
**New York State Department of Health
Public Health and Health Planning Council**

July 26, 2012

Certified Home Health Agency – Construction

Exhibit #5

1. 121448 C Cold Spring Hills Center for Nursing & Rehabilitation
(Nassau County)
2. 121446 C South Nassau Communities Hospital
(Nassau County)
3. 121424 C VillageCare Long Term Home Health Care Program
(New York County)
4. 121442 C Bethel Nursing Home Co Inc.
(Westchester County)
5. 121456 C Fort Tryon Center for Rehabilitation and Nursing
(New York County)
6. 121421 C Four Seasons Nursing and Rehabilitation Center LTHHCP
(Kings County)
7. 121440 C Hillside Manor Nursing Center
(Queens County)
8. 121450 C Kingsbridge Heights Rehabilitation and Care Center
(Bronx County)
9. 121452 C Lutheran Augustana Center for Extended Care and Rehab LTHHP
(Kings County)
10. 121441 C New York Congregational Nursing Center Long Term Home Health
Care Program
(Kings County)
11. 121290 C Park Gardens Rehabilitation and Nursing Center, LLC
(Bronx County)

12. 121436 C PTS of Manhattan LTHHCP
 (Kings County)

13. 121457 C Split Rock Rehabilitation and Health Care Center
 (Bronx County)



Public Health and Health Planning Council

Project # 121448-C

UPR Care Corp., Inc.
d/b/a Cold Spring Hills Center for Nursing and Rehabilitation

County: Nassau (Woodbury)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 21, 2012

Executive Summary

Description

Cold Spring Hills Center for Nursing and Rehabilitation, an existing long-term home health care program (LTHHCP) serving Nassau county, requests approval to convert to a new Article 36 certified home health agency (CHHA) to serve Nassau, Suffolk and Queens counties. Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Cold Spring Hills Center for Nursing and Rehabilitation submitted an application in response to the DAL, and was awarded approval. This CON application is in response to the approval via the expedited review.

Effective May 1, 2012, a new Episodic Payment System (EPS) reimbursement methodology to reimburse CHHA providers for services provided to Medicaid patients receiving home care services took effect. The EPS is based on a price for 60-day episodes of care which will be adjusted by patient acuity and regional wage differences.

The EPS was recommended by the Medicaid Redesign Team (MRT proposal # 5) and authorized in the 2011-12 enacted budget. The EPS is designed to address the issue of rapid growth in Medicaid costs per patient by better aligning payments with needed services and is part of a broad effort to promote the development of care management arrangements for Medicaid recipients.

For a conservative approach, revenues were calculated in which the lower of incremental cost to episodic payment was projected for year one and year three, and budgets were sensitized.

DOH Recommendation
Contingent approval.

Need Summary

Cold Spring Hills Center for Nursing and Rehabilitation's application clearly describes and adequately addresses each of the review criteria used to make determinations for this competitive review.

Program Summary

Cold Spring Hills Center for Nursing and Rehabilitation is currently in compliance with all applicable codes, rules and regulations.

Financial Summary

There are no project costs associated with this proposal.

Incremental Budget:	Revenues:	\$ 14,570,992
	Expenses:	<u>14,340,740</u>
	Gain/(Loss):	\$ 230,252

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

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Approval contingent upon:

1. The applicant must submit a plan acceptable to the Department of Health that details how it will achieve compliance with the provision of no less than 2% charity care in accordance with all the requirements outlined in Section 763.11(a)(11) of Title 10 NYCRR. [CHA]
2. Submission of new incremental budgets to be re-evaluated for financial feasibility for all counties approved for establishment or expansion acceptable to the Department. [BFA]
3. Submission of a working capital loan commitment acceptable to the Department. [BFA]

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

Cold Spring Hills Center for Nursing and Rehabilitation's application clearly describes and adequately addresses each of the review criteria used to make determinations for this competitive review. This proposal demonstrates the applicant has the organizational capacity to successfully implement the MRT initiatives and supports the goals of the Department in advancing these initiatives. The applicant demonstrates public need based on Section 709.1(a) of Title 10 NYCRR and provides a description of community need and the health needs of the community supported by data. The applicant has the requisite knowledge and experience in the provision of home health services and demonstrates the potential to produce efficiencies in the delivery of home care services. Finally, the application provides a description how the agency will use data to implement an ongoing quality assessment and performance improvement program that leads to measureable and sustained improvement in performance.

