

ADDENDUM

STATE OF NEW YORK
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

COMMITTEE DAY

AGENDA

May 19, 2016
10:00 a.m.

90 Church Street 4th Floor, Room 4A & 4B, New York City

I. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW

Peter Robinson, Chair

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

Applications for Ambulatory Surgery Centers – Establish/Construct

Exhibit #4

	<u>Number</u>	<u>Applicant/Facility</u>
3.	152302 B	UES ASC, LLC t/b/k/a Upper East Side ASC, LLC (New York County)
4.	152294 B	S.F. Nassau ASC, LLC d/b/a East Hills Surgery Center (Nassau County)

D. Certificates

Exhibit # 8

Restated Certificate of Incorporation

Applicant

2. Planned Parenthood of Nassau County, Inc.



Project # 152302-B
UES ASC, LLC t/b/k/a Upper East Side ASC, LLC

Program: Diagnostic and Treatment Center County: New York
Purpose: Establishment and Construction Acknowledged: November 23, 2015

Executive Summary

Description

UES ASC, LLC, a New York limited liability company, requests approval to establish and construct an Article 28 freestanding ambulatory surgery center (FASC) to be certified as a multi-specialty FASC specializing in orthopedic, podiatric and otolaryngology surgery, including plastic and head and neck surgery. The applicant will lease 6,672 square feet on the sixth floor of an existing building located at 234 East 85th Street, New York (New York County). The site will include two operating rooms along with the requisite support areas. Upon approval, the FASC will be known as Upper East Side ASC, LLC.

This application was developed with the support of Mount Sinai Health System (MSHS), which encompasses the Icahn School of Medicine at Mount Sinai and seven (7) member hospital campuses (Mount Sinai Hospital, Mount Sinai St. Luke's, Mount Sinai Beth Israel, Mount Sinai Roosevelt, Mount Sinai Hospital Queens, Mount Sinai Brooklyn and New York Eye and Ear Infirmary of Mount Sinai). The FASC will consolidate several Mount Sinai (faculty) medical practices and community-based physicians, bringing them together into an Article 28 regulatory environment. The applicant expects 85% of the projected 3,020 first year procedures will come from the following: 55% from one of Mount Sinai Health System's facilities (Mount Sinai Hospital, Mount Sinai Beth Israel, Mount Sinai St. Luke's and New York Eye and Ear Infirmary of Mount Sinai); 27% from other FASCs; and 3% from physicians' private practices.

The proposed ownership structure of the Center consists of the following:

- 14 individual physicians collectively owning 50% Class A membership;
- four individuals employed by and having ownership interest in Ambulatory Surgical Centers of America (ASCOA), collectively owning 20% Class B membership interest; and
- Mount Sinai Ambulatory Ventures, Inc. (previously known as Beth Israel Ambulatory Care Services Corp.), a New York not-for-profit corporation owning 30% Class C membership interest.

Mount Sinai Ambulatory Venture's Inc.'s (MSAV) sole passive member is Mount Sinai Health System, Inc. (MSHS) (which has no members) and whose Board of Trustees consists of the same members as the board of Mount Sinai Hospitals Group, Inc. (MSHG), the active parent and co-operator of the Mount Sinai Hospital, Mount Sinai Queens, New York Eye and Ear Infirmary of Mount Sinai, Mount Sinai St. Luke's, Mount Sinai Roosevelt, Mount Sinai Beth Israel and Mount Sinai Brooklyn. MSAV, MSHS and MSHG have not taken, and will not take, an active role in the operations of UES ASC, LLC.

OPCHSM Recommendation

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

Need Summary

The number of projected procedures is 3,020 in Year 1 with Medicaid at 10% and charity care at 2%.

Program Summary

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicant's character and competence or standing in the community.

Financial Summary

Total project costs of \$5,755,399 will be met through members' equity of \$575,539, with the remaining \$5,179,860 balance being financed over seven years through Bankwell Bank at 4.8% interest. The projected budget is as follows:

	<u>Year One</u>	<u>Year Three</u>
Revenues	\$4,986,942	\$5,394,869
Expenses	<u>\$4,323,187</u>	<u>\$4,664,117</u>
Gain/(Loss)	\$663,755	\$730,752

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval with an expiration of the operating certificate five years from the date of its issuance, contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of an executed working capital loan commitment, acceptable to the Department of Health. [BFA]
3. Submission of an executed project loan commitment, acceptable to the Department of Health. [BFA]
4. Submission of an executed building lease, acceptable to the Department of Health. [BFA]
5. Submission by the governing body of the ambulatory surgery center of an Organizational Mission Statement which identifies, at a minimum, the populations and communities to be served by the center, including underserved populations (such as racial and ethnic minorities, women and handicapped persons) and the center's commitment to meet the health care needs of the community, including the provision of services to those in need regardless of ability to pay. The statement shall also include commitment to the development of policies and procedures to assure that charity care is available to those who cannot afford to pay. [RNR]
6. Submission of a statement, acceptable to the Department, that the applicant will consider creating or entering into an integrated system of care that will reduce the fragmentation of the delivery system, provide coordinated care for patients, and reduce inappropriate utilization of services. The applicant will agree to submit a report to the Department beginning in the second year of operation and each year thereafter detailing these efforts and the results. [RNR]
7. Submission of a signed agreement with an outside, independent entity, acceptable to the Department, to provide annual reports to DOH following the completion of each full year of operation. Reports will be due within 60 days of the conclusion of each year of operation as identified by the Effective Date on the Operating Certificate issued at project completion. Each report is for a full operational year and is not calendar year based. For example, if the Operating Certificate Effective Date is June 15, 2018, the first report is due to the Department no later than August 15, 2019. Reports must include:
 - a. Actual utilization including procedures;
 - b. Breakdown of visits by payor source;
 - c. Percentage of charity care provided by visits;
 - d. Number of patients who needed follow-up care in a hospital within seven days after ambulatory surgery;
 - e. Number of emergency transfers to a hospital;
 - f. Number of nosocomial infections recorded;
 - g. A brief list of all efforts made to secure charity cases; and
 - h. A brief description of the progress of contract negotiations with Medicaid managed care plans.[RNR]
8. Submission of an executed Consulting and Administrative Services Agreement, acceptable to the Department. [HSP]
9. The submission of State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-03. [AER]
10. Submission of a photocopy of the applicant's completed and executed Asset Purchase Agreement, acceptable to the Department. [CSL]
11. Submission of a photocopy of an amended and executed Administrative Service Agreement, acceptable to the Department. [CSL]

12. Submission of a photocopy of the applicant's amended and completed Articles or Organization, acceptable to the Department. [CSL]
13. Submission of a photocopy of an executed facility contract of sale, deed or lease agreement, acceptable to the Department. [CSL]
14. Submission of a photocopy of the Certificate of Incorporation and By-laws of TBHC Endo Services Corp., acceptable to the Department. [CSL]
15. Submission of all relevant corporate documents of BIMC Holding Corporation, acceptable to the Department. [CSL]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. The submission of annual reports to the Department as prescribed by the related contingency, each year, for the duration of the limited life approval of the facility. [RNR]
3. The staff of the facility must be separate and distinct from staff of other entities. [HSP]
4. The signage must clearly denote the facility is separate and distinct from other adjacent entities. [HSP]
5. The entrance to the facility must not disrupt any other entity's clinical program space. [HSP]
6. The clinical space must be used exclusively for the approved purpose. [HSP]
7. The submission of Final Construction Documents, signed and sealed by the project architect, as described in BAEFP Drawing Submission Guidelines DSG-05, prior to the applicant's start of construction. [AER]
8. Construction must start on or before July 15, 2016 and construction must be completed by January 4, 2017, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the start date this shall constitute abandonment of the approval. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. [AER]

Council Action Date

June 9, 2016

Need Analysis

Analysis

The service area consists of New York County. New York County has a total of 15 freestanding ambulatory surgery centers: seven multi-specialty ASCs and eight single-specialty ASCs. The table below shows the number of patient visits at ambulatory surgery centers in New York County for 2013 & 2014.

ASC Type	Facility Name	Total Patients 2013	Total Patients 2014
Single	Carnegie Hill Endo, LLC	10,695	11,426
Multi	Center for Specialty Care	4,174	3,885
Single	East Side Endoscopy	9,183	9,284
Multi	Fifth Avenue Surgery Center	1,665	1,544
Multi	Gramercy Park Digestive Disease	8,666	9,343
Multi	Gramercy Surgery Center, Inc.	2,550	2,667
Single	Kips Bay Endoscopy Center LLC	9,241	9,084
Single	Manhattan Endoscopy Ctr., LLC	12,014	12,656
Multi	Manhattan Surgery Center (Opened 4/1/13)	900	2,502
Single	Mid- Manhattan Surgi-Center	4,312	2,984
Multi	Midtown Surgery Center, LLC	3,114	3,161
Single	Retinal Ambulatory Surgery Ctr.	1,862	1,984
Multi	Surgicare of Manhattan, LLC	3,648	3,666
Single	West Side GI	12,516	12,549
Single	Yorkville Endoscopy Center (Opened 2/22/13)	9,140	10,685
Total		93,680	97,420

Source: SPARCS-2015

For all ambulatory surgery centers in New York County, the total number of patient visits was 93,680 in 2013 and 97,420 in 2014, a 4% year-to-year increase. For all multi-specialty ASCs in the county, the number of patient visits was 24,717 in 2013 and 26,768 in 2014, an 8.3% year-to-year increase.

The population of New York County in 2010 was 1,585,873, with 615,731 individuals (38.8%) in the 45 and over age category. This is the primary population group utilizing ambulatory surgery services. Per Cornell Program on Applied Demographics (PAD) projection data, this population group is estimated to grow to 660,206 by 2025 and represent 40.9% of the projected population of 1,615,772.

The number of projected procedures is 3,020 in Year 1 and 3,265 in Year 3. The table below shows the projected payor source utilization for Years 1 and 3.

	Year 1 Volume	Year 1 %	Year 3 Volume	Year 3 %
Commercial Ins	1,779	58.9%	1,923	58.9%
Medicare	528	17.4%	570	17.4%
Medicaid	302	10.0%	327	10.0%
Private pay	59	2.0%	64	2.0%
Charity Care	59	2.0%	64	2.0%
Other	293	9.7%	317	9.7%
Total	3,020	100.0%	3,265	100.0%

The Center initially plans to obtain contracts with the following Medicaid Managed care plans: AmeriHealth, Fidelis and Health First. In addition, the Center would look to contract with any other Medicaid provider that has existing contracts with any of the MSHS hospitals and/or affiliated providers.

The Center will partner with the Mount Sinai Health System (MSHS) to implement a charity care initiative. The Center and MSHS would look to leverage clinical affiliations through the Mount Sinai Health Network to make care available at the Center for those uninsured, underinsured and Medicaid-recipient patients who require ambulatory surgical services.

There are two federally qualified health centers (FQHC's) which are part of the Mount Sinai Health Network, with locations within the Center's service area of New York County and with which the Center would seek to establish a collaborative relationship: The Institute for Family Health and Settlement Health. In addition, the Center will participate as a provider in the Mount Sinai Health Home and the MSHS PPS to develop referral and other collaborative arrangements to enhance access to ambulatory surgery services to Medicaid and charity care patients.

Conclusion

Approval of this project will provide increased access to multi-specialty surgery services for the communities of New York County.

Recommendation

From a need perspective, contingent approval is recommended for a limited period of five years.

Program Analysis

Project Proposal

UES ASC, LLC, seeks approval to establish and construct a multi-specialty freestanding ambulatory surgical center (FASC), specializing in orthopedic, podiatric and otolaryngological surgery, including plastic and head and neck surgery at 234 East 85th Street in New York (New York County).

Proposed Operator	UES ASC, LLC
To Be Known As	Upper East Side ASC, LLC
Site Address	234 East 85th Street New York, NY 10028 (New York County)
Surgical Specialties	Multi-Specialty, to include: Orthopedics Otolaryngology Plastic Surgery Head & Neck Surgery
Operating Rooms	2
Procedure Rooms	0
Hours of Operation	Monday through Friday from 7:00 am to 6:00 pm (Will expand hours and offer weekend/evening hours as needed.)
Staffing (1st Year / 3rd Year)	14.0 FTEs / 17.0 FTEs
Medical Director(s)	Fred Lin, M.D
Emergency, In-Patient, and Backup Support Services Agreement and Distance	Expected to be provided by Mount Sinai Hospital 1.1 miles / 11 minutes away
On-call Service	Patients will be provided the number of an on-call service which will be available 24/7 to immediately refer the patient to the Center's on-call physician.

Character and Competence

The proposed ownership structure of the Center is as follows: 14 individual physicians (with member interests ranging from 1.9231% to 3.8462%) collectively owning 50% Class A membership interests in the Center; four individuals employed by and having ownership interest in Ambulatory Surgical Centers of America (ASCOA) collectively owning 20% Class B membership; and Mount Sinai Ambulatory Ventures,

Inc. (formerly known as Beth Israel Ambulatory Care Services Corp.), a New York not-for-profit corporation owning 30% Class C membership.

The proposed members and their ownership interests is noted below:

Name	Membership
Class A Members (14 Individual Physicians)	50.0%
Josef Geldwert, DPM	(3.8462%)
Satish Govindaraj, MD	(3.8462%)
Alfred Iloreta, Jr., MD	(3.8462%)
Jeffrey Kaplan, MD	(3.8462%)
Anthony LaBruna, MD	(3.8462%)
Brian Levy, DPM	(3.8462%)
Jonathan Levy, DPM	(1.9231%)
Fred Lin, MD	(3.8462%)
Kevin Plancher, MD	(3.8462%)
Jason Pruzansky, MD	(3.8462%)
Mark Pruzansky, MD	(3.9462%)
Jonathan Richards, DPM	(3.8462%)
Alan Rosen, DPM	(1.9231%)
Joshua Rosenberg, MD	(3.8462%)
Class B Member - Ambulatory Surgical Centers of America (ASCOA)	20.0%
Thomas Bombardier, MD	(6.0%)
Brent Lambert, MD	(6.0%)
George Violin, MD	(2.0%)
Luke Lambert	(6.0%)
Class C Member – Mount Sinai Amulatory Ventures, Inc.	30.0%
Jeremy Boal, MD	
Alan Henrick	
Donald Scanlon	
TOTAL	100.00%

A full Character and Competence Review was conducted on all proposed member physicians, the members of ASCOA and the Officers of MSAV.

Each of the Class A physician members of UES ASC, LLC are Board-Certified or Board-eligible in their respective specialty (orthopedics, podiatry, or otolaryngology) and currently have medical practices within the proposed service area of the ASC. The physicians either have or will apply for admitting privileges at Mount Sinai Hospital, which has been identified as the backup hospital for the proposed Center.

The passive corporate member of Mount Sinai Ambulatory Ventures, Inc. is Mount Sinai Health System, Inc.

