

NEW YORK STATE DEPARTMENT OF HEALTH
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL
ESTABLISHMENT AND PROJECT REVIEW COMMITTEE MEETING
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ESP, CONCOURSE LEVEL, MEETING ROOM 6 ALBANY
TRANSCRIPT

Mr. Robinson: [inaudible 00:00:06] I'm Peter Robinson, chair of the Establishment and Project Review Committee. And I have the privilege of bringing this meeting to order, welcoming members of the committee and other members of the council, department staff, participants and the public, those of you that are observers. A few remarks to cover the administrative setup of the meeting. First, to remind everybody that this meeting is subject to the open meeting law and is broadcast over the internet. The webcasts are accessed at the Department of Health's website, nyhealth.gov. The on-demand webcast will be available no later than seven days after the meeting for a minimum of 30 days and then a copy will be retained in the department for four months.

Please recognize that we do synchronize captioning, so don't talk over anybody else, that way the captioning can be correct. We ask that the first time you speak, you state your name and briefly identify yourself, council member, staff, and certainly when applicants and members of the public come up to speak as well. Mics are hot, which means that side conversations can be picked up, so please be careful about that. And then finally, just a reminder, I'm sure most of you know the drill already, but we do require that you fill out a record of appearance form, which is at the front desk outside. If you haven't done so, please do that now. And with that, we will get started. Okay. Calling application 261080B. Hawkins ASC, LLC, doing business as Vanguard Specialty Surgery Center in Suffolk County. I'll notice a conflict and recusal by Dr. Eisenstein. Has he left the room already? He has. No, he's right here. He's right here. Dr. Eisenstein, you're on your way out, I assume. Thank you. Thank you.

Mr. Kraut: [inaudible 00:02:17]. I hope.

Mr. Robinson: So this is to establish and construct a multi-specialty ambulatory surgery center at 640 Hawkins Avenue in Ronkonkoma. The department has recommended approval with conditions and contingencies with an expiration of the operating certificate five years from the date of issuance. A motion placed by Dr. Berliner, second by Mr. Thomas. Ms. Glock.

Ms. Glock: Good morning. Shelley Glock from the department. Hawkins ASC, doing business as Vanguard Specialty Surgery Center, is seeking approval to

establish and construct a multi-specialty freestanding ambulatory surgery center. This proposed center will be located in leased space on Hawkins Avenue in Suffolk County. This facility will specialize in pain management, orthopedics, vascular, and podiatry surgical services. It'll have two ORs in one procedure room.

Dr. Daniel Chu, the sole member and operator, who's board certified in orthopedics, will also serve as the medical director. The projected visits and procedures total 1736 year one, a little over 2000 in year three. Medicaid and charity care are expected to account for 5% and 2% of their cases respectively based on the current practices of the participating surgeons. I do want to note there is a revision to the staff report on page 11. It's in the footnotes to the operating budget.

The operating budget is correct. However, the average salary for the nurses is 112,354 and 126,000 in year one and three and we will revise that exhibit for the full council. The total project costs of a little over nine million, will be met with equity from the sole member and a bank loan and an equipment lease. And the department is recommending approval with conditions and contingencies and an expiration of the operating certificate five years from the date of its issuance.

Mr. Robinson: Thank you. Questions from members of the committee or other members of the council present? Applicant questions only? Anybody from the public wishing to speak on this application? Hearing none, call to question all in favor?

Mr. Kraut: Aye.

Mr. Robinson: Any opposed? Any abstentions? Motion carries. Thank you. Application 261138E. Saratoga Schenectady Endoscopy Center, LLC in Saratoga County. This is to transfer 6.667% ownership interest from the 14 current members to one new member. The department is recommending approval with a condition. Motion by Dr. Berliner, second by Mr. Thomas. Ms. Glock?

Ms. Glock: Saratoga Schenectady Endoscopy Center is an existing Article 28 Single Specialty Endoscopy Ambulatory Surgery Center. They've been operating since 2004. And this application is seeking approval to add one new member, Dr. Sydney Olipsen, who will join the existing 14 members, all of whom will have equal memberships of 6.67% as a result of this transaction. The issuance of the 6.67% membership interest to the new member when aggregated with other membership admissions over the last five years would have exceeded 25% thereby requiring this application to be submitted as a full review if you were wondering. The center is

projecting 8.8% Medicaid and 0.04% charity care in years one and three of the project, which is consistent with their historical actual utilization.

