



**Project # 221280-E**

**Specialists' One-Day Surgery Center, LLC**

**Program:** Diagnostic and Treatment Center  
**Purpose:** Establishment

**County:** Onondaga  
**Acknowledged:** September 9, 2022

**Executive Summary**

**Description**

Specialists' One-Day Surgery Center, LLC (the Company), is seeking approval to restructure by transferring 100% of the Company's current membership interest to SOS ASC Holdings, LLC, which will be the sole member of the Company and comprised of all 34 former members of the Company as well as one new member. Immediately after the reorganization, ASC Holdings LLC will sell a 25% membership interest to St. Joseph's Hospital Health Center. Upon approval of this transaction, Specialists' One-Day Surgery, LLC will be owned by SOS ASC Holdings, LLC, and St. Joseph's Hospital Health Center. Through this sale, all current members will become indirect members of Specialists' One-Day Surgery Center, LLC.

BFA Attachment A shows the membership interests pre-and post-transaction.

Upon PHHPC approval, the Company will have seven board members, six of whom will be members of SOS ASC Holdings, LLC and one of whom will be appointed by St. Joseph's Hospital Health Center. This governance structure will allow the Hospital to participate from a strategic level. In addition, the Company has submitted an executed transfer agreement between St Joseph's Hospital Health Center and Specialists' One-day Surgery, LLC. J. Alan Lemley, M.D., will continue as the current medical director.

**OPCHSM Recommendation**

Approval

**Need Summary**

There will be no need review per Public Health Law §2801-a (4)

**Program Summary**

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

**Financial Summary**

The purchase price for St. Joseph's Hospital Health Center's 25% membership interest is \$25,175,000, which will be paid in equity through an intercompany transfer from Trinity Health System, the active parent of St. Joseph's Hospital Health Center. St Joseph's will hold the 25% membership interest. Operating budget projections are not included as part of this application as it is limited to a change in membership, with no project costs or changes in services or location.

## Recommendations

### Health Systems Agency

There will be no HSA recommendation for this project.

### Office of Primary Care and Health Systems Management

#### Approval conditional upon:

1. This project must be completed by **one year from the date of this letter**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. The applicant must ensure registration for and training of facility staff on the Department's Health Commerce System (HCS). The HCS is the secure web-based means by which facilities must communicate with the Department and receive vital information. Upon receipt of the Operating Certificate, the Administrator/director that has day-to-day oversight of the facility's operations shall submit the HCS Access Form at the following link to begin the process to enroll for HCS access for the first time or update enrollment information as necessary:  
[https://www.health.ny.gov/facilities/hospital/docs/hcs\\_access\\_form\\_new\\_clinics.pdf](https://www.health.ny.gov/facilities/hospital/docs/hcs_access_form_new_clinics.pdf). Questions may be directed to the Division of Hospitals and Diagnostic & Treatment Centers at 518-402-1004 or email: [hospinfo@health.ny.gov](mailto:hospinfo@health.ny.gov) [HSP]

### Council Action Date

February 9, 2023

## Program Analysis

### Character and Competence

The table below details the proposed changes in the proposed membership of Specialists' One-Day Surgery Center, LLC.