Recommendation

From a need perspective, disapproval is recommended.

Programmatic Analysis

Background

Cold Spring Hills Center for Nursing and Rehabilitation is an existing for-profit corporation that operates an Article 28 residential health care facility and an Article 36 long term home health care program (LTHHCP) with approval to provide services in Nassau County.

The applicant is requesting approval to establish a new Article 36 certified home health agency to serve the residents of Queens, Nassau and Suffolk counties.

The applicant proposes to provide the following home health services; home health aide, medical social services, medical supply, equipment and appliances, nursing, nutritional, occupational therapy, personal care, physical therapy, respiratory therapy, speech language pathology, audiology.

Cold Spring Hills Center for Nursing and Rehabilitation is currently in compliance with all applicable codes, rules and regulations.

Recommendation

From a programmatic perspective, contingent approval is recommended.

Financial Analysis

Operating Budget

The applicant has submitted the first and third year's incremental operating budgets, in 2012 dollars, as summarized below:

	<u>First Year</u>	<u>Third Year</u>
Revenues:		
Medicaid	\$3,754,949	\$10,599,299
Medicare	1,290,428	3,895,733
Private Pay	<u>25,920</u>	<u>75,960</u>
Total Revenues	\$5,071,297	\$14,570,992
Total Expenses	<u>\$5,187,733</u>	<u>\$14,340,740</u>
Net Income or (Loss)	\$(116,436)	\$230,252

Utilization by payor source for the first & third year is as follows:

	<u>First Year</u>	<u>Third Year</u>
Medicaid – Fee for Service	36.2%	14.5%
Medicaid – Manage Care	36.2%	57.9%
Medicare – Fee for Service	20.7%	20.6%
Medicare – Manage Care	3.3%	3.3%
Private Pay	0.3%	0.4%
Charity Care	3.3%	3.3%

Utilization and expense assumptions are based on evaluations by the applicant. They expect the patients will need approximately: 3 visits per month for Nursing; 2 visits per month for rehabilitation therapy (physical therapy, occupational therapy or speech pathology); 1 visit per month for social services; and 20 visits per month for home health aids.

The Medicare average episodic payment of \$3,314 is predicated on the calendar year 2012 national standardized 60-day episode payment rate of \$2,138.52, adjusted for case mix and wage index in the various counties to be serviced. Medicaid average episode payment is expected to be \$5,913 after adjusting for the local wage index factor of 1.06436 and using a case mix factor of 1.

Capability and Feasibility

There are no project costs associated with this application.

The working capital requirement is estimated at \$2,390,123, of which half or \$1,195,061 will be borrowed from M&T Bank for 5 years with a floating interest rate predicated on market conditions. The balance in working capital of \$1,195,062 will be provided from Susan Ostreicher's personal resources, the president of Cold Spring Hills Center for Nursing and Rehabilitation. Presented as BFA Attachment B is Susan Ostreicher' net worth statement which indicates sufficient liquid resources to meet the working capital requirement.

The budget projects a first year operating loss of \$116,436 and a third year operating surplus of \$230,252. Revenues are based on current payment rates for CHHA. The submitted budget appears reasonable.

Presented as BFA Attachment A, certified financial summary for 2010 that shows UPR Care Corp., d/b/a Cold Spring Hills Center for Nursing and Rehabilitation had a negative working capital position and had a positive net asset position and a slight net loss of \$128,620. The applicant points that during 2010 they just completed a major construction project which impacted occupancy. Now that the construction is completed, management has taken steps to improve the occupancy and have brought in a new chief-executive officer and administrator who are increasing efficiency and reducing operating costs.

It appears the applicant has demonstrated the capability to proceed in a financially feasible manner, and contingent approval is recommended.