The proposed Medical Director is Fred Lin, M.D., a board-certified otolaryngologist who is currently serves as an Attending Physician at Mount Sinai Hospital and an Assistant Professor of otolaryngology-head and neck surgery at the Icahn School of Medicine at Mount Sinai. Dr. Lin will be a physician Class A member of the Center.

Staff from the Division of Certification & Surveillance reviewed the disclosure information submitted regarding licenses held, formal education, training in pertinent health and/or related areas, employment history, a record of legal actions, and a disclosure of the applicant's ownership interest in other health care facilities. Licensed individuals were checked against the Office of Medicaid Management, the Office of Professional Medical Conduct, and the Education Department databases as well as the US Department of Health and Human Services Office of the Inspector General Medicare exclusion database.

Dr. Plancher disclosed one pending malpractice case. Drs. Bombardier and Geldwert each disclosed one settled malpractice case. Dr. Mark Pruzansky disclosed a malpractice case settled without his consent by his liability insurance carrier for economic reasons.

The ASCOA members each disclosed that a surgery center under management, which had formerly been operating profitably, declared bankruptcy after several physician partners joined a competing center. The remaining case volume was not enough to sustain the center resulting in its closure in November 2012.

Additionally, the staff from the Division of Certification & Surveillance reviewed the ten-year surveillance history of all associated facilities. Sources of information included the files, records, and reports found in the Department of Health. Included in the review were the results of any incident and/or complaint investigations, independent professional reviews, and/or comprehensive/focused inspections. The review found that any citations were properly corrected with appropriate remedial action.

Integration with Community Resources

The Center will take steps to be integrated into existing health care resources in the community by becoming a provider in the Mount Sinai Health Home and by participating as a provider in the Mount Sinai Hospitals Group's Performing Provider System (PPS). Additionally, the Center is dedicated to providing charity care for persons without the ability to pay, and will utilize a discounted fee scale for persons unable to pay the full charge for services or are uninsured.

The Center is committed to implementing an electronic medical record (EMR) system that allows the patient's health information to be accessible to both health care providers of the Center and other health care providers involved with providing medical care to the patient. Further, the Center will consider joining a regional health information organization (RHIO) or qualified health information exchange (HIE) for data exchange.

Recommendation

From a programmatic perspective, contingent approval is recommended.

Financial Analysis

Lease Rental Agreement

The applicant has submitted a letter of intent to lease for the proposed site, the terms of which are summarized below:

Premises:	6,672 gross square feet located at 234 East 85th Street, New York, NY 10028
Landlord:	Icahn School of Medicine at Mount Sinai
Lessee:	UES ASC, LLC
Term:	10 years, (rent abated for 1st 12 months) rent at \$492,394 in year two (\$73.80 per sq. ft.) and increased yearly at 2.5 % based upon terms. Renewal option (2) with 10-year terms.
Provisions:	Utilities, Maintenance, Insurance and Taxes

The applicant has provided an affidavit stating that the lease is a non-arm's length arrangement. Letters from two NYS licensed realtors have been provided attesting to the rental rate being of fair market value.

Administrative Service Agreement

The applicant has submitted a draft administrative services agreement, the terms of which are summarized below:

Facility:	UES ASC, LLC
Contractor:	Cataract and Laser Center Partners, L.L.C. d/b/a Ambulatory Surgery Centers of America (ASCOA)
Services Provided:	Assist with project development, 18 month pro forma financial feasibility study; recommend physical space specifications; assist in securing necessary permits, licenses and certification; advise on the purchase of equipment and supplies; help in securing project financing; assist in the development of policies and procedures; coordinate legal counsel regarding organizational documents, licensure, as well as initial and continuing operations; assist in implementing billing and collection procedures; assist in the development of fee schedules and payor contracts; advise in the development of forms, policies, and procedures to comply with the law; assist in utilization management, quality assurance procedures and software management systems; assist in human resource administration; assist in developing budgets, accounting procedures, controls, reporting systems, and timely reports.
Term:	5 years
Fee:	Annual Fee of \$250,000 (1/12 to be paid monthly = \$20,833) Expense reimbursement not to exceed \$50,000 per calendar year (except 1 st year approved at \$75,000), amounts exceeding such \$50,000 limitation must be approved by the Company prior to reimbursement.

Class B members of UES ASC, LLC are employed and/or members of ASCOA, the administrative service agreement provider. ASCOA is a national provider of consulting and administrative services to ambulatory surgery centers. UES ASC, LLC retains ultimate control in all of the final decisions associated with the services.

Total Project Cost and Financing

Total project costs for renovations and the acquisition of moveable equipment is estimated at \$5,755,399, broken down as follows:

Renovation & Demolition	\$2,568,784
Design Contingency	256,878
Construction Contingency	256,878
Architect/Engineering Fees	294,128
Other Fees	24,800
Movable Equipment	2,159,990
Financing Costs	54,518
Interim Interest Expense	105,953
CON Application Fee	2,000
CON Processing Fee	<u>31,470</u>
Total Project Cost	\$5,755,399

Project costs are based on a start date of July 15, 2016, with a six-month construction period.

The applicant's financing plan appears as follows:

Cash Equity (Applicant)	\$575,539
Bank Loan (4.8%, 7-year term)	<u>5,179,860</u>
Total	\$5,755,399

Bankwell Bank has provided a letter of interest.

BFA Attachments A and B are, respectively, the members' net worth summaries and Beth Israel Medical Center and Affiliates certified and internal financial statements dated December 31, 2014 and September 30, 2015, respectively, which shows sufficient resources to meet the equity requirement.

Operating Budget

The applicant has submitted their first and third years operating budgets, in 2016 dollars, as summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Procedure</u>	<u>Total</u>	<u>Per Procedure</u>	<u>Total</u>
Revenues				
Medicaid Fee-For-Service	\$1,069.33	\$35,288	\$1,060.19	\$38,167
Medicaid Managed Care	\$1,061.38	285,510	\$1,061.20	308,808
Medicare Fee-For-Service	\$1,332.11	691,364	\$1,331.67	747,067
Medicare Managed Care	\$1,205.89	10,853	\$1,304.22	11,738
Commercial Fee-For-Service	\$1,993.28	1,829,834	\$1,995.11	1,979,149
Commercial Managed Care	\$1,862.72	1,603,804	\$1,863.24	1,734,674
Self-Pay	\$1,076.75	63,528	\$1,073.63	68,712
Other-Worker Compensation	\$1,593.04	<u>466,761</u>	\$1,597.96	<u>506,554</u>
Total Revenues		\$4,986,942		\$5,394,869
Expenses				
Operating	\$1,027.77	\$3,103,879	\$1,067.19	\$3,484,391
Capital	<u>\$403.74</u>	<u>1,219,308</u>	<u>\$361.32</u>	<u>1,179,726</u>
Total Expenses	\$1,431.51	\$4,323,187	\$1,428.51	\$4,664,117
Net Income or (Loss)		<u>\$663,755</u>		<u>\$730,752</u>
Utilization (procedures)		3,020		3,265
Cost Per Procedure		\$1,431.51		\$1,428.51

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

Medicaid Fee-For-Service	1.1%
Medicaid Managed Care	8.9%
Medicare Fee-For-Service	17.1%
Medicare Managed Care	.3%
Commercial Fee-For-Service	30.4%
Commercial Managed Care	28.5%
Self-Pay	2.0%
All Other (Worker Compensation)	9.7%
Charity	<u>2.0%</u>
Total	100.00%

Revenues are based on current federal and state governmental reimbursement methodologies for FASCs, with commercial payers reflecting adjustments based on estimated rates to be negotiated based on industry norms, and MSHS's experience.

Expense assumptions are based upon the experience of the participating physicians, ASCOA and MSHS in providing ambulatory surgery services, as well as the projections and experience of other FASCs in New York State. The breakeven point is approximately 86% of the projected volume or 2,597 and 2,809 procedures in the first and third years, respectively.

The Class A physician members have provided letters supporting the utilizations projections (which have been adjusted downward from 4,025 to 3,020 ambulatory surgeries, as a conservative measure for any start-up issues).

Capability and Feasibility

Total project costs of \$5,755,399 will be met through members' equity of \$575,539, with the remaining \$5,179,860 balance being financed over seven years through Bankwell Bank at the above stated terms.

The working capital requirement is estimated at \$777,353 based on two months of third year expenses. Funding will be as follows: \$388,677 from the members' equity with the remaining \$388,676 satisfied through a five-year loan at 4.5% interest rate. Bankwell Bank has provided a letter of interest. BFA Attachments A and B, are the members' net worth summaries and Beth Israel Medical Center and Affiliates' 2014 Certified Financial Statements and Internal Financial Statements as of September 30, 2015, respectively, which reveals sufficient resources to meet all the equity requirements. BFA Attachment D is UES ASC pro forma balance sheet that shows operations will start with \$964,216 in positive equity.

Review of Attachment B, MSBI's 2014 certified and internal financial statements as of September 30, 2015 shows operating losses of \$90.7 million and \$86.2 million, respectively. Per the applicant, MSBI's overall financial stability and sustainability has been supported by the inclusion of MSBI as part of the Mount Sinai Hospitals Group (MSHG), which has been awarded \$82 million of Vital Access Provider (VAP) funds to, among other things, assist with the "financial revival" of MSBI and Mount Sinai St. Luke's. MSBI, in collaboration with MSHG, has initiated steps to promote a financially stable organization in both the short-term and the long-term. Steps taken in 2015 include, the closure (and decertification) of 31 inpatient chemical dependence - detoxification beds and the closure of its 28 AIDS bed residential health care facility. Over the long-term, the Hospital is working with MSHG and its affiliated hospitals to build an integrated behavioral health care system to meet the needs of the community, in order to reduce costs. This project will aid in the reduction of the annual loss while promoting increased community-based ambulatory care.

USE ASC projects an operating surplus of \$663,755 and \$730,752 in the first and third years of operation, respectively. The budget appears reasonable.

BFA Attachment E is the members' New York State affiliated FASCs' that were operational prior to the beginning of 2015. Each of the five entities generated positive operating results and had positive net assets with exception of Hudson Valley Ambulatory Surgery, LLC (due to the accountants not recording approximately \$365,000 in accounts receivable).

Subject to the noted contingencies, the applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Supplemental Information

Below are presented summaries of responses by hospitals to letters from the Department asking for information on the impact of the proposed ambulatory surgery center (ASC) in their service areas. This application has been developed with the cooperation and support of Mount Sinai Health System (MSHS). There follows a summary of the applicant's response to DOH's request for information on the proposed facility's volume of surgical cases, the sources of those cases, and on how staff will be recruited and retained by the ASC.

Facility: Lenox Hill Hospital --- **No Response**
100 East 77th Street
New York, New York 10075

Facility: Hospital for Special Surgery --- **No Response**
535 East 70th Street
New York, New York 10021

Facility: Metropolitan Hospital Center --- **No Response**
1901 First Avenue
New York, New York 10029

Supplemental Information from Applicant

Need and Source of Cases: The applicant states that the Center will consolidate a significant number of Mount Sinai Health System (MSHS) medical practice physicians and community-based physicians into an Article 28 Center. The applicant states that approximately 55% of the projected caseload will come from procedures currently being performed at one of the Mount Sinai Health System facilities (Mount Sinai Hospital, Mount Sinai Beth Israel, Mount Sinai St. Luke's and New York Eye and Ear Infirmary of Mount Sinai). 27% of the projected caseload is currently being performed at other Freestanding Ambulatory Surgery Centers (FASC) and 3% is currently performed in the private practices of the participating physicians. The proposed Center represents an attempt by MSHS to enhance access to services by establishing an FASC in the community, lessening the need for patients and surgeons to travel to MSHS Hospitals for ambulatory surgery services.

Staff Recruitment and Retention: The applicant states that, initially recruitment will be from selected staff currently employed by the member physicians in their private, office based practices, particularly the nursing and technical staff. Recruitment will also come from accredited schools, newspaper advertisements, training programs, local recruiters and job fairs.

Office-Based Cases: The applicant states that 3% of the projected surgical procedures for the proposed ASC are currently performed in the private, office-based practices of the applicant physicians.

DOH Comment

The absence of any comments in opposition to this application from hospitals in the proposed service area provides no basis for reversal or modification of the recommendation for five-year, limited life approval of the proposed ASC based on public need, financial feasibility and operator character and competence.

Attachments

- BFA Attachment A UES ASC, LLC members' net worth summaries
- BFA Attachment B 2014 Certified Financial Statement and September 30, 2015 Internal Financial Statement for Beth Israel Medical Center and Affiliates
- BFA Attachment C UES ASC, LLC Organizational Chart
- BFA Attachment D Pro Forma Balance Sheet of UES ASC, LLC
- BFA Attachment E Proposed members' ownership interest and Financial Summaries of Affiliated FASCs
- BHFP Attachment Map

Beth Israel Medical Center and Affiliates
Consolidated Statements of Financial Position

	December 31	
	2014	2013
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 79,342	\$ 100,855
Marketable securities and other short-term investments	59,304	85,482
Receivables for patient care, less allowance for doubtful accounts of \$128,443 in 2014 and \$140,596 in 2013	134,366	186,792
Inventories	17,766	12,294
Prepaid expenses and other current assets	26,879	14,207
Due from related organizations	2,310	4,275
Current portion of pledges receivable, net	2,426	4,140
Total current assets	322,393	408,045
Assets, limited as to use	10,413	22,000
Pooled investments	15,767	-
Long-term investments	6,810	22,121
Insurance recoveries receivables	349,969	332,624
Investments in captive insurance companies	159,894	113,256
Pledges receivable, net	2,461	3,482
Property, plant, and equipment, net	404,155	418,332
Due from related organizations, net of current portion	1,809	3,111
Other assets	59,558	61,675
Total assets	\$ 1,333,229	\$ 1,384,646
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 112,045	\$ 92,695
Accrued salaries and related liabilities	72,025	92,347
Due to related organizations	3,643	547
Current portion of long-term debt and capitalized leases	20,409	21,037
Other current liabilities	32,850	42,096
Total current liabilities	240,972	248,722
Long-term debt and capitalized leases	134,899	154,606
Other noncurrent and insured liabilities	540,007	496,302
Total liabilities	915,878	899,630
Commitments and contingencies		
Net assets:		
Unrestricted	379,974	448,110
Temporarily restricted	13,947	13,636
Permanently restricted	23,430	23,270
Total net assets	417,351	485,016
Total liabilities and net assets	\$ 1,333,229	\$ 1,384,646