And per the applicant, the center has struggled with increasing charity care. They have a charity care policy in place with sliding scale and since 2016 they've had contracts in place with an FQHC community health center and a hospital system to seek referrals from patients who may be under or uninsured. Additionally, the center also participates in cancer service programs in several counties. The department is recommending approval with a condition.

Mr. Robinson: Thank you. Questions, committee or council members? Applicant questions only. Anybody from the public wishing to speak on this application? Hearing none, call the question all in favor. Aye. Any opposed? Any abstentions? Motion carries. Application 252183B, St. Mary's Center, Inc. In New York County. This is to establish and construct a new diagnostic and treatment center at 73 Lenox Avenue in New York. This project has received a statewide healthcare facility transformation program to grant. The department recommends approval with conditions and contingencies. Motion by Dr. Berliner, second by Mr. Thomas. Ms. Glock.

Ms. Glock: St. Mary's Center is a New York not for-profit corporation. This application is requesting approval to establish and construct Article 28 Diagnostic and Treatment Center in lease space in Lenox Avenue in Central Harlem. The project will also relocate a 50 slot aids adult day healthcare program from its existing site at West 126th Street, New York to separate lease space at the 73 Lennox Avenue address. As you may remember, this project was deferred at the last meeting due to the applicant not being present and the applicant is both present and available today in case there are questions. St. Mary's Center will be certified for medical services, primary care and certified mental health services outpatient as well as the 50-slot adult day healthcare program. The total project costs of 5.8 million will be funded with about \$34,000 in equity and as mentioned, a \$5.8 million statewide healthcare facility transformation program to grant.

So, St. Mary's Center, Inc. Is the operator of Article 28 RHCF and Adult Day Healthcare Services. It's an affiliate of Argus Community, an organization which provides comprehensive health, housing, and social services to vulnerable New Yorkers focusing on those with substance use disorders, mental health challenges, and histories of homelessness or incorporation. The DTC will specialize in serving patients with these co-occurring mental health and substance use disorders. Their goal is to expand primary care for residents from ARGUS's residential health programs as well as individuals across New York City. They are

projecting 85% Medicaid, 5% charity care. And according to the applicant, St. Mary's Center's Adult Day Health Program is one of only five AIDS designated adult day health programs in New York City. The department is recommending approval with contingencies and conditions.

Mr. Robinson: Thank you. Any questions from the committee or council members? As Ms. Glock noted, and I note Mr. Lowey, can you raise your hand, so I know you're here? Thank you. You're present now and I want to underscore the fact that this is a terrific application and we're very supportive of it, but without the ability to have somebody present who can speak and answer questions, we can't do our job effectively, so appreciate your being here today. I assume you're here for questions only. Thank you. Anybody else from the public wishing to speak on this application? Hearing none, call the question. All in favor? Any opposed? Any abstentions? The motion carries. Thank you.

Moving on to residential healthcare facilities 252210E Amsterdam SNF, LLC, doing business as Wilkerson Rehab and Nursing Center. This is in Montgomery County to establish Amsterdam's S&F LLC as the new operator of Wilkinson Residential and Nursing Center, which is a 160-bed residential healthcare facility.

The department is recommending approval with a condition and contingencies. Motion by Dr. Berliner, second by Mr. Thomas. Mr. Lebwohl.

Mr. Lebwohl: Thank you very much. As you mentioned, the department is recommending approval with standard contingencies and conditions. We note that with this transaction, the real estate and the operations are separated into different ownership entities. The proposed lease has received the included letters from real estate agents attesting to the reasonability thereof, and that this is also a conversion from a not for-profit to a profit operator. Again, the department recommends approval with standard contingencies and conditions.

Mr. Robinson: Questions from the committee, members of the council? Applicant questions only? Anyone from the public speaking on this application? Hearing none, call the question. All in favor? Any opposed? Any abstentions? Motion carries. Thank you.