\*\*\*Members Subject to Character and Competence

Member	Current Ownership in Specialists' One- Day Surgery, LLC	Membership % in SOS ASC Holdings, LLC Post-Transaction	Indirect Ownership in Specialists' One-Day Surgery, LLC Post-Transaction
Stephen P. Bogosian, M.D.	3.2258%	4.301%	3.2258%
John J. Cambareri, M.D.	3.2258%	4.301	3.2258
John F. Fatti, M.D.	3.2258%	4.301	3.2258
Glenn B. Axelrod, M.D.	3.2258%	4.301	3.2258
P. James Newman, M.D.	3.2258%	4.301	3.2258
Daniel C. Wnorowski, M.D.	3.2258%	4.301	3.2258
Timothy H. Izant, M.D.	3.2258%	4.301	3.2258
Daniel J. Murphy, M.D.	3.2258%	4.301	3.2258
Brett B. Greenky, M.D.	3.2258%	2.780	2.0847
Seth S. Greenky, M.D.	3.2258%	2.780	2.0847
Warren E. Wulff, M.D.	3.2258%	2.780	2.0847
Richard J. Distefano, M.D.	3.2258%	2.780	2.0847
John F. Parker, M.D.	3.2258%	2.780	2.0847
Michael T. Clarke, M.D.	3.2258%	2.780	2.0847
Frederick R. Lemley, M.D.	3.2258%	2.780	2.0847
Todd C. Battaglia, M.D.	3.2258%	2.780	2.0847
James Alan Lemley, M.D.	3.2258%	2.780	2.0847
Lawson R. Smart, M.D.	3.2258%	2.780	2.0847
Aaron J. Bianco, M.D.	3.2258%	2.780	2.0847
Bradley R. Raphael, M.D.	3.2258%	2.780	2.0847
Naven Duggal, M.D.	3.2258%	2.780	2.0847
Nathan G. Everding, M.D.	3.2258%	2.780	2.0847
Michael G. Fitzgerald, M.D.	3.2258%	2.780	2.0847
Justin A. Iorio, M.D.	3.2258%	2.780	2.0847
Kevin A. Kopko, M.D.	3.2258%	2.780	2.0847
Cassandra Riggs, M.D.	3.2258%	2.780	2.0847
Anthony M. Orio, M.D.	3.2258%	2.780	2.0847
Max Greenky, M.D. ***	-0-	2.780	2.0847
Robert L Tiso, M.D.	1.84320%	1.666	1.25
Joseph A. Catania, M.D.	1.84320%	1.666	1.25
Eric A. Tallarico, M.D.	1.84320%	1.666	1.25
Mary C. Trusilo, M.D.	1.84320%	1.666	1.25
Brendan T. McGinn, M.D.	1.84320%	1.666	1.25
Ryan D. McConn, M.D.	1.84320%	1.666	1.25
Jason Lok, M.D.	1.84320%	0	0
<b>St Joseph's Hospital ***</b>	0.00000%	0	25%
<b>Totals</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Guha Bala** is the President of Velan Studios, a video game developer and publisher, for six years. He was the President of Vicarious Visions, a video game developer and publisher, for 25 years. Mr. Bala declares membership interest in the following healthcare facilities:

<i>St. Peter's Health Partners</i>	<i>09/2011-present</i>
<i>Northeast Health and affiliates</i>	<i>01/2005-09/2011</i>
<i>Rubin Dialysis Centers</i>	<i>03/2019-03/2011</i>
<i>St. Joseph Hospital</i>	<i>10/2011-present</i>
<i>Eddy Village Green</i>	<i>09/2011-present</i>
<i>Eddy Home Care</i>	<i>09/2011-present</i>
<i>Empire Home Infusion</i>	<i>09/2011-present</i>
<i>The Terrace at Glen Eddy</i>	<i>09/2011-present</i>
<i>Terrace at Hawthorne Ridge</i>	<i>09/2011-present</i>
<i>Eddy Alzheimer Center at Hawthorne Ridge</i>	<i>09/2011-present</i>
<i>Heritage House Nursing Center</i>	<i>09/2011-present</i>
<i>Eddy VNA</i>	<i>09/2011-present</i>
<i>Our Lady of Mercy Life Center</i>	<i>09/2011-present</i>
<i>Samaritan Hospital</i>	<i>09/2011-present</i>
<i>Eddy Senior Care</i>	<i>09/2011-present</i>
<i>Schuyler Ridge</i>	<i>09/2011-present</i>
<i>St. Mary's Hospital</i>	<i>09/2011-present</i>
<i>St. Peter's Hospital</i>	<i>09/2011-present</i>
<i>Sunnyview Hospital</i>	<i>09/2011-present</i>
<i>Eddy Village Green</i>	<i>09/2011-present</i>
<i>The Community Hospice</i>	<i>09/2011-present</i>
<i>Eddy Memorial Geriatric Center</i>	<i>09/2011-present</i>
<i>The Marjorie Doyle Rockwell Center</i>	<i>09/2011-present</i>
<i>St. Peter's Nursing and Rehab</i>	<i>09/2011-present</i>
<i>Northeast Health</i>	<i>09/2011-present</i>

**Kevin Barnett** is a Senior Investigator at the Public Health Institute. He serves as Co-Director of the California Health Workforce Alliance and is on the Board of Directors of the Communities Joined in Action. He is a Member of the Board of Directors for Trinity Health Corporation.

**Joseph Betancourt** is an Assistant Attending Physician at Massachusetts General Hospital for 21 years. He is a Senior Scientist at the Mongan Institute for Health Policy for 21 years. He was an Assistant Attending Physician at New York Presbyterian. He is an Assistant Professor at Harvard Medical School for 21 years. He was an Instructor and Assistant Professor at Weill Cornell College of Cornell University for three years. He received his medical degree from New Jersey Medical School. He completed his Internal Medicine residency at New York Hospital-Cornell. He completed his Minority Health Policy Fellowship at Harvard Medical School.