Beth Israel Medical Center and Affiliates

Consolidated Statements of Operations

	Year Ended December 31	
	2014	2013
	<i>(In Thousands)</i>	
Operating revenue		
Net patient service revenue	\$ 1,062,447	\$ 1,153,234
Provision for bad debts	(30,759)	(41,596)
Net patient service revenue, less provision for bad debts	1,031,688	1,111,638
Faculty practice revenue	163,737	174,006
Net assets released from restrictions	2,357	7,509
Investment income	3,913	10,571
Other revenue	115,871	128,728
Total operating revenue	<u>1,317,566</u>	<u>1,432,452</u>
Operating expenses		
Salaries and wages	683,543	699,070
Employee benefits	196,395	210,515
Supplies and other expenses	450,927	457,978
Depreciation and amortization	69,466	71,130
Amortization of deferred financing fees	652	680
Interest	7,277	8,642
Total operating expenses	<u>1,408,260</u>	<u>1,448,015</u>
Deficiency of operating revenue over operating expenses before other items	(90,694)	(15,563)
Other items		
Equity gain from investments in captive insurance companies	24,770	31,873
Restructuring charges	(3,217)	(4,221)
Unrestricted contributions	571	4,273
(Deficiency) excess of revenue over expenses	<u>(68,570)</u>	<u>16,362</u>
Other changes in unrestricted net assets		
Change in fair value of interest rate swap	434	2,486
Net (decrease) increase in unrestricted net assets	<u>\$ (68,136)</u>	<u>\$ 18,848</u>

Beth Israel Medical Center

Balance Sheet (Unaudited)
September 30, 2015
(\$000's)



ASSETS	September-15 Unaudited	Dec-14 Audited	Increase (Decrease)	LIABILITIES AND NET ASSETS	September-15 Unaudited	Dec-14 Audited	Increase (Decrease)
CURRENT ASSETS:				CURRENT LIABILITIES			
Cash and cash equivalents	\$ 17,360	\$ 79,342	\$ (61,982)	Accounts payable and accrued expenses	\$ 106,160	\$ 112,045	\$ (5,885)
Marketable securities	202,691	219,198	(16,507)	Accrued salaries and related liabilities	61,393	72,025	(10,632)
Receivables for patient care, less allowances for doubtful accounts	143,998	134,366	9,632	Due to affiliated organizations	16,081	3,643	12,438
Inventories, prepaid expenses & other current assets	42,989	44,544	(1,555)	Current portion of long-term debt and capital leases	16,523	20,409	(3,886)
Due from affiliated organizations, current portion	3,192	2,411	781	Other current liabilities	32,850	32,850	-
Current portion of pledges receivable, net	2,426	2,426	-				
TOTAL CURRENT ASSETS	412,656	482,287	(69,631)	TOTAL CURRENT LIABILITIES	233,007	240,972	(7,965)
LONG-TERM INVESTMENTS	22,427	22,577	(150)	LONG-TERM DEBT-Less Current Portion	123,613	134,899	(11,286)
ASSETS LIMITED AS TO USE:				DEFERRED EMPLOYEE COMPENSATION			
As required by debt financing arrangements	10,413	10,413	-		214	208	6
Deferred employee compensation plan assets	214	208	6	INSURED LIABILITIES			
					349,969	349,969	-
PROPERTY, PLANT AND EQUIPMENT, net	378,059	404,155	(26,096)	OTHER NONCURRENT LIABILITIES			
DUE FROM AFFILIATED ORGANIZATIONS	833	1,809	(976)		201,691	189,830	11,861
DEFERRED FINANCING COSTS	2,624	3,068	(444)	NET ASSETS:			
PLEDGES RECEIVABLE, net	3,347	2,461	886	UNRESTRICTED	291,198	379,974	(88,776)
REINSURANCE RECEIVABLES	349,969	349,969	-	TEMPORARILY RESTRICTED	13,947	13,947	-
OTHER ASSETS	56,571	56,282	289	PERMANENTLY RESTRICTED	23,474	23,430	44
				TOTAL NET ASSETS	328,619	417,351	(88,732)
TOTAL ASSETS	\$ 1,237,113	\$ 1,333,229	\$ (96,116)	TOTAL LIABILITIES AND NET ASSETS	\$ 1,237,113	\$ 1,333,229	\$ (96,116)

Project # 152302
BFA Attachment B, cont.

**Mount Sinai Beth Israel - Combined
Comparative Statement of Operations
Period Ending September 30, 2015**

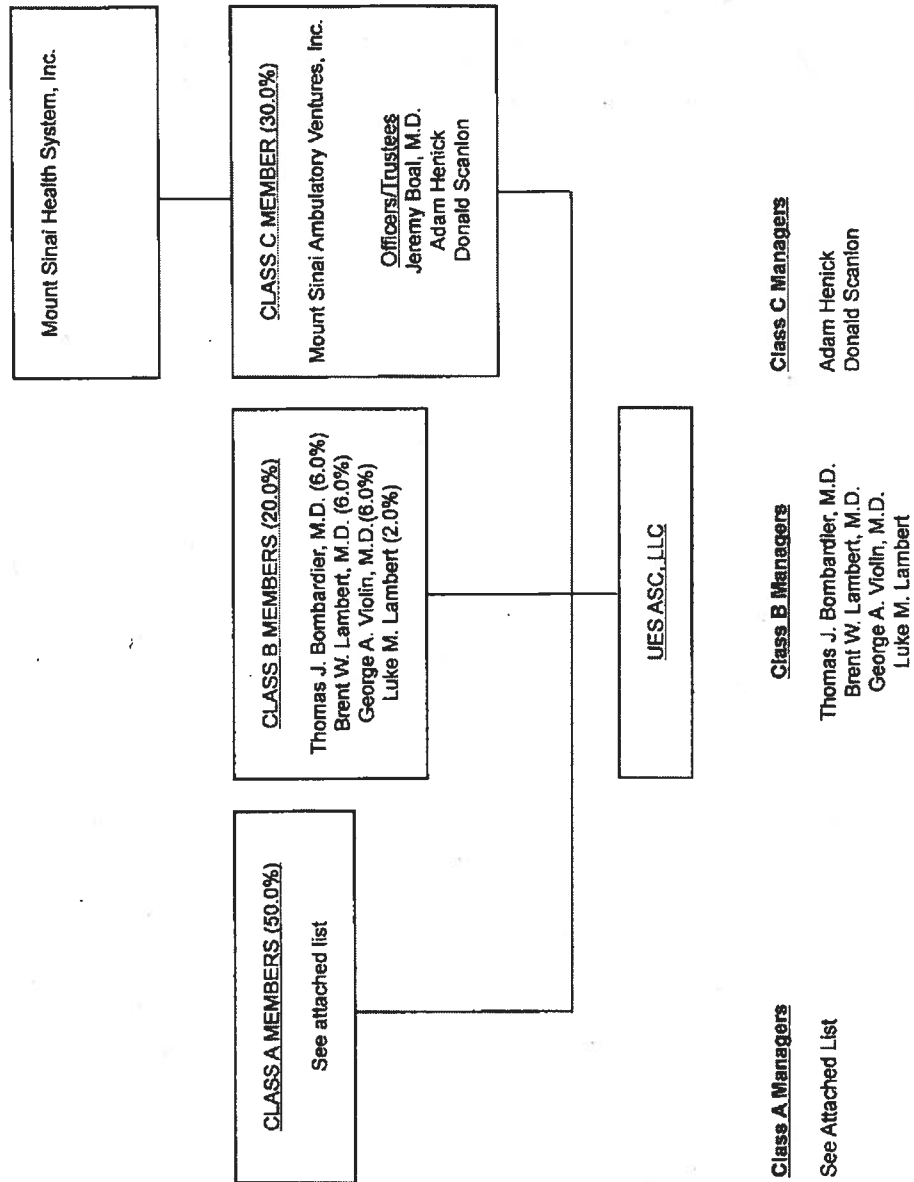


(In Thousands)

	Month			Year To Date				
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Variance To Budget	Variance To Prior Year
Revenue								
Inpatient	\$ 55,555	\$ 55,375	\$ 55,645	\$ 504,151	\$ 517,175	\$ 527,396	\$ (13,024)	\$ (23,245)
Outpatient	29,126	25,112	24,245	241,134	\$ 244,715	230,145	(3,581)	10,989
Faculty Practice	14,101	17,186	16,371	138,614	154,677	142,430	(16,063)	(3,816)
Other	6,504	8,872	6,350	79,790	72,137	78,754	7,653	1,036
Total Revenue	105,286	106,545	102,611	963,689	988,704	978,725	(25,015)	(15,036)
Expenses								
Salaries & Wages	54,900	57,417	55,768	506,217	519,087	510,643	12,870	4,426
Contractual & Other Benefits	16,565	16,446	17,301	152,605	155,201	152,236	2,596	(369)
Supplies & Expenses	39,271	36,009	36,844	333,922	332,607	319,615	(1,315)	(14,307)
Depreciation & Interest	6,285	6,358	6,699	56,551	57,427	60,590	876	4,039
Total Expenses	117,021	116,230	116,612	1,049,295	1,064,322	1,043,084	15,027	(6,211)
Net Hospital Operations	(11,735)	(9,685)	(14,001)	(85,606)	(75,618)	(64,359)	(9,988)	(21,247)
Robert Mapplethorpe Treatment Facility	-	(14)	(46)	(562)	(179)	(579)	(383)	17
Net Hospital Surplus/(Deficit)	(11,735)	(9,699)	(14,047)	(86,168)	(75,797)	(64,938)	(10,371)	(21,230)
Net Gain on Investments	(932)	-	875	(8)	-	2,529	(8)	(2,537)
Third-Party Reimbursement Settlements	-	-	-	-	-	220	-	(220)
Loss on ASC Investment	-	-	-	-	-	(525)	-	525
Insurance recoveries	-	-	-	1,074	-	5,896	1,074	(4,822)
TSA	-	-	(369)	-	-	(469)	-	469
Special Funds	790	-	(830)	(2,740)	-	(5,737)	(2,740)	2,997
Gain on Sale of Real Estate	-	-	-	-	-	296	-	(296)
MSO	(331)	(83)	-	(904)	(754)	-	(150)	(904)
Ebola-related costs	2	-	-	(30)	-	-	(30)	(30)
Net Surplus/(Deficit)	\$ (12,206)	\$ (9,782)	\$ (14,371)	\$ (88,776)	\$ (76,551)	\$ (62,728)	\$ (12,225)	\$ (26,048)

UESASC, LLC

Organizational Chart
and
List of Members



UES ASC, LLC
List of Class A Members/Managers

<u>Name</u>	<u>Membership Interest</u>
Josef Geldwert, D.P.M.	3.8462%
Satish Govindaraj, M.D.	3.8462%
Alfred Iloreta, Jr., M.D.	3.8462%
Jeffrey Kaplan, M.D.	3.8462%
Anthony LaBruna, M.D.	3.8462%
Brian Levy, D.P.M.	3.8462%
Jonathan Levy, D.P.M.	1.9231%
Fred Lin, M.D.	3.8462%
Kevin Plancher, M.D.	3.8462%
Jason Pruzansky, M.D.	3.8462%
Mark Pruzansky, M.D.	3.8462%
Jonathan Richards, D.P.M.	3.8462%
Alan Rosen, D.P.M.	1.9231%
Joshua Rosenberg, M.D.	3.8462%
TOTAL	50.0000%

UES ASC, LLC

ESTABLISH A MULTI-SPECIALTY FREESTANDING AMBULATORY SURGERY CENTER

PRO FORMA BALANCE SHEET

ASSETS

Cash	\$777,353
Leasehold Improvements	\$3,595,409
Equipment	<u>\$2,159,990</u>
TOTAL ASSETS	\$6,532,752

LIABILITIES AND MEMBER EQUITY

LIABILITIES

Capital Loan	\$5,179,860
Working Capital Loan	<u>\$388,676</u>
TOTAL LIABILITIES	\$5,568,536

MEMBER EQUITY **\$964,216**

**TOTAL LIABILITIES AND
MEMBER EQUITY** **\$6,532,752**

Note: UES ASC, LLC is a recently formed LLC and has no assets and liabilities.

Class B & C Members Interest in Other FASCs

	Melville SC, LLC	Hudson Valley Ambulatory Surgery, LLC	South Shore Ambulatory Surgery Center, LLC
	<u>2014**</u>	<u>2014**</u>	<u>2014</u>
Current Assets	\$191,378	\$24,684	\$1,186,662
Non-Current Assets	<u>539,619</u>	<u>771,917</u>	<u>3,632,496</u>
Total Assets	\$730,997	\$796,601	\$4,819,158
Current Liabilities	116,370	174,169	1,451,067
Long Term Liabilities	<u>0</u>	<u>200,758</u>	<u>2,652,842</u>
Total Liabilities	116,370	374,927	4,103,909
Net Assets	\$614,627	\$421,674	\$715,249
Working Capital Position	\$75,008	(\$149,485)	(\$264,405)
Operating Revenues	\$12,466,521	\$4,379,275	\$5,859,393
Operating Expenses	<u>9,003,709</u>	<u>4,215,264</u>	<u>4,662,676</u>
Operating Net Income	\$3,462,812	\$164,011	\$1,196,717