Continuing on with applications for licensed home healthcare agencies. Application 22245E, Family Respite Home Care Agency, Inc. The geographic area served is in the exhibits to transfer 90.1% ownership interest from one withdrawing shareholder to the remaining shareholder. I want to note that for members of the public and to members of the committee, there's been a revised exhibit that's been posted and

distributed, so it should be in your material. With that, the department recommends approval with a condition. Motion by Dr. Berliner, second by Mr. Thomas. And this goes to Mr. Lebwohl as well.

Mr. Lebwohl: Thank you very much. This is a licensed home care services agency located primarily in Brooklyn, Kings County. As you mentioned, it is for a transfer of 90.1% interest from a withdrawing shareholder to the remaining shareholder. There is no change regarding the services or to the service area. They are currently serving more than 25 patients, so they are exempt from need review. They have passed all applicable reviews and the department recommends approval. We also note this meeting is the first cycle in which the committee is requested to be notified of the purchase price of home care agencies and so we note that the listed purchase price is \$280,000.

Mr. Robinson: Thank you for that. And an additional piece of information is welcome. Questions from the committee or the council members? Hearing none, applicant questions only? Anyone from the public wishing to speak? Hearing none, call the question. All in favor? Any opposed? Any abstentions? The motion carries.

Application 231025E, Family Home Care Agency, Inc. Again, note that the geographic service area covered is in the exhibit. To establish Family Homecare Agency, Inc. Is the new operator of a licensed home care services agency currently operated by the One Stop Home Care Agency at 108-1072nd Avenue in Forest Hills, Queens. Department is recommending approval with a condition motion by Dr. Berliner, second by Mr. Thomas. Mr. Lebwohl?

Mr. Lebwohl: Family Homecare Agency, Inc. is a licensed home care services agency located in Queens County. This transaction is for a transfer of 100% of the ownership interests from two withdrawing shareholders to one new shareholder. There is no change to the services offered or to the service area. It is past all applicable reviews. The department recommends approval, and the proposed purchase price is \$150,000.

Mr. Robinson: Thank you. Questions from the committee or council members? Applicant questions only? Anyone from the public on this application? Hearing none, call the question. All in favor? Any opposed? Any abstentions? Motion carries. Thank you.

Application 242060E. High Standard Home Care, Inc. Again, service area is noted in the attached materials. Transferring 100% shareholder interest from two withdrawing shareholders to two new shareholders. Department is recommending approval with a condition. Motion by Dr. Berliner, second by Mr. Thomas. Mr. Lebwohl?

Mr. Lebwohl: Thank you. High Standard Home Care Inc is a licensed home care services agency located in Brooklyn, Kings County. The proposed transaction is a transfer of 100% of the ownership interests from two withdrawing shareholders to an LLC stockholder that is held by two natural persons. There is no change to the services offered or to the service area. They have passed all applicable reviews. The department recommends approval and the proposed purchase price is \$5.7 million.

Mr. Robinson: Thank you. Questions from the committee council members?

Mr. Kraut: I have one for the applicant.

Mr. Robinson: Can we have the applicant come forward please for this application?

Mr. Kraut: Testing one. Okay. So we just had two applications that valued the transfer of ownership between 280,000 and 1,450,000. This one is now five million. Could you explain the basis by which you came up with that valuation?

Mr. Cicero: Yes. Thank you, Mr. Kraut. I'm Frank Cicero, a consultant to the applicant. This is Meyer Wertheimer, who's one of the members of LLC that'll be the proposed shareholder. On one of the other two projects I know is a relatively smaller agency. This entity has 650 patients. The purchase price was negotiated some time ago before 2024 between two parties, two non-related parties, both represented by counsel, including on the side of the applicant council that appears before the department every day. I think it was based on their assessment of the market, both parties, and negotiation. I don't know if there's a per ... I don't think they went on a per patient basis though.

Mr. Kraut: Well, I guess that's what we're trying ... We've approved ... How many [inaudible 00:18:08] do we have approved in the state? 1700, 1800, 2000. 1400.

Mr. Robinson: 1400.

Mr. Kraut: So, we have 1400 and this is ... We asked for this information to try to understand what goes on in some of these transactions just to make it more transparent. I have no basis that the other two got a great deal and I don't know what the market value is. I guess I think in terms of nursing homes where it's per bed or per something here, I'm trying to understand how that valuation occurs. So, I don't know how much of it is goodwill, how much it is for the assets. That's what I'm trying to understand.