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

BFA Attachment A	Financial Summary for 2010, UPR Care Corp., d/b/a Cold Spring Hills Center for Nursing and Rehabilitation.
BFA Attachment B	Net Worth Statement

UPR CARE CORP., INC.
a/k/a COLD SPRING HILLS CENTER FOR
NURSING AND REHABILITATION

BALANCE SHEET

DECEMBER 31, 2010

ASSETS

Current assets	
Cash	\$ 1,162,011
Cash - resident personal funds	552,398
Accounts receivable (net of allowance for bad debts of \$1,372,374)	11,937,118
Due from third parties	2,217,803
Prepaid expenses and other current assets	<u>808,890</u>
Total current assets	16,678,220
Fixed assets - net:	41,136,290
Goodwill	<u>7,705,774</u>
Total assets	\$ <u>65,520,284</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities	
Accounts payable and accrued expenses	\$ 13,185,675
Accrued payroll and related liabilities	4,745,675
Loans payable:	347,678
Estimated amount due to third-party payors	3,966,518
Resident personal funds	552,398
Deferred rent payable	167,550
Due to CSH Investment Group	1,877,300
Due to Cold Spring Hills Realty Co., LLC	<u>2,282,988</u>
Total current liabilities	<u>27,125,782</u>
Long-term liabilities	
Loans payable	1,715,661
Due to Cold Spring Hills Realty Co., LLC	<u>25,501,385</u>
Total long-term liabilities	<u>27,217,046</u>
Total liabilities	54,342,828
Shareholders' equity	<u>11,177,456</u>
Total liabilities and shareholders' equity	\$ <u>65,520,284</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

UPR CARE CORP., INC.
a/k/a COLD SPRING HILLS CENTER FOR
NURSING AND REHABILITATION

STATEMENT OF INCOME AND CHANGES
IN SHAREHOLDERS' EQUITY

YEAR ENDED DECEMBER 31, 2010

Operating revenues	
Resident service revenues	\$ 66,899,663
Community-based service revenues	10,696,260
Other operating revenues	<u>59,009</u>
Total operating revenues	<u>77,654,932</u>
Operating expenses	
Salaries	35,363,581
Employee benefits	15,120,785
Administrative services	3,327,099
Ancillary services	4,683,177
Supplies and other expenses (includes \$1,120 of income taxes)	12,951,583
Lease and rentals (includes \$2,441,211 to Cold Spring Hills Realty Co., LLC)	2,754,047
Insurance	658,752
Depreciation and amortization	2,197,221
Interest	33,622
New York State revenue assessment	<u>2,808,966</u>
Total operating expenses	<u>79,898,833</u>
Loss from operations	(2,243,901)
Nonoperating revenues	
HEAL grant revenues	<u>2,115,281</u>
Net loss	(128,620)
Shareholders' equity - December 31, 2009	<u>11,306,076</u>
Shareholders' equity - December 31, 2010	<u>\$ 11,177,456</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.



Public Health and Health Planning Council

Project # 121446-C South Nassau Communities Hospital

County: Nassau (Baldwin)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 21, 2012

Executive Summary

Description

South Nassau Communities Hospital, an existing long-term home health care program (LTHHCP) serving Nassau County, requests approval to convert to a new Article 36 certified home health agency (CHHA) to serve Nassau, Queens, and Suffolk counties. Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

South Nassau Communities Hospital submitted an application in response to the DAL, and was awarded approval. This CON application is in response to the approval via the expedited review.

Effective May 1, 2012, a new Episodic Payment System (EPS) reimbursement methodology to reimburse CHHA providers for services provided to Medicaid patients receiving home care services took effect. The EPS is based on a price for 60-day episodes of care which will be adjusted by patient acuity and regional wage differences. The EPS was recommended by the Medicaid Redesign

Team (MRT proposal # 5) and authorized in the 2011-12 enacted budget. The EPS is designed to address the issue of rapid growth in Medicaid costs per patient by better aligning payments with needed services and is part of a broad effort to promote the development of care management arrangements for Medicaid recipients.

For a conservative approach, revenues were calculated in which the lower of incremental cost to episodic payment was projected for year one and year three, and budgets were sensitized.

DOH Recommendation
Contingent approval.

Need Summary
South Nassau Communities Hospital's application clearly describes and adequately addresses each of the review criteria used to make determinations for this competitive review.

Program Summary
South Nassau Communities Hospital Long Term Home Health Care Program is currently in compliance with all applicable codes, rules and regulations.

Financial Summary
There are no project costs associated with this application.