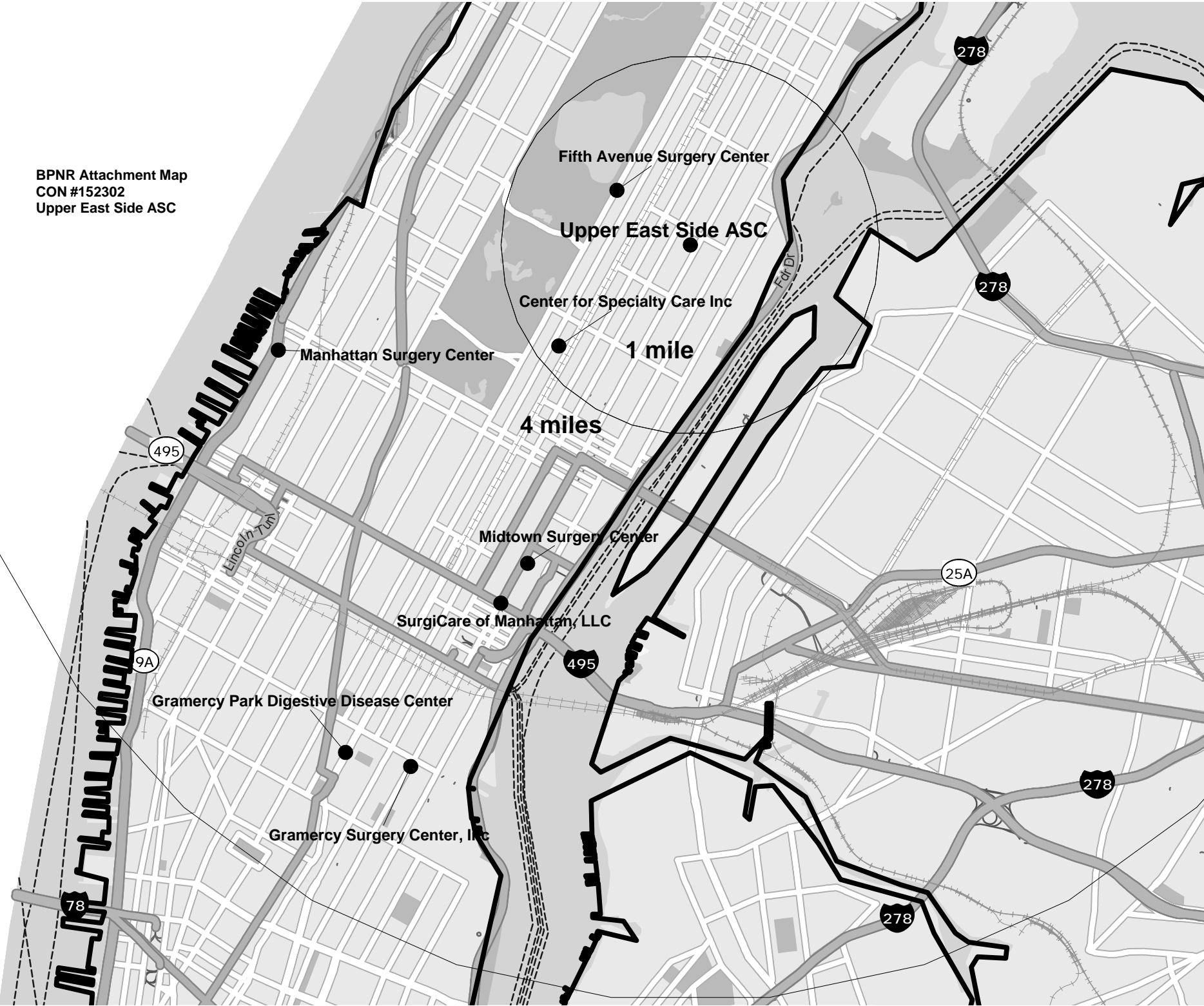
Class B Members Ownership %	30.00%	25.00%	30.00%
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	Roosevelt Surgery Center, LLC d/b/a Manhattan Surgery Center	Digestive Diseases Diagnostic & Treatment Center LLC
	<u>2014**</u>	<u>2014</u>
Current Assets	\$490,237	\$3,044,974
Non-Current Assets	<u>4,716,890</u>	<u>390,549</u>
Total Assets	\$5,207,127	\$3,435,523
Current Liabilities	1,460,206	411,278
Long Term Liabilities	<u>3,909,882</u>	<u>1,592,642</u>
Total Liabilities	5,370,088	2,003,920
Net Assets	(162,961)	1,431,603
Working Capital Position	(\$969,969)	\$2,633,696
Operating Revenues	\$8,183,965	\$9,234,945
Operating Expenses	<u>\$7,595,610</u>	<u>4,154,511</u>
Operating Net Income	\$588,355	\$5,080,434

Class B Members Ownership %	20.00%		
Class C Members Ownership %	40.00%	5.998%	

** Based on an Income Tax (CASH) Basis

BPNR Attachment Map
CON #152302
Upper East Side ASC





Project # 152294-B
S.F. Nassau ASC, LLC d/b/a East Hills Surgery Center

Program: Diagnostic and Treatment Center County: Nassau
Purpose: Establishment and Construction Acknowledged: November 18, 2015

Executive Summary

Description

S.F. Nassau ASC, LLC d/b/a East Hills Surgery Center (EHSC), a New York limited liability corporation, requests approval to establish and construct an Article 28 diagnostic and treatment center (D&TC) to be certified as a multi-specialty, freestanding ambulatory surgery center (FASC) specializing in orthopedic, otolaryngology, vascular, neurosurgery (spine), plastic surgery and pain management services. The FASC will have five operating rooms and will be located in leased space on the first floor of a multi-purpose building at 2200 Northern Boulevard, East Hills (Nassau County). EHSC's primary service area will be Nassau County. This application has been developed with the cooperation and support of St. Francis Hospital, which is a member of the applicant, and Catholic Health Services of Long Island, the active parent of St. Francis Hospital.

The proposed ownership structure of the FASC is as follows:

- 34 individual physicians with membership interests range from 0.5621% to 1.9928%, and collectively owning 49.9% Class A membership interests;
S.F. Nassau ASC Investments, LLC, a Delaware limited liability corporation with two individual members, Thomas Mallon (50%) and Jeffrey Simons (50%), owning 9.8% Class B membership interests; and
St. Francis Hospital, a 364-bed, not-for-profit, Article 28 acute care hospital located at 100 Port Washington Blvd., Roslyn, owning 40.3% Class C membership interest.

The proposed FASC is a collaborative venture between St. Francis Hospital and local physicians to create a multi-specialty FASC in the community. The FASC will consolidate community-based physicians, bringing them together into the regulatory environment of an Article 28 D&TC. The applicant indicated that 80% of the projected FASC procedures are currently being performed at the Hospital. The remaining 20% will come from the physician practices.

EHSC will enter into an administrative services agreement with Regent Surgical Management, LLC (RSM) who will provide development, consulting, and administrative support to the proposed FASC. RSM is 100% owned by Regent Surgical Health, LLC (RSH). S.F. Nassau ASC Investments, LLC members Thomas Mellon and Jeffrey Simmons have ownership interest in RSH.

OPCHSM Recommendation Contingent Approval

Need Summary

The number of projected procedures is 3,669 in Year 1 with Medicaid at 2.8% and charity care at 2.0%.

Program Summary

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicant's character and competence or standing in the community.

Financial Summary

Project costs of \$9,087,484 will be met with \$908,748 in cash and a bank loan for \$8,178,736 at 5% interest and a seven-year term. TD Bank, N.A. has provided a letter of interest for the financing. The projected budget is as follows:

	<u>Year One</u>	<u>Year Three</u>
Revenues	\$6,183,730	\$6,817,496
Expenses	<u>\$6,153,756</u>	<u>\$6,555,907</u>
Net Income	\$29,974	\$261,589

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. A copy of the check must be uploaded into NYSECON. [PMU]
2. Submission of an executed loan commitment, acceptable to the Department of Health. [BFA]
3. Submission of an executed administrative services agreement, acceptable to the Department of Health. [BFA]
4. Submission of an executed building lease, acceptable to the Department of Health. [BFA]
5. Submission of an executed Consulting and Administrative Services Agreement, acceptable to the Department. [HSP]
6. The submission of State Hospital Code (SHC) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-03 Outpatient Facilities. [AER]
7. Submission of a photocopy of an amended and executed Administrative Service Agreement, acceptable to the Department. [CSL]
8. Submission of a photocopy of the applicant's amended and completed Operating Agreement, acceptable to the Department. [CSL]
9. Submission of a photocopy of an executed facility contract of sale, deed or lease agreement, acceptable to the Department. [CSL]
10. Submission of a photocopy of completed, amended and executed Articles of Organization and Operating Agreement of S.F. Nassau Investments ASC, LLC, acceptable to the Department. [CSL]
11. Submission of a photocopy of the Application of Authority of S.F. Nassau ASC, LLC that, acceptable to the Department. [CSL]
12. Submission of a photocopy of the amended and executed Certificate of Incorporation and By-laws of St. Francis Hospital [CSL]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. The staff of the facility must be separate and distinct from staff of other entities. [HSP]
3. The signage must clearly denote the facility is separate and distinct from other adjacent entities. [HSP]
4. The entrance to the facility must not disrupt any other entity's clinical program space. [HSP]
5. The clinical space must be used exclusively for the approved purpose. [HSP]
6. Construction must start on or before September 1, 2016 and construction must be completed by April 30, 2017, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the start date this shall constitute abandonment of the approval. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. [AER]

Council Action Date

June 9, 2016

Need Analysis

Project Description

S.F. Nassau ASC, LLC d/b/a East Hills Surgery Center is seeking approval to establish and construct a freestanding ambulatory surgery center to provide multi-specialty surgery services located at 2200 Northern Boulevard, East Hills, 11548, in Nassau County.

Analysis

The service area consists of Nassau County. Nassau County has a total of 5 freestanding multi-specialty ASCs and 4 freestanding single-specialty ASCs. The table below shows the number of patient visits at ambulatory surgery centers in Nassau County for 2013 and 2014.

ASC Type	Facility Name	Total Patients 2013	Total Patients 2014
Multi	Day OP of North Nassau Inc	654	149
Multi	Day-OP Center of Long Island Inc	3,952	3,259
Single	Endoscopy Center of Long Island, LLC	7,141	7,981
Multi	Garden City Surgi Center	5,870	6,035
Single	Island Eye Surgicenter LLC	10,396	10,269
Single	Long Island Center for Digestive Health, LLC	5,772	6,020
Single	Meadowbrook Endoscopy Center	6,617	7,702
Multi	Pro Health Ambulatory Surgery Center, Inc	6,595	12,325
Multi	South Shore Ambulatory Surgery Center, LLC	5,537	4,646
Total		52,534	58,386

Source: SPARCS-2015

For Nassau County, the total number of patient visits was 52,534 in 2013 and 58,386 in 2014, an 11.1% year-to-year increase. For the multi-specialty ASC's, the number of patient visits was 22,608 in 2013 and 26,414 in 2014, a 16.8% year-to-year increase.

The number of projected procedures is 3,669 in Year 1 and 4,045 in Year 3. These projections are based on the current practices of participating surgeons. The table below shows the projected payor source utilization for East Hills Surgery Center for Years 1 and 3.

	Year 1	Year 1	Year 3	Year 3
Commercial Ins	1,687	46.0%	1,860	46.0%
Medicare	1,138	31.0%	1,253	31.0%
Medicaid	102	2.8%	114	2.8%
Private Pay	74	2.0%	81	2.0%
Charity Care	74	2.0%	81	2.0%
Other	594	16.2%	656	16.2%
Total	3,669	100.0%	4,045	100.0%

This application has been developed with the cooperation and support of St. Francis Hospital, which will have a 40% membership interest in the proposed center. The proposed center represents an attempt by St. Francis Hospital to partner with local physicians to create a multi-specialty ambulatory surgery center in the community. A significant portion of the projected procedures (80%) at the proposed center are currently being performed at St. Francis Hospital.

To serve the underinsured population, the center intends to obtain contracts with the following Medicaid Managed Care plans: Affinity and Fidelis. The center would also look to contract with any other Medicaid providers that have existing contracts with St. Francis Hospital.

The center will participate as a provider in the Community Health Care Collaborative Health Home (operated by Hudson River Healthcare, Inc.) and the Nassau Queens Performing Provider System (PPS)

to develop referrals and other collaborative arrangements to enhance access to the underinsured population. The center will look to establish an outreach plan to the underserved, which will include the development of referral arrangements with FQHC's and other community-based providers. As part of the outreach plan, the center will assist patients in the scheduling of appointments, the surgery and post-surgical follow-up.

The applicant is committed to serving all persons in need without regard to ability to pay or source of payment.

Conclusion

Approval of this project will expand access to multi-specialty ambulatory surgery services in a non-hospital setting for the communities of Nassau County.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Project Proposal

S.F. Nassau ASC, LLC d/b/a East Hills Surgery Center (EHSC) seeks approval to establish and construct an Article 28 diagnostic and treatment center (D&TC) that will be certified as a multi-specialty ambulatory surgery center (ASC) specializing in orthopedic, otolaryngology, vascular, neurosurgery (spine), plastic, pain management and general surgical procedures. The Center will be located on the 1st floor of a multi-purpose building at 2200 Northern Boulevard in East Hills (Nassau County).

The proposed Center will consolidate community-based physicians, many of whom work cooperatively with St. Francis Hospital, and bring them together into the regulatory environment of an Article 28 D&TC. Additionally, the Center will be aligning with Catholic Health Services of Long Island (CHSLI), an integrated health care delivery system that includes hospitals, residential health care facilities, a certified home health agency, a hospice and a multiservice community based agency for persons with special needs.

Proposed Operator	S.F. Nassau ASC, LLC
Doing Business As	East Hills Surgery Center
Site Address	2200 Northern Boulevard East Hills (Nassau County), New York 11548
Surgical Specialties	Multi-Specialty, to include: Orthopedics Otolaryngology Vascular Surgery Neurosurgery (spine), Plastic Surgery Pain Management General Surgery
Operating Rooms	5 - Class C
Procedure Rooms	0
Hours of Operation	Monday through Friday from 7:00 am to 6:00 pm (Will consider expanding hours and offering weekend/evening hours as needed.)
Staffing (1st Year / 3rd Year)	27.30 FTEs / 31.60 FTEs
Medical Director(s)	Eugene Segall, M.D.
Emergency, In-Patient and Backup Support Services Agreement and Distance	Will be provided by St. Francis Hospital 2.2 miles / 5 minutes away
On-call service	Patients will be provided the number of an on-call service which will be available 24/7 to immediately refer the patient to the Center's on-call physician.

Character and Competence

The membership of S. F. Nassau, LLC is comprised of 34 Class A members; one (1) Class B member (S.F. Nassau ASC Investments, LLC); and Class C Member, St. Francis Hospital. The proposed members and their ownership interests is noted below:

Name	Membership
Class A Members (35 Individual Physicians)	49.90%
Michael Angel, MD - <i>Manager</i>	(1.9127%)
Patrick Anello, MD - <i>Manager</i>	(1.6127%)
Bradley Block, MD	(1.1127%)
Kevin Cassidy, MD	(1.0818%)
David Chen, DO	(1.3127%)
Richard D'Agostino, MD	(2.0127%)
George DeNoto, MD	(1.3127%)
Frank DiMaio, MD	(1.1127%)
Moshe Ephrat, MD	(1.1127%)
Randall Feingold, MD	(1.1127%)
Gary Gecelter, MD - <i>Manager</i>	(1.3627%)
Michael Giuffrida, MD	(1.1127%)
Matthew Goldstein, MD	(1.9127%)
Andrew Greenberg, MD	(1.9127%)
Ron Israeli, MD	(1.1127%)
Richard Johnson, MD	(1.3627%)
Michael Kang, MD	(1.9127%)
Peter Korn, MD	(1.1127%)
David Light, MD	(1.1127%)
William Long, MD	(1.9127%)
Rick Madhok, MD	(1.3127%)
Ron Mitzner, MD	(1.1127%)
Hamid Mostafavi, MD	(1.9127%)
Joel Portnoy, MD	(1.1127%)
Nicholas Post, MD	(1.3127%)
Craig Radnay, MD	(1.9127%)
Timothy Reish, MD	(1.9127%)
Eugene Rubach, MD	(1.3127%)
Daniel Sajewski, MD	(0.6127%)
Bruce Seideman, MD	(2.0127%)
Wei Shen, MD	(1.9127%)
Peter Stein, MD - <i>Manager</i>	(1.9127%)
David Tuckman, MD	(1.9127%)
Josh Werber, MD - <i>Manager</i>	(1.1127%)
Class B Member	9.80%
S. F. ASC Investments, LLC	
Thomas Mallon (50%)	
Jeffrey Simmons (50%) - <i>Manager</i>	
Class C Member	40.30%
St. Francis Hospital	
CHSLI Board of Trustees	
Salvatore F. Sodano - Chairman	
Brian R. McGuire - Vice Chair	
Christopher Pascucci - Treasurer	
Joseph Tantillo - Secretary	
Alan D. Guerci, MD - Pres/CEO	
Barbara Ellen Black, DPS	
Kevin Conway	

Peter D'Angelo Peter Dugandzic Virginia A. Ewen, RN John Francfort, MD Sister Audrey Harsen, OP Alexander Hazelton Brian P. Hehir Decon Frank L. Kurre Hon. Anthony Marano Stephen McLoughlin Rev. Monsignor Robert Morrissey Jerome M. Poller Daniel T. Rowe Rev. Monsignor James Vlaun John J. Wagner William Ward Ruth Hennessey - <i>Manager</i>	
TOTAL	100.00%

A full Character and Competence Review was conducted on all proposed member physicians of S.F. Nassau ASC, LLC; the members of S.F. ASC Investments, LLC; the voting members of Catholic Health Services of Long Island (CHSLI), the active parent of St. Francis Hospital; and the Center's proposed Medical Director.