**Rita Brogley** serves on the Board of Directors for Trinity Health Corporation for the Audit Committee for three years. She is on the first Independent Board Director of the Board of Directors of Narvar for three years. She is the Chair of the Compensation Committee of Strategic Education Inc. for four years. She was the Chair of the Nominating and Governance Committee and a Member of the Compensation Committee of Capella Education Company for four years. She was the Head of Product Growth and Partnerships of Business Messaging Platforms for three years at Facebook. She held multiple executive positions including CEO, President, Chief Customs Officer, and she was on the Board of Directors of MyBuys, Inc. for four (4) years. She developed new strategy and focus for the company, aligned with the core competencies, and product offerings. She transformed client success and professional services operations, new service delivery processes, and back-office systems designed to scale and improve customer satisfaction. She was the CEO of Amedesa for three years. She transformed the company's business from project-based services to a software company with recurring revenue. She restructured sales, product strategy, and product development processes. She was an Entrepreneur in Residence at V2 Capital for one year. She evaluated investment opportunities for angel investors. She was an Independent Consultant for four years. She advised consumer internet and technology clients on market entry opportunity, sales, and fundraising.

**Linda Falquette** was a Member of the Community Leadership Team of the Institute of the Sisters of Mercy of the Americas for seven years. She was on a five-member team responsible for canonical oversight and civil administration of all facets of the South-Central Community. She was the Tuition and Financial Aid Coordinator of Notre Dame Academy for three years. She created and implemented a tuition payment policy that improved cash flow and eliminated the need for a line of credit. She was the Executive Director of the Double ARC for nine years. She was responsible for carrying out the mission and vision of the organization. She developed and implemented the strategic plan, carried out administrative functions including human resources, finances, grant writing, fund raising, public relations, collaborations, and program development. She held various roles including Director of Planning, Director of Finance, and Financial Analyst of Mercy Health System for 12 years.

**Sr. Mary Fanning** is retired. She is a Board Member of Trinity Health System.

**Dr. Max Greenky** is an Orthopedic Surgeon at Syracuse Orthopedics for one year. He received his medical degree from Thomas Jefferson College. He completed his Orthopedic Residency at Thomas Jefferson University. He completed his Reconstructive Surgery Fellowship at Duke University.

**Barry Hatches** retired in May of 2022. He serves on the Board of Directors of Trinity Health Corporation. He is the Owner of Hatches Consulting, LLC. He focuses on leadership development, performance technology, organizational and professional development, community relations, and stakeholder management. He served as the President and CEO of Chicago Family Health Center. He previously held multiple executive positions including COO, Executive Vice President, and President/CEO within Swope Health Services. He provided services to 40,000 patients in primary care, behavioral health, dental, and outreach services. He was the previous President/CEO of Northern Indiana Public Services Co. while also serving as CEO of Northern Indiana Fuel and Light Co. and Kokomo Gas and Fuel Co. He was the President and CEO of ENSTAR Natural Gas. He served as Senior Management at SEMCO Energy and Western Resources Gas Service Division.

**Daniel Isacksen** is the Executive Vice President and CFO of Trinity Health for over one year. He leads all financial functions for the system and across the national organization's Health Ministries. He previously served as the Executive Vice President and Regional CFO of Loyola Medicine. He was responsible for operational improvements, financial turnaround, and stabilization of the regional ministry. He serves as an Officer on the Board of Directors of Trinity Health Corporation.

**Kathleen Jimino** is retired since 2018. She was the County Executive for Rensselaer County for over 16 years. As the County Executive, she led the organization that provided services to 160,000; oversaw a budget of \$330M and a workforce of 1,600; provided guidance to managers of 20 departments providing social services, criminal justice services, health services, real property services, highway maintenance, and economic development services. Mrs. Jimino declares membership interest in the following healthcare facilities:

<i>St. Peter's Health Partner</i>	<i>09/2011-present</i>
<i>Northeast Health and affiliates</i>	<i>01/2005-09/2011</i>
<i>Rubin Dialysis Centers</i>	<i>03/2019-03/2011</i>
<i>St. Joseph Hospital</i>	<i>10/2011-present</i>
<i>Eddy Village Green</i>	<i>09/2011-present</i>
<i>Eddy Home Care</i>	<i>09/2011-present</i>
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<i>The Terrace at Glen Eddy</i>	<i>09/2011-present</i>
<i>Terrace at Hawthorne Ridge</i>	<i>09/2011-present</i>
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<i>Heritage House Nursing Center</i>	<i>09/2011-present</i>
<i>Eddy VNA</i>	<i>09/2011-present</i>
<i>Our Lady of Mercy Life Center</i>	<i>09/2011-present</i>
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<i>Schuyler Ridge</i>	<i>09/2011-present</i>
<i>St. Mary's Hospital</i>	<i>09/2011-present</i>
<i>St. Peter's Hospital</i>	<i>09/2011-present</i>