Mr. Cicero: I discussed this with the applicant over the past couple days. It is not based on number of patients, but it is based on volume of business.

Mr. Kraut: Right. I'm assuming revenue.

Mr. Cicero: Correct. And that's the negotiated price they came to. I don't think that there is probably as strongly known a market as there is for nursing homes, but I think both sides were well represented. And again-

Mr. Kraut: So just out of curiosity, what's the revenue of the agency?

Mr. Cicero: Do you know the revenue? I don't know the revenue of the agency.

Mr. Kraut: Maybe between now and the full council, if you could just tell us what the total revenue is of the agency.

Mr. Cicero: Sure.

Mr. Kraut: And maybe that's another aspect we might ask for to understand what's going on. I can't make a statement to say affirmatively it's a problem or not, because we don't have information. But I would just say in these applications, that's at least where I'm going to be asking those questions going forward. That's all.

Mr. Cicero: Sure.

Mr. Kraut: Okay. Thank you.

Mr. Cicero: We'll send a letter to the council.

Mr. Kraut: Give us some sort of note.

Mr. Cicero: Will do. Thank you.

Mr. Kraut: Okay. Thank you.

Mr. Thomas: Hugh Thomas, member of the council and the committee. Just Frank, on that note, were there any underlying assets, no extraordinary real estate, home centers, or whatever?

Mr. Cicero: No. No hard assets.

Mr. Thomas: No hard assets.

Mr. Cicero: No hard assets. Correct.

Mr. Thomas: So, I second the question.

Mr. Cicero: It's patients and value of the business.

Mr. Kraut: From an accounting, if anything less than the assets is goodwill, you can't pay for referrals, you can't pay for a client. We're just trying to understand. That's all.

Mr. Thomas: Okay.

Mr. Kraut: Thank you.

Mr. Robinson: So, I think this is as much for clarification and I don't-

Mr. Kraut: I'm not stopping the process.

Mr. Robinson: Exactly. Is there anything else that you would like to say since you're up at the table as an applicant?

Mr. Cicero: No.

Mr. Robinson: Okay. Any other questions from the members of the committee or the council? Anyone from the public wishing to speak on this application? Okay. I'll call the question all in favor.

All: Aye.

Mr. Robinson: Any opposed? Any abstentions? The motion carries. Okay. Thank you very much. If you could, Mr. Cicero, get information maybe back to ... Yeah.

Mr. Kraut: He knows better than us.

Mr. Robinson: Yes, he does. Okay. Thank you very much. Application 251085E has been deferred at the department's request, so I just want to note that for the record.

Onto ambulatory surgery 252166C, Hillside Polymedic Diagnostic and Treatment Center in Queens County, noting a conflict and recusal by Dr. Yang and an interest by Mr. Kraut. This is to convert a multi-specialty ambulatory surgery center, certified CT scanner, MRI, and medical services, including other medical specialties, and construct a six-story replacement building. The department is recommending approval with conditions and contingencies with an expiration of the operating certificate five years from the date of issuance, motion by Dr. Berliner, second by Mr. Thomas. And I'm assuming that the five-year contingency and we'll hear from Ms. Glock is related to the ambulatory surgery component. Ms. Glock?

Ms. Glock:

Thank you. Hillside Polymedic Diagnostic and Treatment Center is an existing proprietary Article 28 Diagnostic and Treatment Center, and this application is requesting approval to do a couple of things. First, it's to construct a new six-story replacement building, which will be built on the same plot of land as the existing building along with some adjacent properties. And secondly, through this project, the existing medical services, including dental, primary care, and podiatry, will be expanded to add ambulatory surgery, multi-specialty surgical services, which will include podiatry, obstetric, gynecology, vascular, cardiothoracic, no cardiac surgery, and general surgery. As well as MRI imaging, CT scanner, diagnostic x-ray unit, and an ultrasound unit.

The AC will have two operating rooms and two procedure rooms. The applicant is projecting about 39,000 total visits, which will be about 2200 ambulatory surgery visits in year one and 68,000 total visits, which about 2,300 of them will be ambulatory surgery year three and a breakdown of those services both existing and new are included in the staff exhibit with Medicaid at 67.6%, charity care at 1.4%.