Incremental Budget:	<i>Revenues:</i>	\$ 5,788,774
	<i>Expenses:</i>	<u>5,256,167</u>
	<i>Gain/(Loss):</i>	\$ 532,607

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

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Approval contingent upon:

1. The applicant must submit a plan acceptable to the Department of Health that details how it will achieve compliance with the provision of no less than 2% charity care in accordance with all the requirements outlined in Section 763.11(a)(11) of Title 10 NYCRR. [CHA]
2. Submission of new incremental budgets to be re-evaluated for financial feasibility for all counties approved for establishment or expansion acceptable to the Department. [BFA]

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

South Nassau Communities Hospital's application clearly describes and adequately addresses each of the review criteria used to make determinations for this competitive review. This proposal demonstrates the applicant has the organizational capacity to successfully implement the MRT initiatives and supports the goals of the Department in advancing these initiatives. The applicant demonstrates public need based on Section 709.1(a) of Title 10 NYCRR and provides a description of community need and the health needs of the community supported by data. The applicant has the requisite knowledge and experience in the provision of home health services and demonstrates the potential to produce efficiencies in the delivery of home care services. Finally, the application provides a description how the agency will use data to implement an ongoing quality assessment and performance improvement program that leads to measureable and sustained improvement in performance.

Recommendation

From a need perspective, approval is recommended.

Programmatic Analysis

Background

South Nassau Communities Hospital, Inc. is an existing not-for-profit corporation that operates an Article 36 certified home health agency and an Article 36 long term home health care program (LTHHCP) with approval to provide services in Nassau County.

The applicant is requesting approval to establish a new Article 36 certified home health agency to serve the residents of Queens, Nassau and Suffolk counties.

The applicant proposes to provide the following home health services; home health aide, medical social services, medical supply, equipment and appliances, nursing, nutritional, occupational therapy, physical therapy, speech language pathology and lab.

South Nassau Communities Hospital Long Term Home Health Care Program is currently in compliance with all applicable codes, rules and regulations.

Recommendation

From a programmatic perspective, contingent approval is recommended.

Financial Analysis

Operating Budget

The applicant has submitted an incremental operating budget, in 2012 dollars, for the first and third years, summarized below:

	<u>Year One</u>	<u>Year Three</u>
Revenues:		
Commercial	\$421,341	\$925,675
Medicare	911,526	2,002,594
Medicaid	<u>1,302,022</u>	<u>2,860,506</u>
Total Revenues:	\$2,634,889	5,788,775
Expenses:	\$2,449,272	\$5,256,167
Net Income:	\$185,617	\$532,608

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

	<u>Year One and Three</u>
Commercial Managed Care	10%
Medicare Fee for Service	54%
Medicaid Managed Care	34%
Charity Care	2%

Expenses and utilization assumptions are based on historical experience of South Nassau Communities Hospital's existing CHHA and LTHHCP. Revenues are reflective of current payment rates as well as the recent implementation of the Medicaid Episodic Payment system.

Capability and Feasibility

There are no project costs associated with this application.

Working capital requirements are estimated at \$876,028 based on two months of third year expenses and will be provided through the existing operation. Presented as BFA Attachment A, is the financial summary of South Nassau Communities Hospital and Subsidiaries, which indicates the availability of sufficient funds.

The submitted budget indicates a net income of \$185,617 and \$532,608 for the first and third years, respectively. Revenue is based on current payment rates for certified home health agencies and the Medicaid Episodic Payment rates. The budget appears reasonable.

As shown on BFA Attachment A, a financial summary of South Nassau Communities Hospital and Subsidiaries indicates that the facility has experienced positive working capital, positive net asset position and generated net income of \$26,420,448 and \$8,111,178 for 2010 and 2011, respectively.

Based on the preceding, and subject to the noted contingency, it appears that the applicant has demonstrated the capability to proceed in a financially feasible manner, and approval is recommended.