The member physicians of S.F. Nassau ASC, LLC are Board-Certified or Board-eligible with medical practices within the proposed service area of the ASC.

Eugene Segall, M.D., a board-certified anesthesiologist and an attending physician at St. Francis Hospital, will be the Center's Medical Director. Dr. Segall will not be a member of the Center.

Staff from the Division of Certification & Surveillance reviewed the disclosure information submitted regarding licenses held, formal education, training in pertinent health and/or related areas, employment history, a record of legal actions, and a disclosure of the applicant's ownership interest in other health care facilities. Licensed individuals were checked against the Office of Medicaid Management, the Office of Professional Medical Conduct, and the Education Department databases as well as the US Department of Health and Human Services Office of the Inspector General Medicare exclusion database.

Drs. Angel, Block, Feingold, Francfort, Kang, Madhok, Mostafavi, Rubach, Seideman, and Tuckman each disclosed one (1) pending malpractice case. Drs. DeNoto and Gecelter disclosed two (2) pending malpractice cases. Dr. Radnay disclosed three (3) pending malpractice cases. Dr. Israeli disclosed one (1) settled malpractice case. Dr. DiMaio disclosed two (2) settled malpractice cases and Dr. Johnson disclosed two (2) settled malpractices cases with paid indemnity at/over \$1,000,000.

Additionally, the staff from the Division of Certification & Surveillance reviewed the ten-year surveillance history of all associated facilities. Sources of information included the files, records, and reports found in the Department of Health. Included in the review were the results of any incident and/or complaint investigations, independent professional reviews, and/or comprehensive/focused inspections. The review found that any citations were properly corrected with appropriate remedial action.

On each of January 30, 2006, March 19, 2007, and September 5, 2008, Stipulation and Orders were issued against St. Catherine of Siena Nursing Home with accompanying fines of \$1,000, \$1,000 and \$2,000 respectively related to issues pertaining to Quality of Care.

In January 2007, St. Charles Hospital (SCH) notified the U.S. Department of Justice Drug Enforcement Administration of a theft/loss of controlled substances. On November 26, 2008, a Stipulation and Order and \$1,600 fine was issued to SCH in response to the Article 33 Violations.

On September 5, 2008, a Stipulation and Order and a \$2,000 fine was issued against Our Lady of Consolation Nursing and Rehabilitative Care Center for issues related to Quality of Care.

On September 11, 2009, a Stipulation and Order and a \$22,000 fine was issued against St. Catherine of Siena Hospital based on the finding related to the care rendered to an elderly patient who had fallen out of bed and subsequently died. An x-ray was taken but a hematoma missed. The nurse delayed in notifying the physician when the patient deteriorated and, when notified, the physician failed to personally evaluate the patient's condition.

Integration with Community Resources

The Center will be located in an office building with other medical practices, to include primary care. In cooperation with St. Francis Hospital (SFH), the Center plans to work with its patients to educate them regarding the availability of, and services offered by, local primary care physicians and SFH.

The Center is dedicated to rendering care without regard to source of payment or other personal characteristics. In partnership with SFH, the Center has formed alliances with a variety of community-based organizations and community leaders to help educate the community on relevant health topics and the services offered. A sliding fee scale will be developed for patients without health insurance.

The Center commits to becoming a network provider in the provider-led health homes designated by the Department for Nassau County and the surrounding counties and will consider joining any Accountable Care Organization that SFH joins. In addition, the Center plans to implement an EMR system and will investigate the potential of affiliating with Healthix, an established regional health information exchange (RHIO).

Recommendation

From a programmatic perspective, contingent approval is recommended.

Financial Analysis

Lease Rental Agreement

The applicant has submitted a draft lease rental agreement for the proposed FASC, summarized below:

Premises:	16,500 square feet at 2200 Northern Blvd, Roslyn, New York
Landlord:	Steel Equities
Lessee:	St. Francis Hospital - Subtenant - S.F. Nassau ASC, LLC
Term:	15 years with option to renew for additional 20 years.
Rental:	First year (holding year for un-built space) - \$231,000 annual payment (\$14/sq. ft.); Second Year (until full buildout) - \$356,895 annual payment (\$21.63/sq. ft.); and After buildout, base rent for the first year of operations is \$424,875 (\$25.75/sq. ft.)
Provisions:	Utilities

The applicant has indicated that the lease will be an arm's length lease arrangement, and has submitted letters from two New York real estate brokers attesting to the reasonableness of the base per square foot rental.

Administrative Services Agreement

The applicant has submitted a draft administrative service agreement, which is summarized below:

Facility:	S.F. Nassau ASC, LLC d/b/a East Hills Surgery Center
Contractor:	Regent Surgical Management, LLC
Services Provided:	Support to maintain Medicare accreditation status; advise on purchase of supplies & capital; support Board members to fulfill duties; supervise all permits, licenses & other certifications; develop procedure manuals; implement/supervise billing & collection procedures, accounts receivable & accounts payable procedures; advise with joint venture agreements; provide human resource administration; coordinate contract relationships; develop capital operating budget, clinical & financial reports, oversee preparation of annual financial reports; assist with internal audit program; assist with opening bank accounts;, and assist with implementing EMR system.
Term:	7 years with the option to renew for an additional 3 years
Fee:	Annual fee of \$300,807 plus reimbursement for all necessary/reasonable direct costs.

While Regent Surgical Management, LLC (RSM) will be providing all of the above services, the Facility retains ultimate control in all of the final decisions associated with the services. RSM is 100% owned by Regent Surgical Health, LLC (RSH). BFA Attachment F is RSH's membership and ownership percentages. It is noted that Thomas Mellon and Jeffrey Simmons have ownership interest in both RSH and S.F. Nassau ASC Investments, LLC.

Total Project Cost and Financing

Total project costs for renovations and the acquisition of movable equipment are estimated at \$9,087,484, broken down as follows:

Renovation & Demolition	\$4,130,984
Design Contingency	413,098
Construction Contingency	413,098
Architect/Engineering Fees	296,025
Other Fees	41,600
Movable Equipment	3,555,669
Financing Costs	48,999
Interim Interest Expense	136,314
Application Fee	2,000
Processing Fee	<u>49,697</u>
Total Project Cost	\$9,087,484

Project costs are based on a construction start date of September 1, 2016, and a seven-month construction period.

The applicant's financing plan appears as follows:

Cash Equity (Applicant)	\$908,748
Bank Loan (5% interest, 7-year term)	<u>8,178,736</u>
Total	\$9,087,484

A letter of interest has been submitted by TD Bank, N.A. for the construction loan.

Operating Budget

The applicant has submitted an operating budget, in 2016 dollars, for the first and third years of operation, summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Procedure</u>	<u>Total</u>	<u>Per Procedure</u>	<u>Total</u>
<u>Revenues</u>				
Commercial - FFS	\$2,140.60	\$2,119,195	\$2,140.10	\$2,336,985
Commercial - MC	\$1,996.94	1,391,866	\$1,997.26	1,533,892
Medicare - FFS	\$1,425.77	1,569,774	\$1,426.77	1,730,676
Medicare - MC	\$1,272.78	47,093	\$1,298.00	51,920
Medicaid - MC	\$984.67	100,436	\$971.32	110,731
Private Pay	\$1,131.36	83,721	\$1,139.54	92,303
All Other *	\$1,467.42	<u>871,645</u>	\$1,464.92	<u>960,989</u>
Total Revenues		\$6,183,730		\$6,817,496
<u>Expenses</u>				
Operating	\$1,230.69	\$4,515,401	\$1,238.00	\$5,007,710
Capital	\$446.54	<u>1,638,355</u>	<u>\$382.74</u>	<u>1,548,197</u>
Total Expenses	\$1,677.23	\$6,153,756	\$1,620.74	\$6,555,907
Net Income (Loss)		<u>\$29,974</u>		<u>\$261,589</u>
Utilization (procedures)		3,669		4,045
Cost Per Procedure		\$1,677.23		\$1,620.74

* Other Payor: Workmen's Comp and No Fault

Utilization by Payor for the first and third years is as follows:

	<u>Year One</u>	<u>Year Three</u>
Commercial - FFS	27.0%	27.0%
Commercial - MC	19.0%	19.0%
Medicare - FFS	30.0%	30.0%
Medicare - MC	1.0%	1.0%
Medicaid - MC	2.8%	2.8%
Private Pay	2.0%	2.0%
Charity	2.0%	2.0%
All Other	<u>16.2%</u>	<u>16.2%</u>
Total	100.0%	100.0%

Revenue, expense and utilization assumptions are based on the historical experience of the participating physician members, Regent Surgical Health, LLC and Catholic Health Services of Long Island/St. Francis Hospital. Per the applicant, 80% of the procedures are currently being performed at St. Francis Hospital. The remaining 20% will come from the physician practices. Each physician Class A member has provided a letter estimating the number of ambulatory procedures currently performed elsewhere that can be appropriately performed at a FASC and that he/she expects to shift to the Center. These letters total 6,214 projected procedures. In the first year, the FASC projects 3,669 ambulatory procedures, a downward adjustment to reflect typical start-up issues and ramping to ensure all payer contracts are in place.

Total procedures needed to breakeven for the projected first and third years are 3,651 and 3890, respectfully.

Capability and Feasibility

Project cost will be satisfied by a loan from TD Bank, N.A. for \$8,178,736 at the above stated terms, with the remaining \$908,748 from the proposed members' equity. Working capital requirements are estimated at \$1,092,652 based on two months of third year expenses. Working capital will be met by \$592,652 from the proposed members' equity and a loan for \$500,000 for a three-year term at 4% interest. TD Bank, N.A. has provided a letter of interest. BFA Attachments A, B and C, proposed members net worth

summaries and financial statements of St. Francis Hospital, indicate sufficient resources for the stated levels of equity for the project.

BFA Attachment E is the pro-forma balance sheet of EHSC as of the first day of operation, which indicates positive members' equity position of \$1,501,400.

The submitted budget indicates a net profit of \$29,974 the first year, and a net profit of \$261,589 the third year of operation. The budget appears reasonable.

As shown on BFA Attachment C, St. Francis Hospital has maintained positive working capital, net assets and net profit from operations for the periods shown.

Subject to the noted contingency, the applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

BFA Attachment A	Net Worth Statements – Proposed Individual Members
BFA Attachment B	Net Worth Statements – S.F. Nassau ASC Investments LLC
BFA Attachment C	Financial Summary of St. Francis Hospital
BFA Attachment D	Organizational Chart - S.F. Nassau ASC, LLC d/b/a East Hills Surgery Center
BFA Attachment E	Pro-forma Balance Sheet
BFA Attachment F	Organizational Chart - Regent Surgical Health, LLC
BPNR Attachment	Map

St. Francis Hospital - Financial Summary

BFA Attachment C

	<u>2015 - Internal</u> <u>statements as of</u> <u>12/31/2015</u>	<u>2014</u>	<u>2013</u>
Current Assets	\$415,314,000	\$405,929,000	\$363,728,000
Non-Current Assets	<u>564,046,000</u>	<u>583,405,000</u>	<u>527,262,000</u>
Total Assets	\$979,360,000	\$989,334,000	\$890,990,000
Current Liabilities	117,303,000	112,301,000	97,785,000
Long Term Liabilities	<u>176,185,000</u>	<u>247,730,000</u>	<u>203,069,000</u>
Total Liabilities	293,488,000	360,031,000	300,854,000
Net Assets	\$685,872,000	\$629,303,000	\$590,136,000
Working Capital Position	\$298,011,000	\$293,628,000	\$265,943,000
Operating Revenues	\$634,903,000	\$621,972,000	\$582,563,000
Operating Expenses	<u>613,887,000</u>	<u>565,426,000</u>	<u>533,949,000</u>
Operating Net Income	\$21,016,000	\$56,546,000	\$48,614,000

St. Francis Hospital
Consolidated Comparative Balance Sheets
(\$ In thousands)