And this ambulatory surgery volume is based on the participating surgeon's current caseload and the surgical procedures that will be performed in the ASC will come from the private practices of the participating surgeons. I want to note that Queens Hospital Center has submitted a public comment in opposition to the approval of the CON, specifically stating that the conversion of Hillside to an ambulatory surgery center will have a negative impact on the hospital, which will lead to a loss of outpatient surgical volume, which would cause a loss of revenue.

Workforce was also a concern as they felt staff might be attracted to work in a new ambulatory surgery center. The applicant did submit a response to the public comment, which the department reviewed, stating that there'll be no financial impact on any of the hospitals as these surgical procedures are currently being performed in the private practices of the surgeons and to minimize any workforce impact the ambulatory surgery center will recruit existing staff members of the existing practices.

Total project costs of a little over 92 million will be financed through a loan, land equity, and a personal loan. And the department is recommending approval with conditions and contingencies and an expiration of the operating certificate five years from the date of its issuance.

Ms. Robinson:

Thank you. Members of the committee, the council, do you have any questions?

Dr. Berliner: Yeah.

Mr. Robinson: Dr. Berliner.

Dr. Berliner: My question's probably for the applicant, Peter.

Mr. Robinson: For the applicant.

Dr. Berliner: Applicant.

Mr. Robinson: Do you have, is it for the applicant too?

Mr. Kraut: For the department.

Mr. Robinson: For the department. Okay.

Dr. Berliner: Shelly, what happens if after five years we revoke operating certificate? Is it for the entire thing or just the parts we may or may not approve today?

Ms. Glock: This facility will continue to provide primary care services, right, as we stated in the application and also it's adding the ambulatory surgery piece. So, at the end of the five years, the department will administratively take a look at what the actual Medicaid and charity care provided compared to the projected. Typically, if someone falls short of the projections, we'll go back for an explanation. Sometimes it's a delay in getting Medicaid contracts and what we would typically would do would then extend the limited life by another three years. So, we wouldn't be revoking anything at that particular time, but yes, the limitation is around the ambulatory surgery center and the charity care being provided.

Dr. Berliner: So just to be clear, if in fact, whether it's five years or seven or eight years, if the department found that they were not living up to what they had promised to do, would it just be the ambulatory surgery component that would be closed, or would it be the entire DNTC that would close?

Ms. Glock: I think we'd have to consult with our legal team on that to see what actions or options might be available to the department at that time. I'm not aware of us having done that in the past, but the limited life is around the ASC piece.

Mr. Robinson: Can we have the ... You surprised me. There you are. Could you introduce yourselves please?

Mr. Cicero: I'm Frank Cicero, a consultant to the applicant. To my farthest right is Mrs. Bridget Chime, who is the 100% owner of the center and the administrative director. To my immediate right is Dr. Chudi Chime, who

is the medical director of the center and in between them is their son Ike Chime, MD, who is one of the practicing physicians at the center.

Mr. Robinson: Thank you. Mr. Thomas.

Mr. Thomas: Good morning and thank you for asking some questions. Just I'm having a little difficulty even applying a downstate lens to construction, connecting two operating rooms, two procedure rooms, eight pre- and post-surgical stations and support spaces to \$92 million. So, there's more to it. And if you could elaborate on what that is, that would be helpful.

Mr. Cicero: Mr. Thomas, this is an entire reconstruction of the center, which is not small. It sees roughly 20,000 visits now, but it's going to become much more than an ambulatory surgery center. It's now the entire primary care function will expand, specialty services, dental. It's way more than just adding ambulatory surgery. It'll be a six-story 100,000 square foot center.

Mr. Thomas: Okay. And the CON, Shelly, is for the surgery center component or is it the DNT center modernization as well or?

Ms. Glock: It's for construction, 92-millimeter construction, and it's to add the ambulatory surgery services and the new services.

Mr. Thomas: So, it's the total construction and add the AMSURG capacity?

Ms. Glock: Correct.

Mr. Thomas: Okay. Yeah, that's really helpful. Thank you. I saw that you have 39,000 total visits. So obviously there's a lot of primary care going on here. Okay. All right. Thank you very much.

