

NEW YORK STATE DEPARTMENT OF HEALTH
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL
SPECIAL ESTABLISHMENT AND PROJECT REVIEW COMMITTEE MEETING
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ESP, CONCOURSE LEVEL, MEETING ROOMS 2-4 ALBANY
TRANSCRIPT

Mr. Robinson: ...Robinson, I chair the establishment and project review committee, and I have the privilege to call this special meeting to order and to welcome all of you members, participants and observers.

A few rules of the road, which you hear regularly from us. I'd like to remind council members, staff and the audience that this meeting is subject to the open meeting law and is broadcast over the internet, and the webcast can be accessed at the department's website, nyhealth.gov. The on-demand webcast will be available no later than seven days after the meeting for a minimum of 30 days, and then a copy will be retained in the department for four months.

Some additional suggestions are synchronized captioning, so it's important that people don't talk over each other, so that the captioning can be done correctly. The first time you speak, we ask that you state your name and briefly identify yourself, whether as a council member, DOH staff, or if you are an applicant, with your role and your organization, and that'll help the broadcasting company to properly record the meeting. The mics are hot, so they pick up most every sound. And so, please be cognizant of that and also recognize that it might pick up personal sidebar conversations, and we don't want that to happen.

I think we're good this time, but just a reminder that there is a record of appearance form that you need to fill out when you attend these meetings, as required by the Joint Commission on Public Ethics. So, if you have not signed in, we ask that you do. And that's the prelude.

Okay. So, underway, we just have one application to consider at this special meeting. This is an application for residential healthcare facility establishment. Application 26111B, transitional living community at the Center for Discovery. This is in Sullivan County, to establish and construct a new 40-bed residential healthcare facility at 195 Lake Louise Marie Road in Rock Hill. The department is recommending approval with conditions and contingencies. Motioned by Dr. Torres, second by Dr. Berliner, and Mr. Lebowhl, wherever you are.

Ms. Baniak: Actually, I'm going to cover.

Mr. Robinson: You're going to cover. Thank you so much.

Ms. Baniak:

So, Lynn Baniak from the department. Transitional living community at the Center for Discovery, Inc. requests approval to establish and construct a new 40-bed residential healthcare facility that will serve aging adults aged 35-plus with medical fragility and an intellectual and/or developmental disability. The Center for Discovery was founded in 1950 and provides health, educational, and residential services for children and adults with severe disabilities, medical frailties, and/or autism spectrum disorders in a multi-campus setting. They serve individuals from across New York State.

The residential healthcare facility will be on the third floor of the building at 195 Lake Louise Marie Road, Rock Hill in Sullivan County, which is a building that also houses an Article 16 specialty hospital operated by the Center for Discovery, Inc. under the auspices of the New York State Office for the People with Developmental Disabilities, and a separate Article 28 Diagnostic and Treatment Center Extension Clinic. All three facilities are located within separate and distinct areas within the building.

The applicant was awarded the opportunity to operate an aging adult demonstration program for aging adults that are aged 35-plus and meet the definition of medical fragility, as provided for in public health law 2808-F. The demonstration program allows for the establishment and construction of a new facility or the repurpose of part of an existing facility to operate as an adult residential healthcare facility care for aging adults with medical fragility.

Section 2808-F of public health law defines aging adults with medical fragility as adults from age 35 to end of life who have a chronic debilitating condition or conditions, are at risk of hospitalization, are technology-dependent for life or health-sustaining functions, require complex medication regimens or medical interventions to maintain or improve their health status, and/or are in need of ongoing assessment or intervention to prevent serious deterioration of their health status or medical complications that place their life, health or development at risk.

This certificate of need application is being submitted as required under the demonstration program. In addition to the baseline residential healthcare facility services, the proposed facility will provide respiratory care. Based on the need review, approval of this project addresses a statewide gap in specialized skilled nursing facility care for adults from age 35 to end of life with an intellectual and/or developmental disability and medical fragility in Sullivan County, and also statewide.

The applicant passed the character and competency review. The licensure team verified with the Office for People with Developmental Disabilities that Center for Discovery Inc. is a Mental Hygiene Law Article 16

provider in good standing. The Bureau of Financial Analysis has determined that the applicant has demonstrated the capability to proceed in a financially feasible manner. A health equity assessment was not required, based on the criteria in Public Health Law 2802-B. Based on all of these factors, the department is recommending contingent approval.

Mr. Robinson: Thank you for that project summary. Any questions from members of the committee or other members of the council? For the staff? Applicant questions only. Thank you. Please.