<i>Sunnyview Hospital</i>	<i>09/2011-present</i>
<i>Eddy Village Green</i>	<i>09/2011-present</i>
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<i>St. Peter's Nursing and Rehab</i>	<i>09/2011-present</i>
<i>Northeast Health</i>	<i>09/2011-present</i>

**Courtney Lang** is the Founder and Principal of Langco & Partners for 11 years. She provides leadership and solutions to stakeholders. She also creates sustained value, bridges relationships, and strategic communication for advocacy, issues outreach, and campaign advancement. She was the Senior Director of Alliance Development for Pfizer for four (4) years. She directed strategy and outreach for patient advocacy and alliance development partnerships in support of five (5) global business units. She led grassroots advocacy efforts with key third party groups, prioritizing proactive legislative and regulatory initiatives, and developing and executing best practices across the product lifestyle. She was the US Public Affairs Liaison for Eli Lilly & Co. for 10 years. She designed and executed national public affairs strategies leading federal, state, and local advocacy efforts, aligned, measured processes and outcomes with 12 state based public affairs liaisons, and implemented global and national partnerships to promote product marketing goals and successful chronic disease management. She was in Marketing and Community Relations for the NBA's Cleveland Cavaliers for one year. She assisted with media development, community relations, project implementation, corporate partnerships, and provided substantive private-public sector collaborations for healthcare partnerships in support of community-based outreach.

**Sr. Mary Ann Logiudice** is the Local Coordinator of the Sisters of Mercy in Albany for over seven years. She was the Executive Director of Community Maternity Services for 25 years. She was responsible for the overall administration and management of Community Maternity Services in accordance with agency policies and procedures and implemented the mission and philosophy of Catholic Charities. Specifically, she secured financial and personnel resources, represented the agency before various community, judicial, and governmental bodies, consulted with the agency Board of Directors, and discerned trends in needed services. She was the Associate Executive Director for Outreach Services for five years. She assisted the Executive Director in and with the supervision of the development, coordination, and implementation of the agency rural outreach, fiscal resources, and personnel programs throughout a nine-county region. She was the Program Director for Maternity Center and Branson Family Development Center for seven years. She was responsible for the general supervision of the Maternity Residency and non-residential program serving pregnant and parenting adolescents. She was the Executive Director of Arbor House, Inc. for two years. She was responsible for the overall management of a residential program for 11 women. She was responsible for fiscal management, recruitment and supervision of staff, fundraising, public relations, program development and implementation, house meetings, scheduling activities, crisis/conflict intervention, and serving as liaison to community agencies. Sr. Logiudice discloses membership interest in the following healthcare facilities:

<i>St. Peter's Health Partners</i>	<i>09/2011-present</i>
<i>Northeast Health and affiliates</i>	<i>01/2005-09/2011</i>
<i>Rubin Dialysis Centers</i>	<i>03/2019-03/2011</i>
<i>St. Joseph Hospital</i>	<i>10/2011-present</i>
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<i>St. Peter's Nursing and Rehab</i>	<i>09/2011-present</i>
<i>Northeast Health</i>	<i>09/2011-present</i>

**John Marshall** is a Certified Public Accountant and Senior Counsel at Bonadio & Co., LLC for seven years. He is responsible for personal income tax and business consulting. He semi-retired in April 2017 and gave up his partnership in the company. He was previously a CPA/Partner of Testone, Marshall & Discenza, LLP for 38 years. He was responsible for business and personal financial statements, tax preparation, and business consulting. He was a CPA and Manager of Deloitte & Touche for five years. He managed the business and personal finance statements of clients, performed tax preparation, and business consulting.

**Lee McEleroy** is the Associate Vice President and Director of Athletics of RPI for eight years. He oversees RPI's men and women NCSS intercollegiate teams involving over 550 student athletes. He was the Vice President and Director of Athletics at SUNY Albany for 15 years. He oversaw the Athletic Department. Mr. McEleroy discloses membership interest in the following healthcare facilities:

<i>St. Peter's Health Partners</i>	<i>09/2011-present</i>
<i>Northeast Health and affiliates</i>	<i>01/2005-09/2011</i>
<i>Rubin Dialysis Centers</i>	<i>03/2019-03/2011</i>
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<i>St. Peter's Nursing and Rehab</i>	<i>09/2011-present</i>
<i>Northeast Health</i>	<i>09/2011-present</i>

**Michael Meath** is the Principal of Fallingbrook Associates, LLC for eight years. He provides advice and guidance as a crisis communication and regulatory risk management consultant. He held multiple roles including Department Chair, Professor, Visiting Professor, and Adjunct Professor at Newhouse School of Public Communications for 14 years. He was the Founder and President of Strategic Communication, LLC for 10 years. He developed an integrated strategic planning, public relations, crisis management, and public affairs consulting firm that served businesses and non-profit organizations. He was the Vice President of Business Development & Public Affairs and the Director of Public/Legal Affairs & Regulatory Compliance for eight years. He had oversight of all public affairs and media relations issues associated

with \$700M energy business. He led new business strategies, including creation of a new business that grew to 80,000 customers and \$75M in sales.