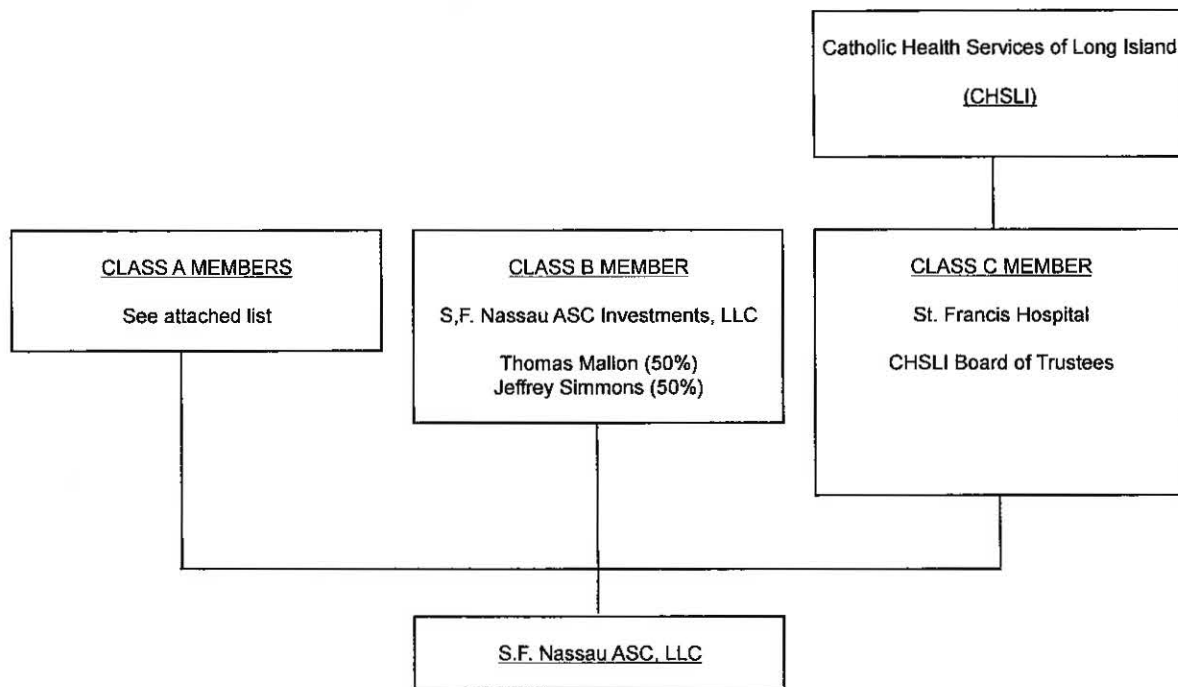
	<u>12/31/15</u>	<u>12/31/14</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>12/31/15</u>	<u>12/31/14</u>
ASSETS					
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 29,318	\$ 44,141	Current portion of long-term debt	\$ 3,257	\$ 3,090
Investments	261,540	243,432	Accounts payable and accrued expenses	44,456	42,014
Assets whose use is limited - current	1,790	-	Accrued salaries, related withholdings, and benefits	45,797	40,507
Patient accounts receivable (Less allowance for uncollectible of \$9,207 (2015) and \$5,462 (2014))	68,968	70,744	Current portion of other self-insured liabilities	5,632	7,311
Other Receivables	10,101	9,970	Current portion of estimated third party payor and other liabilities, net	15,562	17,553
Inventories	9,605	9,298	Current portion of estimated malpractice liabilities	-	-
Prepaid expenses and other current assets	3,973	4,552	Due to related parties, net	2,599	1,825
Due from related parties	30,019	23,791	Due to affiliates	-	-
	<u>415,314</u>	<u>405,928</u>		<u>117,303</u>	<u>112,300</u>
Total current assets			Total current liabilities		
Assets whose use is limited:	5,309	5,183	Long-term debt, net of current portion	104,824	108,501
Board designated investments	3,246	3,264	Estimated third party payor and other liabilities, net of current portion	6,653	8,105
Restricted funds	250,288	240,249	Other self-insured liabilities, net of current portion	23,247	20,087
Funded Depreciation	3,401	3,422	Estimated malpractice liabilities, net of current portion	24,126	25,978
Trustee held and other agreements	1,818	28	Other long-term liabilities, net of current portion	17,335	16,722
Bond Indenture	<u>264,062</u>	<u>252,146</u>		<u>293,488</u>	<u>291,693</u>
Total assets whose use is limited			Total Liabilities		
Less assets limited as to use and required for current liabilities	(1,790)	-			
	<u>262,272</u>	<u>252,146</u>			
Due from related parties, net of current portion	672	672	Net Assets:		
Due from affiliates	695	787	Unrestricted	682,626	656,997
Long-term investments, net of current portion	-	-	Temporarily restricted	3,246	3,264
Other Assets	13,069	14,223			
Insurance Claims Receivable	31,670	29,599	Total net assets	685,872	660,261
Property and equipment, net	255,668	248,599			
	<u>\$ 979,360</u>	<u>\$ 951,954</u>	Total liabilities and net assets	<u>\$ 979,360</u>	<u>\$ 951,954</u>

St. Francis Hospital Consolidated
Consolidated Statements of Operations
December 31, 2015
(In thousands)

	Month end December				Twelve months ended December			
	2015 Actual	2015 Budget	2014 Actual	Increase/ (Decrease)	2015 Actual	2015 Budget	2014 Actual	Increase/ (Decrease)
Unrestricted revenues, gains, and other support:								
Net patient service revenue	52,329	52,964	50,546	1,783	630,545	628,994	581,060	49,485
Provision for bad debts, net	(1,658)	(376)	(224)	(1,434)	(7,200)	(2,686)	(2,733)	(4,467)
Net patient service revenue less provision for bad debts	50,671	52,588	50,322	349	623,345	624,480	578,327	45,018
Other Revenue	2,837	3,013	1,432	1,405	11,542	12,994	14,442	(2,900)
Unrestricted contributions	-	-	-	-	1	-	1	-
Net assets released from restrictions used for operations	2	58	3	(1)	15	691	45	(30)
Total revenues, gains, and other support	53,510	55,659	51,757	1,753	634,903	638,165	592,815	42,088
Expenses:								
Salaries	25,014	24,260	25,221	(207)	284,815	281,819	266,194	18,621
Employee benefits	8,211	6,091	5,277	2,934	70,891	71,352	63,165	7,726
Supplies and other expenses	14,363	15,220	11,399	2,964	178,262	175,571	158,550	19,712
Insurance	(865)	884	593	(1,458)	8,324	10,408	9,606	(1,282)
Depreciation and amortization	2,179	2,273	2,052	127	25,977	27,754	24,400	1,577
Interest	373	379	384	(11)	4,546	4,550	5,201	(655)
Finance and technology services	1,986	2,905	2,419	(433)	33,554	34,855	31,588	1,966
CHSLI corporate office allocation	(501)	729	(50)	(451)	7,518	8,747	6,722	796
Total expenses	50,760	52,741	47,295	3,465	613,887	615,056	565,426	48,461
Operating income	2,750	2,918	4,462	(1,712)	21,016	23,109	27,389	(6,373)
Nonoperating gains (losses):								
Investment income	3,077	592	2,701	376	10,524	7,100	29,157	(18,633)
Change in unrealized losses on trading investments, net	(10,691)	-	(5,347)	(5,344)	(12,534)	-	(6,651)	(5,883)
Loss on debt extinguishment	-	-	-	-	-	-	(1,761)	1,761
Other nonoperating gains	-	-	-	-	-	-	-	-
(Deficiency) Excess of revenues, gains, and other support over expenses	(4,864)	3,510	1,816	(6,680)	19,006	30,209	48,134	(29,128)
Other changes in unrestricted net assets:								
Postretirement benefit plan changes other than net periodic benefit cost	(469)	-	(832)	363	(469)	-	(832)	363
Net assets released from restrictions for purchase of property and equipment	-	-	-	-	59	-	30	29
Grant income for purchases of property and equipment	256	-	256	-	292	-	14	278
Transfers (to) from related parties:								
CHS Services/CHSLI	(395)	(731)	(950)	555	(8,430)	(8,765)	(9,754)	1,324
St. Francis Hospital Foundation	4,292	1,037	7	4,285	15,171	12,440	408	14,763
St. Francis Research & Education Corp	-	-	(562)	562	-	-	1,053	(1,053)
Other Related Party Transfers	-	-	-	-	-	-	-	-
(Decrease) Increase in unrestricted net assets	(1,180)	3,816	(521)	(659)	25,629	33,884	39,053	(13,424)

S.F. Nassau ASC, LLC

**Organizational Chart
and
List of Members**



Class A Managers

Michael Angel, M.D.
Patrick Annello, M.D.
Peter Stein, M.D.
Josh Werber, M.D.

Class B Manager

Jeffrey Simmons

Class C Managers

Ruth Hennessey
Gary Gecelter, M.D.

<u>Class A Members</u>	<u>Ownership %</u>
Michael Angel, M.D.	1.9127%
Patrick Anello, M.D.	1.6127%
Bradley Block, M.D.	1.1127%
Kevin Cassidy	1.0818%
David Chen, D.O.	1.3127%
Richard D'Agostino, M.D.	2.0127%
George DeNoto, M.D.	1.3127%
Frank DiMaio, M.D.	1.1127%
Moshe Ephrat, M.D.	1.1127%
Randall Feingold, M.D.	1.1127%
Gary Gecelter, M.D.	1.3627%
Michael Giuffrida, M.D.	1.1127%
Matthew Goldstein, M.D.	1.9127%
Andrew Greenberg, M.D.	1.9127%
Ron Israeli, M.D.	1.1127%
Richard Johnson, M.D.	1.3627%
Michael Kang, M.D.	1.9127%
Peter Korn, M.D.	1.1127%
David Light, M.D.	1.1127%
William Long, M.D.	1.9127%
Rick Madhok, M.D.	1.3127%
Ron Mitzner, M.D.	1.1127%
Hamid Mostafavi, M.D.	1.9127%
Joel Portnoy, M.D.	1.1127%
Nicholas Post, M.D.	1.3127%
Craig Radney, M.D.	1.9127%
Timothy Reish, M.D.	1.9127%
Eugene Rubach, M.D.	1.3127%
Daniel Sajewski, M.D.	0.6127%
Bruce Seideman, M.D.	2.0127%
Wei Shen, M.D.	1.9127%
Peter Stein, M.D.	1.9127%
David Tuckman, M.D.	1.9127%
Josh Werber, M.D.	1.9127%
	<hr/>
	49.90%
<u>Class B Member</u>	
S.F. Nassau ASC Investments, LLC	9.80%
	<hr/>
<u>Class C Member</u>	
St. Francis Hospital	40.30%
	<hr/>
	100.00%

S.F. Nassau ASC, LLC**ESTABLISH A MULTI-SPECIALTY FREESTANDING AMBULATORY SURGERY CENTER****PRO FORMA BALANCE SHEET****ASSETS**

Cash	\$1,092,652
Leasehold Improvements	\$5,531,815
Equipment	<u>\$3,555,669</u>
TOTAL ASSETS	\$10,180,136

LIABILITIES AND MEMBER EQUITY**LIABILITIES**

Capital Loan	\$8,178,736
Working Capital Loan	<u>\$500,000</u>
TOTAL LIABILITIES	\$8,678,736
MEMBER EQUITY	<u>\$1,501,400</u>

TOTAL LIABILITIES AND MEMBER EQUITY	\$10,180,136
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Note: S.F. Nassau ASC, LLC is a recently formed LLC and has no assets and liabilities.

Regent Surgical Health, LLC

Class A Member	0.3%
Thomas Mallon	

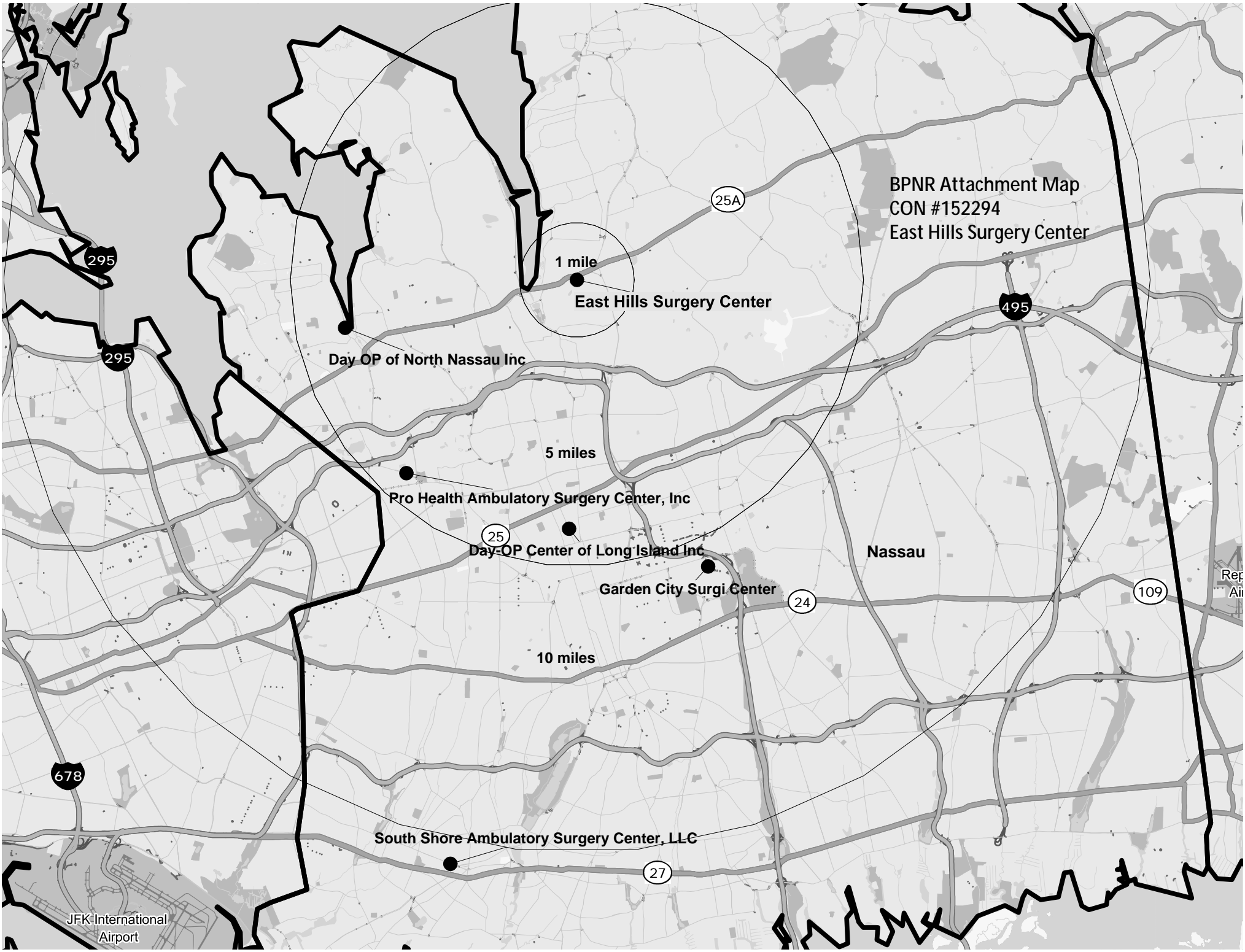
Class B Investor	TOTAL: 81.5%
Regent Management Services, LLC (Thomas Mallon)	33.4%
Regent Management Charitable Remainder Unitrust (Thomas Mallon)	3.7%
Nap Gary	2.5%
William M Karnes IRA	4.2%
Karnes Capital Trust	13.0%
Chris Coloian	0.6%
D. Stephen Hall TSA	4.0%
Steve Hall	2.7%
Jeff Simmons IRA	1.3%
Jeff Simmons/Mindy Shapiro	1.3%
Bill Carr	2.8%
Brad Sisson	0.8%
Mike McKeivitt	1.7%
Mike Karnes - Accrued Comp	1.9%
Mike McKeivitt - Accrued Comp	3.4%
Dr. James Lynch	1.8%
Steve Hall - Accrued Comp	0.8%
Rob Welti	0.9%
Jeff Simmons	0.6%

Class C-1	TOTAL: 9.5%
Nap Gary	5.4%
Jeff Simmons	4.1%

Class C-2	TOTAL: 1.9%
Nap Gary	1.9%

Class B Employee	TOTAL: 6.8%
Joyce Deno	0.5%
Nap Gary	0.2%
Kimberly Reints	0.2%
Paul Skowron	0.3%
Amy Gagliardi	0.2%
Matt Lau	0.3%
Carla Daley	0.2%
Vivek Taparia	0.2%
Andrea Wodell	0.1%
Christine Henry Musa	0.1%
Jeff Simmons	2.6%
Mike McKeivitt	2.2%

**BPNR Attachment Map
CON #152294
East Hills Surgery Center**



1 mile

East Hills Surgery Center

Day OP of North Nassau Inc

5 miles

Pro Health Ambulatory Surgery Center, Inc

Day-OP Center of Long Island Inc

Garden City Surgi Center

10 miles

South Shore Ambulatory Surgery Center, LLC


Nassau

JFK International
Airport



MEMORANDUM

To: Public Health and Health Planning Council

From: Richard J. Zahnleuter
General Counsel 

Date: May 11, 2016

Subject: Proposed Revised Restated Certificate of Incorporation of Planned Parenthood of Nassau County, Inc.