Dr. Soffel: Good morning. Denise Soffel, member of the council. I have a question about the financing of this project.

Mr. Robinson: Should we ask the applicant to come forward? Yeah, please. Please introduce yourselves.

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

Mr. Brescia: Matthew Brescia, Chief Financial Officer of Center for Discovery.

Ms. Hamlin: good morning. Theresa Hamlin, President and CEO of the Center for Discovery.

Mr. Robinson: Dr. Soffel, your question?

Dr. Soffel: Yeah. Good morning. I want to start by saying I have enormous admiration for the work that you guys do. Your facility has been renowned across the state for being truly unique and groundbreaking in so many really critical ways. And there is no question that a need for services for adults is desperately needed in this state.

But I am concerned because I know that OPW reimbursement rates are notoriously low, as are Medicaid rates, and you're starting out with a \$30 million loan at fairly hefty interest, and you don't even expect a break even until year three. So, I am a little bit concerned that in fact, the financing is sustainable, and that's my concern. So, I would really appreciate it if you could walk me through why you believe, given all of the constraints that exist around this kind of project, how you think you're going to swing this.

Mr. Cicero: Dr. Soffel, I will start, and I think Dr. Hamlin will finish. To begin with, in the law itself, the commissioner of health, so these will be New York State Department of Health nursing home rates. The commissioner of health is granted freedom to set rates based on the cost of the care at this facility, which is common with, you've seen it before with the young adult demonstration program. It's common with pediatric nursing homes in the state as well, and it will be the case here. Initial discussions have been held

with the Medicaid program with OHIP, and that will continue after, if this project moves forward today.

Ms. Hamlin: I'll just comment on the population. So, this is a population that we are serving right now, but the system that they're in, the OPWDD system, is not equipped to really care for their medical complexity, their medical frailty. So, they're spending a lot of time in the hospital, in ICU beds, or going back and forth to the emergency room. So, they're costing a lot of money right now to the system, and their quality of life is just greatly diminished.

And that's our hope, is to really change that outcome for them and have them live in a place that really can care for their needs. I mean, so much of what they need is IV therapy. They need sometimes PICC line therapy. They need deep suctioning. All of the things that under our current model, the current system through OPWDD, we can't provide. So, the hospitals are essentially these long-term care facilities for our residents. It's just not appropriate for anybody, and not for the hospitals, either. So, thank you.

Dr. Soffel: I don't question the need for the facility at all. I am just concerned. So, to be clear, do you have a commitment from the commissioner to come up with a rate that will sustain your operations moving forward?

Mr. Cicero: There's no commitment. There has not been that level of discussion yet, but there have been positive discussions with OHIP so far.

Mr. Robinson: Thank you. Other questions for the DOH staff or for the applicant? So, I just want to reiterate something that Dr. Soffel said. This is such a needed application. My perspective, obviously, is coming from the hospital side, and we see patients all the time, as you point out correctly, Doctor, that we have no way to find a safe discharge for those patients, and they sometimes sit in the institution for months or even years. It's not the right place for them to thrive. Hospital staff are not actually as equipped and trained for the care of these kinds of patients as they are for normal acute care patients.

So, the need for this kind of facility is really significant, and delighted that you are bringing forward this application, and just want to wish you all the best as you embark on this effort. So, with that as my gratuitous comment, I'm going to call the... You have something to say, Dr. Ruggie? The light. Yeah. The green light on the bottom. Can you hand him your mic?

Dr. Ruggie: I'd only comment that the changing nature of healthcare leads to this need for a new kind of designation of healthcare institutions, what their mission needs to be, what their reimbursement should be. In the North Country, we see a number of critical access hospitals under major threat of bankruptcy

due to the Medicaid cuts. And I think that for state government and for this council to begin to consider how to best describe and then enact... We can't enact but conceive of new kinds of institutions that are better appropriated for healthcare in a changing environment, both on the financial side, but even more significantly on the delivery side. Medical care has changed. We have to keep up, and we've not done that yet.

Mr. Robinson: And I think this being a demonstration project is one way that we're going to explore whether this model is going to be working, and I think it's a terrific step by the state to undertake this.

Dr. Ruge: Absolutely. Just important to note.

Mr. Robinson: Okay. I'm going to ask you a question here. All in favor? Any opposed? Any abstention? The motion carries. Thank you, applicants. And with that, I am going to adjourn this meeting of the project review committee and turn it over to our distinguished chair, Dr. Boufford.