**Gina Myers** is the Interim Director, Adjunct Faculty in Nursing, and Director of the Education in Executive Leadership Program for 17 years. She recruits new applicants, meets with current students regarding progress or concerns, organizes and coordinates the program milestones for students, collaborates to provide structure to dissertation process, recruits adjunct faculty, coordinates the student learning assessment, and engages with leaders in the community organizations to create partnerships. She was an Assistant and Adjunct Professor for eight (8) years. She taught undergraduate and graduate students online and in hybrid formats. She was a co-advisor and program mentor for students and provided academic advisement. She has held multiple roles at St. Joseph's Hospital for over 29 years including Staff Nurse, Clinical Coordinator, Clinical Nurse Specialist, Director, and Associate.

**George Phillip** retired in 2013. He was the President of SUNY Albany for four years. He served as the Interim President for 18 months. He previously served as the Executive Director of the New York State Teacher's Retirement System for 12 years. He was the Chief Investment Officer for three years.

**Merriette Pollard** is retired since 2002. She was a Social Work Field Instructor and Director of Peer Counseling and Tutorial Programs at Livingston College. She also served as Director of Minority Retention and Program Development at La Roche College. She served as the Program Associate to the Vice President of Academic Affairs and Assistant Professor of Sociology and Gerontology at Grambling State University. She served as Executive Director of the Dunbar Association. She Co-chaired the Mayor's Taskforce on Youth Violence. She served as Co-chair of the Community Development Committee of Syracuse's Twenty Twenty. She has served on numerous boards.

**Lee Reed** was the President and CEO of St. Peter's Health Partners for 12 years. He retired on January 1, 2023. He was directly involved in the creation of St. Peter's Health Partners from the original concept to all phases of negotiation, review, and board approval votes. He has created initiatives to create a common culture, increase system integration, pursue major physician group acquisition, and hit financial metrics. He was the President and CEO of Northeast Health for 12 years. He was responsible for the overall direction and leadership of the Northeast Health System including development of the organization's vision, culture, and values. He was the COO for four years. He was responsible for the administration of all systems operating activities with a particular focus on maximizing efficiencies, improving quality, and developing integration opportunities. He was the CMO for six years. He was responsible for all medical quality issues across the integrated system including physician strategies, information, technology, utilization review, development and implementation of medical staff bylaws, and supervision of the system's medical directors. He received his medical degree from Cornell University Medical College. He completed his Internal Medicine residency at St. Clare's Hospital. Dr. Reed discloses membership interest in the following healthcare facilities:

<i>St. Peter's Health Partners</i>	<i>09/2011-present</i>
<i>Northeast Health and affiliates</i>	<i>01/2005-09/2011</i>
<i>Rubin Dialysis Centers</i>	<i>03/2019-03/2011</i>
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<i>St. Peter's Nursing and Rehab</i>	<i>09/2011-present</i>
<i>Northeast Health</i>	<i>09/2011-present</i>

**Carrie Rich** is the CEO and Co-founder of the Global Good Fund for 10 years. She was previously the Senior Director of Vision Translation an Inova Health System. She was an Adjunct Faculty Member at Georgetown University. She is a Board Member of Trinity Health Corporation.

**Linda Ross** is the Executive Vice President and Chief Legal Officer of Trinity Health. She is responsible for all legal matters across Trinity Health including canon law. She acts as counsel to the Trinity Health Board of Directors. She was the previous Senior Vice President, Mergers and Acquisition Counsel. She was responsible for systems and regional health care transactions including mergers, acquisitions, divestitures, joint operating agreements, joint ventures, partnerships, and affiliations. She was a Partner and served as the Chair of the Health Care Department and Leader of the Corporate Department Health Care Practice Group at Honigman Miller Schwartz and Cohn LLP. She was lead counsel in affiliations, acquisitions, divestitures, mergers, reorganizations, joint ventures, and other alignment transactions.

**Michael Slubowski** is the President and CEO of Trinity Health System. He provides leadership, and is accountable for, the overall achievement, advancement, and success of the Trinity Health System. Prior to his executive leadership role, he served as the system's President and COO of Trinity Health. He oversaw all operations. He previously served as President and CEO of Sister of Charity of Leavenworth Health System. He was the President of Health Networks for Trinity Health prior to its merger with Catholic Health. He has served in executive leadership positions in the Henry Ford Health System, Samaritan Health Services, and Providence Hospital.