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

BFA Attachment A Financial Summary, South Nassau Communities Hospital and Subsidiaries

South Nassau Communities Hospital
and Subsidiaries

Consolidated Statements of Financial Position

	December 31	
	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 21,777,317	\$ 22,438,831
Investments	97,094,452	101,749,695
Current portion of assets whose use is limited	10,285,000	9,620,000
Patient receivables, less allowance for uncollectibles of \$26,885,000 in 2011 and \$25,491,000 in 2010	47,266,988	45,286,838
Other current assets	12,245,852	9,773,130
Total current assets	188,669,609	188,868,494
Assets whose use is limited	42,086,982	39,698,508
Long-term investments	3,054,046	1,986,741
Other long-term assets	2,646,738	2,906,478
Property, plant and equipment, net	228,612,378	209,361,432
Total assets	\$ 465,069,753	\$ 442,821,653

	December 31	
	2011	2010
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 15,679,426	\$ 13,461,920
Accrued expenses	30,735,926	25,007,724
Accrued payroll and vacation	15,019,636	14,507,461
Current portion of long-term debt	9,150,749	5,714,931
Current portion of accrued postretirement benefits other than pension	229,000	232,000
Current portion of estimated professional and general liabilities	6,555,000	6,075,000
Other current liabilities	13,670,000	16,420,000
Total current liabilities	<u>91,039,737</u>	<u>81,419,036</u>
Long-term debt, net of current portion	99,153,983	91,627,887
Accrued pension payable	92,494,666	41,762,689
Accrued postretirement benefits other than pension, net of current portion	5,077,000	4,586,000
Estimated professional and general liabilities, net of current portion	33,465,000	30,871,000
Other liabilities	2,914,131	3,482,297
Total liabilities	<u>324,144,517</u>	<u>253,748,909</u>
Commitments and contingencies		
Net assets:		
Unrestricted	137,871,190	187,086,003
Temporarily restricted	2,025,970	958,665
Permanently restricted	1,028,076	1,028,076
Total net assets	<u>140,925,236</u>	<u>189,072,744</u>
Total liabilities and net assets	<u>\$ 465,069,753</u>	<u>\$ 442,821,653</u>

South Nassau Communities Hospital
and Subsidiaries

Consolidated Statements of Activities

	Year Ended December 31	
	2011	2010
Operating revenue		
Net patient service revenue, net of contractual allowances and other discounts	\$ 392,711,842	\$ 369,773,876
Provision for bad debts	(10,298,000)	(8,493,000)
Net patient service revenue	382,413,842	361,280,876
Other revenue	3,618,010	13,985,499
Total operating revenue	<u>386,031,852</u>	<u>375,266,375</u>
Operating expenses		
Nursing services	129,712,961	122,638,071
Other professional services	106,582,165	95,422,216
Facilities services	21,632,964	20,563,059
Administrative and general services	34,672,370	30,590,373
Employee benefits	50,900,184	46,453,505
Insurance	8,449,966	7,605,724
Interest expense	5,415,293	5,711,540
Provision for depreciation and amortization	20,554,771	19,861,439
Total operating expenses	<u>377,920,674</u>	<u>348,845,927</u>
Operating income	8,111,178	26,420,448
Nonoperating gains:		
Net investment (loss) gain	(5,978,751)	7,640,746
Unrestricted contributions and bequests (less fund raising expenses of \$876,067 in 2011 and \$812,351 in 2010)	510,151	885,556
Gain on New Island settlement	-	1,500,000
Excess of revenue and gains over expenses	<u>2,642,578</u>	<u>36,446,750</u>
Net assets released from restrictions for capital asset acquisitions	366,222	1,238,220
Pension and postretirement liability adjustments	(52,223,613)	2,092,909
(Decrease) increase in unrestricted net assets	<u>\$ (49,214,813)</u>	<u>\$ 39,777,879</u>



Public Health and Health Planning Council

Project # 121424-C VillageCare Long Term Home Health Care Program

County: New York (New York)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 7, 2012

Executive Summary

Description

VillageCare Long Term Home Health Care Program (LTHHCP), an existing LTHHCP serving Bronx, Kings and New York counties, requests approval to convert to a new Article 36 certified home health agency (CHHA) to serve Bronx, Kings, New York and Queens counties. Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

VillageCare LTHHCP submitted an application in response to the DAL, and was awarded approval. This CON application is in response to the approval via the expedited review.