Attached is the proposed revised and restated certificate of incorporation of Planned Parenthood of Nassau County, Inc. This not-for-profit corporation seeks approval to file its Revised and Restated Certificate of Incorporation. Public Health and Health Planning Council approval for the changes made to said certificate is required by Not-for-Profit Corporation Law § 804(a) and Public Health Law § 2801-a.

There is no legal objection to the changes and the proposed revised and restated certificate of incorporation is in legally acceptable form.



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ATTORNEYS AT LAW

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Nixon Peabody LLP
1300 Clinton Square
Rochester, NY 14604-1792
585-263-1000

May 9, 2016

VIA FEDERAL EXPRESS

Eric Mantey, Esq.
NYS Department of Health
Division of Legal Affairs
Empire State Plaza
Corning Tower, Room 2482
Albany, New York 12237-0031

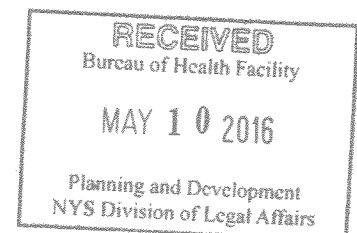
RE: Planned Parenthood of Nassau County, Inc.
Revised Restated Certificate of Incorporation

Dear Mr. Mantey:

In connection with our conversations, enclosed please find the revised Restated Certificate of Incorporation of Planned Parenthood of Nassau County, Inc. (the "Corporation").

The Corporation is amending and restating its Certificate of Incorporation to:

1. provide that the Corporation now operates multiple treatment and diagnostic centers in New York State, each of which obtained approval from the Department prior to operating (See. paragraph SECOND);
2. more accurately reflect the purposes for which the Corporation operates and address the scope of their services as they have evolved over the years (See. paragraph SECOND); and
3. make certain clean-up changes throughout its Certificate, including:
 - (i) updating its principal office;
 - (ii) removing the fixed number of directors;
 - (iii) omitting the names of the initial directors and subscribers;
 - (iv) updating its dissolution provisions; and
 - (v) adding language relating to the Corporation's federal tax-exempt status as required by the IRS.



We respectfully request the Department's consent to the enclosed revised Restated Certificate. If the Restated Certificate meets with your approval, please return evidence of your approval to me so that we may file the documents with the Secretary of State

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Laura R. Roethel".

Laura R. Roethel
Paralegal

Enclosures

**RESTATED CERTIFICATE OF INCORPORATION
OF
PLANNED PARENTHOOD OF NASSAU COUNTY, INC.**

Under Section 805 of the Not-for-Profit Corporation Law

The undersigned, being the President and Chief Executive Officer of Planned Parenthood of Nassau County, Inc. (the "Corporation"), for the purpose of amending and restating the Certificate of Incorporation of the Corporation pursuant to Section 805 of the Not-for-Profit Corporation Law of the State of New York (the "N-PCL"), hereby certifies:

- (1) The name of the Corporation is Planned Parenthood of Nassau County, Inc.
- (2) The Certificate of Incorporation of the Corporation was filed by the Department of State on the 31st day of October, 1973 under Section 402 New York Not-For-Profit Corporation Law ("N-PCL").
- (3) The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the N-PCL. The Corporation was formed as a charitable corporation under Section 201 of the N-PCL and will remain a charitable corporation after the amendment of its Certificate of Incorporation reflected herein.
- (4) The Certificate of Incorporation is hereby amended to affect the following:
 - (A) Paragraph "FIRST" relating to the name and type of the Corporation is hereby amended in its entirety to read as follows:

"FIRST: The name of the Corporation is PLANNED PARENTHOOD OF NASSAU COUNTY, INC., which is a corporation as defined in subparagraph (a)(5) of §102 and is a charitable corporation under §201, respectively, of the Not-For-Profit Corporation Law."
 - (B) Paragraph "SECOND" related to the purposes of the Corporation is amended in its entirety to read as follows:

"SECOND: The purposes for which the Corporation is formed are (a) to establish, operate and maintain three treatment and diagnostic centers engaged principally in providing medical services by or under the supervision of physicians, wherein medically approved reproductive health care information, advice and treatment will be provided within the meaning of subdivision 1 of §2801 of the New York State Public Health Law; such treatment and diagnostic centers will be located in Nassau County, State of New York; and (b) for any purpose for which corporations may be organized under the Not-for-Profit Corporation Law as a charitable corporation. This corporation shall conduct or operate a health facility or service as that term is defined in the Public Health Law

of the State of New York, Article 28 thereof; nor will this corporation charge a fee for any referral services of any kind of nature whatever; nor will this corporation solicit or accept directly or indirectly funds from those medical facilities to which it refers persons. Nothing herein shall authorize this corporation, directly or indirectly, to engage in or include among its purposes, any of the activities mentioned in Not-For-Profit Corporation Law §404(b)-(n) and (p).”

- (C) Paragraph “THIRD” relating to the Corporation’s principal office is hereby amended in its entirety to read as follows:

“THIRD: Its principal office, treatment and diagnostic center and operations in the State of New York shall be located in Nassau County.”

- (D) Paragraph “FIFTH” relating to the number of directors is deleted in its entirety.

- (E) Paragraph “SIXTH” relating to the names and address of the initial directors is omitted.

- (F) Paragraph “SEVENTH” relating to the subscribers to the Certificate of Incorporation is omitted.

- (G) Paragraph “EIGHTH” relating to the dissolution of the Corporation is hereby renumbered and amended in its entirety to read as follows:

“In the event of the liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary or by operation of law, all of the remaining assets and property of the Corporation shall, after necessary expenses thereof, be distributed to one or more organizations which are then qualified under Code Section 501(c)(3) to be used in a manner that will best accomplish the general purposes for which this Corporation was formed, subject to any required approvals under the N-PCL or other applicable law.”

- (H) A new Paragraph relating to service of process is hereby added to read in its entirety as follows:

“The Secretary of State of the State of New York is hereby designated as the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any such process so served is: 540 Fulton Avenue, Hempstead, New York 11550.”

- (I) A new Paragraph relating to the tax-exempt status of the Corporation is hereby added to read in its entirety as follows:

“The following language relates to the Corporation’s and is not a statement of purposes and powers. Consequently, this language does not expand or alter the Corporation’s purposes or powers set forth in paragraph SECOND.

Notwithstanding any other provision of this certificate, the Corporation is organized exclusively for charitable purposes, and the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code.”

- (J) A new Paragraph relating to federal tax matters is hereby added to the Certificate of Incorporation to read as follows:

“(a) No part of the net earnings of the corporation shall inure to the benefit of any member, trustee, director, or officer of the Corporation or any private individual, other than an organization described in Section 501(c)(3) of the Code, except that reasonable compensation may be paid for services rendered to or for the Corporation. No member, trustee, director or officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

(b) No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, except as otherwise provided by Section 501(h) of the Code. The Corporation shall not participate or intervene (including the publication or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

(c) Notwithstanding any other provision of these articles, the Corporation is organized exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, or educational purposes, as specified in Section 501(c)(3) of the Code. The Corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Code or (ii) by a corporation contributions to which are deductible under Section 170(c)(2) of the Code.”

- (K) To renumber the Paragraphs accordingly.

(5) This amendment and restatement of the Certificate of Incorporation was authorized by majority vote of the entire Board of Directors.

- (6) The Certificate of Incorporation is restated as amended herein to read as follows:

FIRST: The name of the Corporation is PLANNED PARENTHOOD OF NASSAU COUNTY, INC., which is a Corporation as defined in subparagraph

(a)(5) of §102 and is a charitable corporation under §201, respectively, of the Not-For-Profit Corporation Law.

SECOND: The purposes for which the Corporation is formed are (a) to establish, operate and maintain three treatment and diagnostic centers engaged principally in providing medical services by or under the supervision of physicians, wherein medically approved reproductive health care information, advice and treatment will be provided within the meaning of subdivision 1 of §2801 of the New York State Public Health Law; such treatment and diagnostic centers will be located in Nassau County, State of New York; and (b) for any purpose for which corporations may be organized under the Not-for-Profit Corporation Law as a charitable corporation. This corporation shall conduct or operate a health facility or service as that term is defined in the Public Health Law of the State of New York, Article 28 thereof; nor will this corporation charge a fee for any referral services of any kind of nature whatever; nor will this corporation solicit or accept directly or indirectly funds from those medical facilities to which it refers persons. Nothing herein shall authorize this corporation, directly or indirectly, to engage in or include among its purposes, any of the activities mentioned in Not-For-Profit Corporation Law §404(b)-(n) and (p).

THIRD: Its principal office, treatment and diagnostic center and operations in the State of New York shall be located in Nassau County.

FOURTH: Prior to the delivery of this certificate of incorporation to the Department of State for filing, all approvals or consents required by law will be endorsed upon or annexed hereto.

FIFTH: In the event of the liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary or by operation of law, all of the remaining assets and property of the Corporation shall, after necessary expenses thereof, be distributed to one or more organizations which are then qualified under Code Section 501(c)(3) to be used in a manner that will best accomplish the general purposes for which this Corporation was formed, subject to any required approvals under the N-PCL or other applicable law.

SIXTH: The Secretary of State of the State of New York is hereby designated as the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any such process so served is: 540 Fulton Avenue, Hempstead, New York 11550.

SEVENTH: The following language relates to the Corporation's tax-exempt status and is not a statement of purposes and powers. Consequently, this language does not expand or alter the Corporation's purposes or powers set forth in paragraph SECOND.

Notwithstanding any other provision of this certificate, the Corporation is organized exclusively for charitable purposes, and the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code.

EIGHTH: (a) No part of the net earnings of the corporation shall inure to the benefit of any member, trustee, director, or officer of the Corporation or any private individual, other than an organization described in Section 501(c)(3) of the Code, except that reasonable compensation may be paid for services rendered to or for the Corporation. No member, trustee, director or officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

(b) No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, except as otherwise provided by Section 501(h) of the Code. The Corporation shall not participate or intervene (including the publication or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

(c) Notwithstanding any other provision of these articles, the Corporation is organized exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, or educational purposes, as specified in Section 501(c)(3) of the Code. The Corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Code or (ii) by a corporation contributions to which are deductible under Section 170(c)(2) of the Code.

(7) The Secretary of State is hereby designated as the agent of the Corporation upon when process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary shall mail a copy of any such process is: 540 Fulton Avenue, Hempstead, New York 11550.

IN WITNESS WHEREOF, the undersigned has signed this certificate and hereby affirms it as true under penalties of perjury this 5th day of November, 2014.



Name: JoAnn D. Smith
Title: President and
Chief Executive Officer

**RESTATED CERTIFICATE OF INCORPORATION
OF
PLANNED PARENTHOOD OF NASSAU COUNTY, INC.**

Under Section 805 of the Not-for-Profit Corporation Law

Filed By:
Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604

CERTIFICATE NO. 2950205R

PFI NO. 0532

State of New York Department of Health Office of Health Systems Management

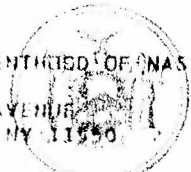
EFFECTIVE DATE 10/18/01

DIAGNOSTIC & TREATMENT CENTER

OPERATING CERTIFICATE

EXPIRES DATE ***NONE**

PLANNED PARENTHOOD OF NASSAU CO
INC
540 FULTON AVENUE
HENPSTEAD NY 11750



OPERATOR VOLUNTARY CORPORATION
PLANNED PARENTHOOD OF NASSAU
COUNTY INC

HAS BEEN GRANTED THIS OPERATING CERTIFICATE PURSUANT TO ARTICLE 28
OF THE PUBLIC HEALTH LAW FOR THE SERVICE(S) SPECIFIED:

ABORTION
NURSING
PRIMARY MEDICAL CARE
.....

FAMILY PLANNING
PART TIME CLINICS
SOCIAL WORK SERVICE
.....

HEALTH FAIRS
PRENATAL
.....

OTHER AUTHORIZED LOCATION(S) 2
PP OF NASSAU COUNTY - GLEN COVE
110 SCHOOL STREET
GLEN COVE 11542

PP OF NASSAU CO MASSAPEQUA
35 CARMENS ROAD
MASSAPEQUA 11750

Christina M. Johnson

AREA ADMINISTRATOR

John C. Anello
COMMISSIONER

CERTIFICATE OF INCORPORATION

-of-

PLANNED PARENTHOOD OF NASSAU COUNTY, INC.
Under §402 of the Not-For-Profit Corporation Law

We, the undersigned, desiring to form a corporation pursuant to the provisions of the New York Not-For-Profit Corporation Law, hereby certify:

FIRST: The name of the proposed corporation is PLANNED PARENTHOOD OF NASSAU COUNTY, INC., which is a corporation as defined in subparagraph (a)(5) of §102 and is a Type B corporation under §201, respectively, of the Not-For-Profit Corporation Law.