**David Southwell** is retired since September 2011. He was the Group Vice President, Financial Officer, and Treasurer of Wellmark Blue Cross Blue Shield for 14 years. He was responsible for treasury, accounting, financial reporting, internal audit, underwriting, actuarial, capital and operating budgeting, facilities and facility construction, customer pricing, provider pricing and contracting, and merger and acquisition activities. He was the previous Senior associate Director and Hospitals Financial Officer at the University of Michigan Health System for 24 years. He was responsible for the financial operations of the University of Michigan Clinical Delivery System with assets of over \$1.4B and revenue of over \$900M. He has held many board memberships including Advanced Member Healthcare Financial Management Association, Board Member and Finance Committee Chair of Huron Services for Youth, Child, and Family Services; Board Member and Treasurer of MCare HMO; Board Member and Treasurer of Hospital and Health Services Credit Union.

**Joan Steadman** is the Executive Director of the LWCR National Board for seven years. She is a Sister of the Holy Cross of Notre Dame and was President of her community for five years. She previously served in community leadership for 10 years. She was the Associate Director of Healthcare Ethics at Santa Clara University, the Vice President for Mission at Holy Cross Hospital, Regional Executive team Member at Holy Cross Health Services, Pastoral Associate at St. Therese Parish, Novice Director for her Community, and Administrator and Teacher in several elementary and secondary schools. She is a Board Member of the Trinity Health Corporation.

**Roberta Waite** is The Dean of the School of Nursing at Georgetown University for two months. She was previously a Professor of Nursing and the Associate Dean of Community Centered Health & Wellness and Academic Integration at Drexel University for 20 years. She was a Psychiatric Mental Health Clinical Nurse Specialist at 11<sup>th</sup> Street, a Federally Qualified Health Center. She was a Director of Psychiatric Nursing at Hahnemann University Hospital.

**Larry Warren** retired in 2012. He serves as Vice Chair on the Board of Directors for Trinity Health. He was named the Interim CEO of Trinity Health System in 2013 and retired from this position on August 13,

2013. He was the former CEO, Interim Executive Director, and Associate Vice President of University of Michigan Health and Hospital System for over 24 years.

**William Wildridge III** is a Partner at Fust Charles Chambers LLP and the CEO and Managing Partner of MicroscopeHC, LLC. He provides accounting and audit services to many healthcare and not-for-profit clients of Fust Charles Chamber LLP. He is also a member of their Executive Committee and provides oversight of the Firm management. As CEO/Managing Partner of MicroscopeHC, he provides healthcare organizations guidance on strategic direction, conducts feasibility studies, performs forecasting studies, conduct due diligence procedures on mergers and acquisitions and debt capacity studies. He also performs service line analysis and corporate restructuring, addresses third party reimbursement issues, and recommends revenue cycle improvements.

**Veronica Wiedower** serves on the Board of Directors for Trinity Health Corporation. She has been President of the Sisters of the Holy Cross for eight (8) years. She was the Vice President for Missions of St. Mary's Hospital for three years. She was the Music and Liturgy Minister for two years. She was the Coordinator and Formation Director for the Sisters of the Holy Cross for eight years. She was the Director of the Office for Women Religious for the Diocese of San Diego for two years. She was a Councilor of General Team Leadership for Sisters of the Holy Cross for 10 years. She is a member of the Saint Mary College Board of Trustees, the International Union of Superiors General, the Leadership Conference of Women Religious, and the Liturgy Network at the University of Notre Dame.

**Kerry Sweet Zavaglia** is the Senior Vice President and US General Counsel of National Grid for three years. She is responsible for all aspects of the Company's legal affairs across its US territories including corporate governance, compliance, mergers and acquisitions, commercial, real estate, siting, Federal and state regulatory, litigation, environmental, and labor. She is the Incident Commander, Vaccine Mandate & Executive Sponsor, and Plan Forward for over one year. She leads the incident command structure for implementation of federal vaccine requirements across the US business. She is responsible for operations, logistics, procurement, union negotiations, change management, compliance, and change to a hybrid work environment. She is the Executive Sponsor of PRIDE for six months. She oversees employee resources on supporting LGBTQ colleagues and allies. She was the Executive Sponsor to Women in Non-traditional Roles for four years. She oversaw employee resource groups focused on supporting women in non-traditional roles and increasing awareness and participation in underrepresented areas of business. She was the Vice President and Deputy General Counsel for one year. She was accountable for corporate governance, mergers, and acquisitions, commercial, Federal and New York regulatory, and real estate practice groups. She was the Vice President of New York Performance and Strategy for three years. She was accountable for the overall performance of National Grid's three operating companies, including achieving financial, regulatory, operational, and customer satisfaction targets. She was the Acting Vice President of Upstate New York Gas Operations Maintenance and Construction for three years. She was accountable for all maintenance, construction, and damage prevention activities across National grid's Upstate New York gas business. She was the Assistant General Counsel and Director of New York Regulatory for over three years. She managed a team of eight lawyers responsible for New York electric regulatory matters. She was the Associate Attorney to Senior Counsel for over five (5) years. She was the Assistant District Attorney in Philadelphia for over three years.