Effective May 1, 2012, a new Episodic Payment System (EPS) reimbursement methodology to reimburse CHHA providers for services provided to Medicaid patients receiving home care services took effect. The EPS is based on a price for 60-day episodes of care which will be adjusted by patient acuity and regional wage differences. The EPS was recommended by the Medicaid Redesign

Team (MRT proposal # 5) and authorized in the 2011-12 enacted budget. The EPS is designed to address the issue of rapid growth in Medicaid costs per patient by better aligning payments with needed services and is part of a broad effort to promote the development of care management arrangements for Medicaid recipients.

For a conservative approach, revenues were calculated in which the lower of incremental cost to episodic payment was projected for year one and year three, and budgets were sensitized.

DOH Recommendation
Contingent approval.

Need Summary
Village Center for Care, Inc.'s application clearly describes and adequately addresses each of the review criteria used to make determinations for this competitive review.

Program Summary
VillageCare Long Term Home Health Care Program is currently in compliance with all applicable codes, rules and regulations.

Financial Summary
There are no project costs associated with this application.

Incremental Budget:	Revenues:	\$ 14,211,850
	Expenses:	<u>14,080,039</u>
	Gain/(Loss):	\$ 131,811

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

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Approval contingent upon:

1. The applicant must submit a plan acceptable to the Department of Health that details how it will achieve compliance with the provision of no less than 2% charity care in accordance with all the requirements outlined in Section 763.11(a)(11) of Title 10 NYCRR. [CHA]
2. Submission of new incremental budgets to be re-evaluated for financial feasibility for all counties approved for establishment or expansion acceptable to the Department. [BFA]

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

Village Center for Care, Inc.'s application clearly describes and adequately addresses each of the review criteria used to make determinations for this competitive review. This proposal demonstrates the applicant has the organizational capacity to successfully implement the MRT initiatives and supports the goals of the Department in advancing these initiatives. The applicant demonstrates public need based on Section 709.1(a) of Title 10 NYCRR and provides a description of community need and the health needs of the community supported by data. The applicant has the requisite knowledge and experience in the provision of home health services and demonstrates the potential to produce efficiencies in the delivery of home care services. Finally, the application provides a description how the agency will use data to implement an ongoing quality assessment and performance improvement program that leads to measureable and sustained improvement in performance.

Recommendation

From a need perspective, disapproval is recommended.

Programmatic Analysis

Background

Village Center for Care, is an existing not-for-profit corporation that operates an Article 28 residential health care facility and an Article 36 long term home health care program (LTHHCP) with approval to provide services in Bronx, Kings and New York counties.

The applicant proposes to convert their LTHHCP, VillageCare Long Term Home Health Care Program, to an Article 36 certified home health agency to serve the residents of Bronx, Kings, New York and Queens counties.

The applicant proposes to provide the following home health services; home health aide, medical social services, medical supply, equipment and appliances, nursing, nutritional, occupational therapy, personal care, physical therapy, respiratory therapy and speech language pathology.

VillageCare Long Term Home Health Care Program is currently in compliance with all applicable codes, rules and regulations.

Recommendation

From a programmatic perspective, contingent approval is recommended.

Financial Analysis

Operating Budget

The applicant has submitted an incremental operating budget, in 2012 dollars, for the first and third years, summarized below:

	<u>Year One</u>	<u>Year Three</u>
Revenues:		
Commercial Fee for Service	\$1,055,950	\$1,483,608
Medicare Fee for Service Episodic	2,472,000	3,429,240
Medicare Managed Care	1,055,950	1,483,608
Medicaid Fee for Service	432,034	150,724
Medicaid Episodic	5,052,000	3,079,907
Medicaid Managed care and MLTC	2,430,533	4,549,285
Charity Care	(249,970)	(283,528)
Ryan White grant and prior year adjustment	<u>849,006</u>	<u>319,006</u>
Total Revenues:	13,097,503	14,211,850
 Expenses:	 <u>\$13,067,132</u>	 <u>\$14,080,039</u>
 Net Income:	 <u>\$30,371</u>	 <u>\$131,811</u>

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

	<u>Year One</u>	<u>Year Three</u>
Commercial Fee for Service	9.56%	12.06%
Medicare Fee for Service Episodic	16.40%	19.73%
Medicare Managed Care	9.56%	12.05%
Medicaid Fee for Service	4.00%	1.24%
Medicaid Episodic	38.30%	19.67%
Medicaid Managed Care	19.88%	33.05%
Charity Care	2.30%	2.20%

Expenses and utilization assumptions are based on the historical experience of the facility's sister CHHA. Revenues are reflective of current payment rates as well as the recent implementation of the Medicaid Episodic Payment system.