Mr. Robinson: Dr. Kalkut.

Dr. Kalkut: Yes, good morning. Gary Kalkut, member of the committee. Very big project, important project perhaps for that community. I had a question about imaging. It looks like in year three you have something like 6,100 CTs and MRIs. It's hard for me to get a denominator for the actual visits subtracting other imaging and a lot of assumptions. But when I try to do it back of the envelope, it looks like 15% of the visits are related to CT and MR. And I assume that's an image visit or perhaps seeing someone and then one of the providers and then getting an image. I don't know what a benchmark would be.

And I guess what I'm saying, how it strikes me is it's an awful lot of advanced imaging and much of what of your visits, patient care visits are primary care. Certainly, people come in with symptoms where a CT or an

MR would be totally appropriate. I'm not saying that at all. What is a benchmark for this, or have you seen, and I'm not asking you for today, but perhaps when you do come back for the council, I'd love to have a discussion about what is a benchmark and what is being imaged and what part of your clinical portfolio is generating so many CTs and MRIs.

Mr. Cicero:

I think we can answer some of that at least today, Dr. Kalkut. And I think Dr. Ike Chime will speak in a moment. A part of this is that this facility today has experienced patients being unable to be accommodated and being referred. So today they're mainly primary care and having to refer a lot of folks out and I think that's what Dr. Chime will speak about. And they're trying to create a single stop center and not have folks have to go to other places. We'll put, if you like, something for the full council, a note determining how that number was created. But do you want to speak?

Dr. Ike Chime:

Sorry. Good morning, everybody. So, to better answer your question, there is no good benchmark as far as to quantify how many CAT scans or MRIs we would need in a year to either meet a certain quota or to say that this amount would serve this many patients. However, what we can say is based on the shifts in paradigm when we're talking about changes in healthcare, good example of this would be changing in screening guidelines for colon cancer, lung cancer, et cetera. A lot of these surveillance recommendations do include some sort of advanced imaging. In the case of lung cancer, well, a recent recommendation, at least from when I went to med school, a low dose CAT scan for patients over 65.

Another example of this for patients with colon cancer, which is starting to become the number one cancer incidentally in the United States. It is the surveillance after the cancer has been treated that also involves advanced imaging CAT scan, which includes a CT of the chest, CT of the abdomen, pelvis, to make sure the cancer has not come back after it's resected. So, with that in mind, we figured let's have all the tools in our arsenal so that way these patients, once we see them, we'll have an avenue for them to get the correct follow-up. So, this is more of a let's use or get everything, or as much as we can, in order to make sure that the patients that we see receive high quality care where they come to us or even if they're referred to us from another facility or another network.

Dr. Kalkut:

Yeah. I completely agree with that reasoning, particularly with lung cancer screening, which does require low dose CT. Colonography, the primary modality there would either be a colonoscopy or DNA tests of stool. And I think it's a demonstration since you're doing less than a thousand plain films and 6,000, things have changed for sure. All you got to do is look at what happens in an emergency department, but I think we should love to see a benchmark because those screening tests would be in a primary care facility like you have right now.

Mr. Kraut: So we've never seen an application that in the third year where you're saying you're going to have 30,000 visits, 22,000 primary care, 6,000 specialty, and 2,900 podiatry, I'll give you the benefit of the doubt, where you're going to, for those 30,000 visits, you are predicting 16,000 imaging studies, 50%, which means every other patient is going to get an imaging study and where basically the math doesn't work. Based on any clinical guidelines we've seen, we've never seen this volume of patients, half of them are getting imaging studies.

So that's what kind of caused Dr. Kalkut's question, putting aside the screening and your basis of primary care. If I just looked at primary care and the screening, the numbers even don't hit any benchmark that we're aware of. So that's what we're trying to understand. And I think the concern you have is when you're going from 12,000 to 67,000, you're financing a facility with 96% debt and not to say you won't be able to pay your debt, it's an enormous financial issue here and you obviously are doing it eyes opened, I know where the facility is, I know the community you serve, I know the needs that you fill, and I know how well respected the clinic is. Right? I'm not debating that. It's just that we're kind of just understanding that. So maybe as Dr. Kalkut said, another letter when we come back, just kind of explain this to us. That's really

Dr. Ike Chime: Sorry, just also want to add. Yeah, you're correct that half of patients that we see are not going to get advanced imaging. That doesn't work out, but that number comes from also being a referee. So, we will also be getting referrals from other facilities as we do now for other things.