SECOND: The purposes for which it is to be formed are:

(a) To establish, operate and maintain one (1) treatment and diagnostic center engaged principally in providing medical services by or under the supervision of physicians, wherein medically approved birth control information, advice and treatment will be provided within the meaning of subdivision 1 of §2801 of the New York State Public Health Law; such treatment and diagnostic center will be located in Nassau County, State of New York;

(b) To provide leadership for the universal acceptance of family planning as an essential element of responsible parenthood, stable family life and social harmony;

(c) To provide information for family planning and study the social and economic consequences of various rates of population increase;

(d) To provide information and counselling for marriages, and to cooperate with other responsible agencies in this field;

(e) To provide information about control of conception without regard to race, creed or color;

(f) To provide the means, through referral or otherwise, for childless couples to obtain specialized medical advice on fertility problems;

(g) To provide medically approved birth control information in conformity with the laws of the State of New York; however, this corporation shall not conduct or operate a health facility or service as that term is defined

in the Public Health Law of the State of New York, Article 28 thereof; nor will this corporation charge a fee for any referral services of any kind or nature whatever; nor will this corporation solicit or accept directly or indirectly funds from those medical facilities to which it refers persons;

(h) To promote research in the field of human reproduction;

(i) To operate on a non-profit but sustaining basis. The corporation shall not be conducted or operated for profit and no part of any net earnings shall inure to the benefit of any member or individual nor shall any of such net earnings on the property or assets of the corporation be used otherwise than for charitable purposes, scientific, educational and/or religious purposes;

(j) No part of the activities of this corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene (including the publishing or distributing of statements) in any political campaign or on behalf of any candidate for public office. Nothing herein shall authorize this corporation, directly or indirectly, to engage in or include among its purposes, any of the activities mentioned in Not-For-Profit Corporation Law §404(b) -(p) or Executive Law, §757;

(k) The corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal Income Tax under §501(c)(3) of the Internal Revenue Code of 1954, as amended;

(l) To acquire property for corporate purposes by grant, gift, purchase, devise or bequest and to hold and to dispose of the same subject to such limitations as are prescribed by statute; in furtherance of its corporate purposes, the corporation shall have all general powers enumerated in §202, N-PCL, together with the power to solicit grants and contributions for corporate purposes;

(m) To enter into, make and perform contracts of a sort and description necessary to the activities of the corporation with any person, firm, association, corporation, body politic or government;

(n) To purchase, acquire, own, hold, maintain, operate, manage, use, develop, improve, rent, lease, mortgage, sell, exchange, dispose of, deal in and otherwise hold real, mixed or personal property, and any and all interests or rights therein, subject to such limitations as are prescribed by law and as may be requisite for the transaction of its business or the conduct of its affairs.

(o) In general to exercise such powers which now are or hereafter may be conferred by law upon a corporation organized for the purposes herein above set forth, or necessary or incidental to the powers so conferred, or conducive to the attainment of the purposes of the corporation subject to such limitations as are or may be prescribed by law.

THIRD: Its principal office, treatment and diagnostic center and operations

AT 1940 HEMPSTEAD TURNPIKE, EAST MEADOW,
are to be located and conducted in the Town of Hempstead, County of Nassau,
THE ADDRESS TO WHICH THE SECRETARY OF STATE SHALL MAIL ANY NOTICE REQUIRED BY LAW

FOURTH: Prior to the delivery of this certificate of incorporation to the

Department of State for filing, all approvals or consents required by law will be endorsed upon or annexed hereto.

FIFTH: The number of directors shall be not less than five (5) nor more than twenty-five (25).

SIXTH: The names and addresses of residence of its directors until the first annual meeting are as follows:

Mrs. Emaline Finkels, 17 Lawson Lane, Great Neck, New York
Mrs. Esther Jonas, 4 Summit Avenue, East Williston, New York
Mrs. Grace Lynch, 365 Stewart Avenue, Garden City, New York
Mrs. Marjorie P. McEwen, 3 Devereux Place, Garden City, New York
Mrs. Helen Minton, Old Courthouse Road, New Hyde Park, New York
Mrs. Anne Smith, 475 Mineola Boulevard, Mineola, New York

SEVENTH: All of the subscribers to this Certificate are of full age, at least two-thirds of them are citizens of the United States and at least one of them is a resident of the State of New York. Of the persons named as directors, at least one is a citizen of the United States and a resident of the State of New York.

EIGHTH: In the event of the dissolution of the corporation, all of the assets of the corporation remaining after the payment or satisfaction of its liabilities shall be distributed by virtue of and subject to the approval of a Justice of the

Supreme Court of the State of New York but only to an organization or organizations whose purposes are exclusively charitable, scientific, literary, religious and/or educational.

IN WITNESS WHEREOF, we have made, subscribed, and acknowledged this Certificate, this 2nd day of December, 1971.

Emaline Finkels

(MRS.) EMALINE FINKELS

17 Lawson Lane, Great Neck, New York

Esther Jonas

(MRS.) ESTHER JONAS

4 Summit Avenue, East Williston, New York

Grace Lynch

(MRS.) GRACE LYNCH

365 Stewart Avenue, Garden City, New York

Marjorie P. McEwen

(MRS.) MARJORIE P. MC EWEN

3 Devereux Place, Garden City, New York

Helen Minton

(MRS.) HELEN MINTON

Old Courthouse Road, New Hyde Park, N. Y.

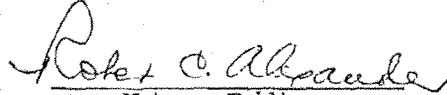
Anne R. Smith

(MRS.) ANNE SMITH

475 Mineola Boulevard, Mineola, New York

STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

On this 2nd day of December 1971, before me personally appeared EMALINE FINKELS, ESTHER JONAS, GRACE LYNCH, MARJORIE P. MC EWEN, HELEN MINTON and ANNE SMITH, each to me known and known to me to be the same persons described in and who executed the foregoing Certificate of Incorporation, and each thereupon duly acknowledged to me that she executed the same.


Notary Public

ROBERT C. ALEXANDER
NOTARY PUBLIC, State of New York
No. 30-0029975
Qualified in Nassau County
Commission Expires March 30, 1973

STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

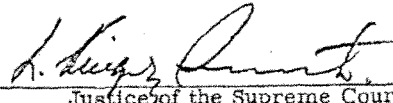
On this 28th day of December, 1972, before me personally appeared EMALINE FINKELS, ESTHER JONAS, GRACE LYNCH, MARJORIE MC EWEN, HELEN MINTON and ANNE SMITH, each to me known and known to me to be the same persons described in and who executed the foregoing Certificate of Incorporation and each thereupon duly reacknowledged that she executed the same, as amended.


Notary Public

ROBERT C. ALEXANDER
NOTARY PUBLIC, State of New York
No. 30-0029975
Qualified in Nassau County
Commission Expires March 30, 1973

I, HON. L. KINGSLEY SMITH, a Justice of the
Supreme Court of the State of New York, of the Tenth Judicial District, hereby
approve the foregoing Certificate of Incorporation.

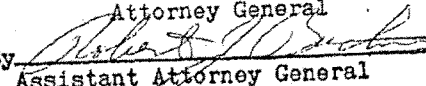
Dated:


Justice of the Supreme Court

J
Dated OCT 31 1973
SUPREME COURT, NASSAU COUNTY
SPECIAL TERM, PART II
MINEOLA, NEW YORK 11501

Notice of Application waived
(This is not to be deemed an
approval on behalf of any
Department or Agency of the
State of New York, nor an
authorization of activities
otherwise limited by law.)

Dated: October 25, 1973
LOUIS J. LEFKOWITZ

Attorney General
By 
Assistant Attorney General

STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

EMALINE FINKELS, ESTHER JONAS, GRACE LYNCH,
MARJORIE P. MC EWEN, HELEN MINTON and ANNE SMITH, each being
duly sworn, says:

That each deponent is one of the subscribers of the fore-
going Certificate of Incorporation of PLANNED PARENTHOOD OF NASSAU
COUNTY, INC. ; that the said Certificate of Incorporation is the incorpora-
tion of an existing unincorporated association, namely, PLANNED
PARENTHOOD OF NASSAU COUNTY; that the purposes set forth in the
Certificate of Incorporation are the same as those of the unincorporated
association; that the subscribers of such Certificate of Incorporation consti-
tute a majority of the members of a committee authorized to incorporate
such association, by vote, as required by the organic law of the association,
for the amendment of such organic law.

That no previous application for the approval of the fore-
going Certificate of Incorporation has been made.

Marjorie P. McEwen
Esther S. Jonas
Grace Lynch
Emaline Finkels
Helen C. Minton
Grace Lynch

Sworn to before me this

2nd day of December, 1971.

Robert C. Alexander
Notary Public

ROBERT C. ALEXANDER
NOTARY PUBLIC, State of New York
No. 30-0029875
Qualified in Nassau County
Commission Expires March 30, 1973

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
PLANNED PARENTHOOD OF NASSAU COUNTY, INC.
UNDER SECTION 803 OF THE NOT-FOR-PROFIT
CORPORATION LAW

We, the undersigned, being the Chairman of the Board, President and Secretary of the PLANNED PARENTHOOD OF NASSAU COUNTY, INC., do hereby certify:

FIRST: The name of the corporation is PLANNED PARENTHOOD OF NASSAU COUNTY, INC.

SECOND: The Certificate of Incorporation of the PLANNED PARENTHOOD OF NASSAU COUNTY, INC. was filed by the Department of State on the 31st day of October, 1973. The said corporation was formed under the Not-For-Profit Corporation Law of the State of New York.

THIRD: The PLANNED PARENTHOOD OF NASSAU COUNTY, INC. is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law and is a Type B corporation under Section 201 of said law.

FOURTH: The Certificate of Incorporation is hereby amended to effect the following changes:

(a) To effect an enlargement of the corporate purposes pursuant to Section 801(b)(2) of the Not-For-Profit Corporation Law, and

(b) To change the location of the office of the corporation pursuant to Section 801(b)(6) of the Not For Profit Corporation Law, and

(c) To add the provision that the corporation will not solicit funds from any facility to which it refers any individual and no fee will be charged for such referrals, and

(d) To provide that in the event of dissolution of the corporation, all of the assets of the corporation shall be distributed after the satisfaction of its liabilities to another exempt corporation under 501(c)3 of the Internal Revenue Code, and

(e) To add the provision that the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501 (c)3 of the Internal Revenue Code of 1954, and

(f) To add the provision that no part of the net earnings of the corporation shall inure to the benefit of any member, trustee, director or officer of the corporation and that upon dissolution they are not entitled to share in any of the corporate assets.

FIFTH: Paragraph "SECOND (j)" of the Certificate of Incorporation is hereby amended to read as follows:

"No substantial part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Internal Revenue Code section 501(h), or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office."

SIXTH: Paragraph "THIRD" of the Certificate of Incorporation is hereby amended to read as follows:

"Its principal office, treatment and diagnostic center and operations are to be located and conducted at 107 Mineola Boulevard, Mineola, Town of North Hempstead, County of Nassau, the address to which the Secretary of State shall mail any notice required by law".

SEVENTH: Paragraph "SECOND" of the Certificate of Incorporation is hereby amended adding provision (p), (q) and (r) as follows:

- (p) "The corporation will not solicit funds from any facility to which it refers any individual and no fee will be charged for such referrals."
- (q) "Notwithstanding any other provision of these articles, the corporation is organized exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment, or for the prevention of cruelty to children or animals, as specified in Section 501(c)(3) of the Internal Revenue Code of 1954, and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954."

(r) "No part of the net earnings of the corporation shall inure to the benefit of any member, trustee, director or officer of the corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation), and no member, trustee, officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation."

EIGHTH: Paragraph "EIGHTH" of the Certificate of Incorporation is hereby amended to read as follows:

"In the event of dissolution, all of the remaining assets and property of the corporation shall after necessary expenses thereof be distributed to such organizations as shall qualify under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, or, to another organization to be used in such manner as in the judgment of a Justice of the Supreme Court of the State of New York will best accomplish the general purposes for which this corporation was formed."

NINTH: The manner in which these amendments to the Certificate of Incorporation of the PLANNED PARENTHOOD OF NASSAU COUNTY, INC. was authorized was by the affirmative vote of a majority of the entire Board of Directors at a meeting of the Board of Directors duly called and held on the day of , 19 , the affirmative votes being at least equal to the quorum.

TENTH: That notwithstanding the foregoing amendments of the Certificate of Incorporation the PLANNED PARENTHOOD OF NASSAU COUNTY, INC. shall continue to be a Type B corporation under Section 201 of the Not-For-Profit Corporation Law.


ELEVENTH: The post office address to which the Secretary of State shall mail a copy of any notice required by law is 107 Mineola Boulevard, Mineola, New York, 11501.

TWELFTH: The following approvals and consents were endorsed or annexed to the Certificate of Incorporation:

The approval of a Justice of the Supreme Court for the Second Judicial District, a Waiver of Notice of Application by the Attorney General of the State of New York and an approval by the Public Health Council, State of New York, Department of Health.

Prior to the delivery of this Certificate of Amendment to the Department of State for filing, all approvals or consents of the body or officer hereinabove set forth will be endorsed upon or annexed hereto.

IN WITNESS WHEREOF, the undersigned have made, subscribed and verified this certificate this day of November, 1980.


MARILYN STANTON
President and Chairman


EVEDRED SILKO
Recording Secretary

STATE OF NEW YORK)
COUNTY OF NASSAU) ss.:

MARILYN FENTON, being duly sworn, deposes and says that she is one of the persons described in and who executed the foregoing certificate and is the Chairman and President of Planned Parenthood of Nassau County, Inc., that she has read the foregoing certificate and knows the contents thereof and that the statements therein contained are true.


MARILYN FENTON

Sworn to before me this
12th day of November, 1980


NOTARY

ROBERT EILELLO
Notary Public, State of New York
No. 30-4526978
Qualified in Nassau County
Commission Expires March 30, 1982

STATE OF NEW YORK)
COUNTY OF NASSAU) ss.:

MILDRED ZILKO, being duly sworn, deposes and says that she is one of the persons described in and who executed the foregoing certificate and is the Recording Secretary of Planned Parenthood of Nassau County, Inc., that she has read the foregoing certificate and knows the contents thereof and that the statements therein contained are true.


MILDRED ZILKO

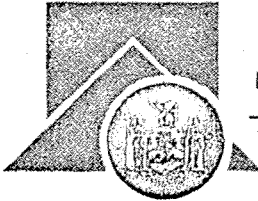
Sworn to before me this
12th day of November, 1980


NOTARY

ROBERT EILELLO
Notary Public, State of New York
No. 30-4526978
Qualified in Nassau County
Commission Expires March 30, 1982

I, HON. _____, a Justice of the Supreme Court
of the State of New York, of the Tenth Judicial District, hereby approve
the foregoing Certificate of Amendment of the Certificate of Incorporation
of Planned Parenthood of Nassau County, Inc.

Justice of the Supreme Court



STATE OF NEW YORK
DEPARTMENT OF HEALTH
ALBANY

PUBLIC HEALTH COUNCIL

June 26, 1973

KNOW ALL MEN BY THESE PRESENTS:

In accordance with action taken after inquiry and investigation at a meeting of the Public Health Council held on the 22nd day of June, 1973, I hereby certify that the application for the establishment of Planned Parenthood of Nassau County, Inc. as the operator of Planned Parenthood of Nassau County, Inc. is APPROVED.

ANDREW KRIEGER
Secretary

Sent to: Robert Alexander, Esq. ✓
1551 Franklin Avenue
Mineola, New York 11501

Planned Parenthood of Nassau County
1940 Hempstead Turnpike
East Meadow, New York

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