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.

*Eddy Heritage House Nursing and Rehabilitation Center was fined \$10,000 pursuant to Stipulation and Order NH-21-038 dated February 11, 2021, for surveillance findings set forth in the reports of inspection dated December 2, 2020. Deficiencies were found under the areas of Infection Control-PPE, Sterilization, Hand Washing, and Infection Spread.*

*Eddy Heritage House Nursing and Rehabilitation Center was fined \$16,000 pursuant to Stipulation and Order NH-21-028 dated February 4, 2021, for surveillance findings set forth in the reports of inspection*

dated November 12, 2020. Deficiencies were found under the areas of failing to notify the next of kin when a resident or staff member of the facility tested positive for COVID-19 or suffered a death related to COVID -19 pursuant to the Governor's Executive Order 202.18.

Eddy Memorial Geriatric Center was fined \$12,000 pursuant to Stipulation and Order NH-20-074 dated December 1, 2020, for surveillance findings set forth in the reports of inspection dated August 27, 2020. Deficiencies were found under the areas of Infection Control-Facemask; Sterilization-Hand washing; and Infection Control- Facemask & Social Distancing.

Eddy Memorial Geriatric Center was fined \$4,000 pursuant to Stipulation and Order NH-20-049 dated September 25, 2020, for surveillance findings set forth in the reports of inspection dated May 14, 2020. Deficiencies were found under the area of Infection Control.

Eddy Village Green was fined \$10,000 pursuant to Stipulation and Order NH-22-060 dated May 4, 2022, for surveillance findings set forth in the reports of inspection dated February 2, 2022. Deficiencies were found under the area of Resident Assessment and Comprehensive Care Plan.

Eddy Village Green was fined \$16,000 pursuant to Stipulation and Order NH-21-069 dated April 15, 2021, for surveillance findings set forth in the reports of inspection dated December 1, 2020. Deficiencies were found under the area Infection Control- Social Distancing and PPE.

Eddy Village Green was fined \$2,000 pursuant to Stipulation and Order NH-21-010 dated January 21, 2021, for surveillance findings set forth in the reports of inspection dated December 22, 2020. Deficiencies were found under the area Infection Control-Social Distancing and PPE.

Eddy Village Green was fined \$2,000 pursuant to Stipulation and Order NH-17-025 dated March 27, 2017, for surveillance findings set forth in the reports of inspection dated August 17, 2016. Deficiencies were found under the area of Quality of Care-Highest Practicable Potential.

Eddy Village Green at Beverwyck was fined \$2,000 pursuant to Stipulation and Order NH-21-246 dated December 28, 2021, for surveillance findings set forth in the reports of inspection dated September 28, 2021. Deficiencies were found under the area of Resident Right's-Visitation.

Hawthorne Ridge was fined \$924.00 pursuant to Stipulation and Order ACF-18-070 dated August 22, 2018, for surveillance findings set forth in the reports of inspection dated November 23, 2016, and March 8, 2018. Deficiencies were found under the area of Late Review of Individualized Service Plan.

St. Peter's Hospital was fined \$2,000 pursuant to Stipulation and Order BHS-16-03 dated August 18, 2016, for surveillance findings set forth in the reports of inspection dated January 7, 2016. Deficiencies were found under the area Food Services violations.

In 2010, the U.S. Department of Justice served subpoenas on hospitals and health systems nationwide including St. Peter's Hospital, as part of a fraud investigation into whether hospitals billed Medicare for implantable cardioverter defibrillators (ICDs) for patients whose conditions did not satisfy coverage criteria in a CMS National Coverage Determination. St. Peter's Hospital settled the matter in August 2015.

## **Conclusion**

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

## Financial Analysis

### Membership Interest Purchase Agreement

The applicant has submitted an executed Membership Interest Purchase Agreement for the proposed members, the terms of which are summarized below:

Date:	June 3, 2022
Description:	Purchase of 25% Membership interest of SOS ASC Holding, LLC
Seller:	SOS ASC Holdings, LLC
Buyer:	St. Joseph's Hospital Health Center
Purchase Price:	\$25,175,000
Percentage Interest:	25% Membership Interest
Transfer:	Upon PHHPC Approval within 10 business days following written notice from the Department of Health Approval.