Mr. Kraut: I'm not saying it's wrong. I'm not saying ... It's just we're trying to understand it. That's it.

Mr. Cicero: We will put a letter together [inaudible 00:38:50] council.

Mr. Kraut: Okay. Thank you.

Dr. Kalkut: One last question and that's about free authorization for MRs in particular in your payer mix.

Dr. Ike Chime: Sorry, can you-

Gary Kalkut: What percentage have pre-authorizations?

Dr. Ike Chime: I don't know that number off the top of my head.

Dr. Friedrich: Marcus Friedrich, member of the committee. In the financial summary, part of this debt is financed by a private loan with an interest rate of 12% for 30 years. Can you make any comment on that? Thank you.

Mr. Cicero: That's the loan that has been sought and received so far. Not a commitment yet. It'll be negotiated at closing. On the other hand, Dr. Friedrich, it is two years interest free, or I'm sorry, two years interest and amortization free at the start of the project. So, I think there's a trade-off there. This is a project, as Mr. Kraut just said, it's a large project. There was a goal of having that non-payment for the first two years in order to be able to develop and stabilize the business. So, the final percentage hasn't been negotiated. They will have to provide a commitment to the department, and we'll seek better than that, but it works within the numbers.

Mr. Robinson: Okay. Just looking around to see if there are any other questions. I did note, but I'm not sure everybody heard that you did say that some of the imaging that you'd be doing would be from outside referrals and not all of the cases are generated out of your primary care patient base. Is that a correct understanding?

Dr. Ike Chime: Correct.

Mr. Robinson: Thank you. Okay. So again, with this application, Mr. Cicero, if you provide some additional elaboration that responds to the questions that were raised here and get that to the department, we'd appreciate it.

Mr. Cicero: Mr. Robinson, if I could make one more statement just in case this question were to come up with the full council regarding staffing, which again, we just want to make sure that the committee's aware this application, this entity, which has been around for about 20 years, has rotations through it from the Pace School of Nursing, from Yeshiva and St. John's Physician Assistant Schools, all three of which have written support letters for this project. So, staffing we feel very comfortable about. And those are two really basic building blocks for this.

Mr. Robinson: I appreciate you bringing that out. Thank you, Mr. Cicero. With that, I'll ask the question. All in favor. Is there anybody who is opposed? Any abstentions? The motion carries. Thank you for the conversation. We appreciate it.

Moving on to a certificate, this is a certificate of assumed name Cayuga Ridge, LLC. Cayuga Ridge LLC now seeks our approval to file a certificate of assumed name to use the name Ithaca Nursing and Rehabilitation. The applicant indicated that it is seeking to use this name to reflect their services and location more directly. The department is recommending approval, motion by Dr. Berliner, second by Mr. Thomas. Any questions for the department or the applicant? Hearing none, I'm going to call the question. All in favor? Any opposed? Any abstentions? The motion carries. I believe that this concludes the agenda. You can't jinx

it now, but this is record time in my recollection. And with that, I'll turn it over to Mr. Kraut for some closing remarks.

Mr. Kraut:

Don't expect this to be a precedent. As you know, we had expected to have other applications on the agenda today, so we thought it would be a little longer of a day, but we appreciate the effort everybody made to attend. It's important that we keep the process moving and really much handed to the department for just keep churning out these reviews. Our next meeting is going to be on June 24th here in Albany. It's going to be a full council meeting. We've asked the new members that you've received a note about who are going to join us. Hopefully I think everybody but one will be able to join us that day and we're also going to hear some, in addition to the usual reports, the state Medicaid director will be joining us that day to talk about the 11-15 waiver in addition to the ... I think there was another topic about our charity care policy and stuff like that because of questions that have come up during the course of our conversations.

So we hope you'll make the effort to be there as well in June. I just want to, again, thank everybody for making the effort and thank the department and the staff for the work they did to get us here. We are adjourned. 44 minutes.