workmen's Circle, each reported negative working capital. Fordham reported a net loss, and Peninsula Nursing reported negative working capital, negative equity, and a net loss. For the period ending December 31, 2023, the affiliated facilities maintained positive net assets, working capital positions, and a positive net income except for Margaret Tietz, Downtown Brooklyn, Morningside, Sea Crest, and Shore View, which reported negative working capital. Peninsula, Fordham, Workmen's Circle, and Lower West Side reported negative working capital, negative equity, and a net loss. The reported net losses are attributable to increased operating costs, including supplies and labor. The operators are exploring cost-reduction initiatives and improving the census.

#### Conclusion

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

## Attachments

LTCOP Attachment	Long-Term Care Ombudsman Program Recommendation
BHFP Attachment	Map
BFA Attachment A	Net Worth of Proposed Members of Silvercrest Acquisition I, LLC
BFA Attachment B	2022-2024 Financial Summary of Silvercrest Center for Nursing and Rehabilitation
BFA Attachment C	2023 Certified Financial Statement for Silvercrest Center for Nursing and Rehabilitation
BFA Attachment D	Financial Summary of Proposed Members' Affiliated Nursing Homes
BFA Attachment E	Silvercrest Acquisitions I, LLC. Ownership Chart
BFA Attachment F	Pro Forma Balance Sheet for Silvercrest Center for Nursing and Rehabilitation