### Amended and Restated Administrative Service Agreement

The applicant has submitted an executed Administrative Services Agreement (ASA) updated and already in effect. The terms of the agreement are summarized below with no changes to the existing agreement.

Date:	January 1, 2021
Consultant:	Specialists' Operations Consulting Services, LLC
Licensed Operator:	Specialists One Day Surgery, LLC
Services Provided:	Administrative services; billing services; purchasing services; financial service preparation including accounts receivable; provide monthly reports to the operator on the bank account and other functions as agreed to.
Term:	One Year with automatic one-year renewals
Fee:	\$225,000 in monthly installments

The operator shall retain direct, independent authority over all the operations. The operator accepts responsibility for all oversight of all these provisions as agreed to.

### Lease Agreement

The applicant has submitted an executed existing building lease and sublease for both locations with no changes in location and has already been subsequently approved by the Department. The sublease that was submitted has no changes to the original except for allowing the new member, SOS ASC Holdings, LLC to lease from the Company which is already currently under a lease agreement. It is a duplicate of the original. There will be no change in space, rent, or term.

### Capability and Feasibility

BFA Attachment A shows the current and proposed membership change after PHHPC approval. No project costs are associated with this application; however, the total membership purchase price is \$25,175,000 for St. Joseph's Hospital Health Center, Inc.'s 25% membership interest. As the active parent, Trinity Health will provide the cash funding to St. Joseph's with no loans or reimbursement back. SOS ASC Holdings, LLC will distribute the funds to selected members that are diluting their membership interest. In addition, St. Joseph's Hospital Health Center, Inc. will fund the cost with equity at closing per the membership purchase transfer agreement.

Working capital requirements are estimated at \$2,814,255, based on two months of projected first-year expenses, and will be covered through existing operations. BFA Attachment C demonstrates sufficient resources for the equity requirement from Specialists' One-Day Surgery, LLC.

As shown in BFA Attachment B, St. Joseph's Health, Inc. maintained an average positive working capital and net asset position in 2020 and 2021. The hospital recorded a net loss of (\$47,383,000) in 2020. Operational losses were primarily a result of decreased surgeries and rising salary expenses due to the

COVID-19 Pandemic; however, the hospital rebounded in 2021 after achieving a net income of \$31,853,000. St. Joseph's Health, Inc.'s internal financial statement ending May 31, 2022, shows a positive working capital and net asset position and a net operating loss of (\$31,001,000) with operating revenue of \$617,843,000 and operating expenses of \$648,844,000. The hospital indicates that labor costs have increased due to staffing shortages and contract labor expense has increased. The Hospital has implemented and is actively working on initiatives to increase revenue and lower costs, including (i) profitable growth via partnering with outside facilities, (ii) revenue optimization, (iii) labor stabilization, (iv) clinical program optimization, (v) non-labor expense reduction, and (vi) management integration with St. Peter's Health Partners in Albany, NY.

Attachment C presents the certified financial statements for Specialists' One-Day Surgery, LLC, dated December 31, 2020, and 2021. As shown, the company had a positive working capital position and positive net asset in both years. The company also achieved net income of \$6,602,961 and \$11,709,178 in 2020 and 2021 respectively. The internal financial statements from January 1, 2022, thru August 31, 2022, show the facility had positive working capital and a negative equity position, with a net income to date of \$7,839,284. The negative equity position was due to accelerated depreciation which is a noncash expense associated with a buildout of the new surgery center in 2019. This accounting is on a cash basis and therefore does not count accounts receivable, and it is expected that when the year end 12/31/22 financials are presented on an accrual basis, they will have a positive equity position.

Attachment D presents the 2021 and 2022 certified financial statements for Trinity Health, the active parent of St. Joseph's Health, Inc. Trinity Health maintained a positive working capital position and net asset position. Trinity Health experienced an operating income of \$845,759,000 and (\$148,514,000) for 2021 and 2022, respectively. In fiscal year 2022, the estimated total operating revenue was \$19.9 Billion, resulting in a -.7% margin impact. The reason for the loss was contract labor resources, supply chain disruption, and COVID surges impacting volumes and labor costs. To offset future losses Trinity has focused on expedited cash reserves; clinical program optimization; access; revenue optimization; labor stabilization; non-labor expense reduction and focusing on administrative cost and support services.

**Conclusion**

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

**Attachments**

BFA Attachment A	Organizational Chart (Membership Interest)
BFA Attachment B	St. Joseph's Hospital Health Center, Inc Certified (Fiscal Year July 31 thru June 30, 2020-2021. (Internal 5/31/2022)
BFA Attachment C	Specialists' One-Day Surgery Center, LLC - Certified 2020-2021 (Internal 8/31/2022)
BFA Attachment D	Trinity Health (2021 – 2022) Fiscal Year Certified Financials