Capability and Feasibility

There are no project costs associated with this application.

Working capital requirements are estimated at \$2,346,673 based on two months of third year expenses and will be provided through the existing operation. Presented as BFA Attachments A and B, are the 2010-2011 certified financial statements of Village Center for Care and Village Care of New York and Subsidiaries, respectively, which indicates the availability of sufficient funds for this project.

The submitted budget indicates a net income of \$30,371 and \$131,811 for the first and third years, respectively. Revenue is based on current payment rates for certified home health agencies and the Medicaid episodic payment rates. The budget appears reasonable.

As shown on BFA Attachment A, The 2010-2011 certified financial statements for Village Center for Care indicates that the facility has experienced an average negative working capital position and an average positive member's equity position for the period 2010-2011 and generated an average net operating loss of \$4,435,463 for the period 2010-2011 prior to non operating revenues and expenses. Including the non operating revenues and expenses gives the facility an average positive net income of \$7,420,731 for the period 2010-2011. The applicant indicates that the reason for the operating losses in 2011 was due to the implementation of MRT initiatives, especially the cap on home care for long term care patients, which caused a \$6 million dollar deficit for the special needs CHHA. The facility also incurred a loss due to the fact that it was the first year of operations of the new nursing home facility, VillageCare Rehabilitation and Nursing center. In order to rectify these issues the facility now has a managed long term care plan that is assuming responsibility for any Medicaid patients needing home care for over 120 days. Also the facility will open a general purposed CHHA, in which they can maintain operations within the Medicare and Medicaid episodic payments, which can be seen in the year 1 and 3 projections. As for the nursing home, the applicant indicates that the facility has negotiated a better Medicare managed care contract and also balanced the payor mix. With these adjustments, the facility is expecting to generate net operating revenue in 2012.

As shown on BFA Attachment B, the 2010-2011 certified financial statements for Village Care of New York and Subsidiaries indicates that the operations have a average negative working capital for the period 2010-2011, but in 2011 the facility has achieved positive working capital position of \$5.7 million which is over the amount that is necessary to furnish the working capital needs for this project. The operations also show a positive average net asset position for the period 2010-2011 and a negative average net loss of \$3,808,747. This is prior to non operating revenues and expenses which bring them to an average net income position for the period 2010-2011 of \$11,908,415. Based on the preceding, and subject to the noted contingency, it appears that the applicant has demonstrated the capability to proceed in a financially feasible manner, and contingent approval is recommended.

Recommendation

From a financial perspective, contingent approval is recommended.

<h2>Attachments</h2>

BFA Attachment A	Financial Summary Village Center for Care 2010- 2011 certified financial statements
BFA Attachment B	Financial Summary Village Care of New York and Subsidiaries 2010-2011 certified financial statements
BFA Attachment C	Organizational Chart

VILLAGE CENTER FOR CARE

BALANCE SHEET

DECEMBER 31, 2011
 (With Summarized Financial Information
 for December 31, 2010)

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,021,521	\$ 1,305,916
Resident funds held in trust	51,327	153,181
Investments		14,701,087
Investments - certificate of deposit	913,000	913,000
Accounts receivable - net	11,311,002	11,346,265
Grants receivable	575,573	589,774
Prepaid expenses and other assets	511,251	1,002,291
Beneficial interest in real property	<u>4,150,000</u>	
Total current assets	23,533,674	30,011,514
Assets limited as to use		
Cash and cash equivalents and investments - escrow fund	2,428,721	2,411,192
Fixed assets - net	65,711,357	71,303,430
Beneficial interest in real property		<u>1,300,000</u>
Total assets	<u>\$ 91,673,752</u>	<u>\$ 105,026,136</u>

VILLAGE CENTER FOR CARE

BALANCE SHEET

DECEMBER 31, 2011
 (With Summarized Financial Information
 for December 31, 2010)

	<u>2011</u>	<u>2010</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 5,407,994	\$ 7,512,071
Accrued wages payable and related liabilities	1,774,275	1,801,503
Construction costs payable	1,340,017	1,008,809
Pension liability payable	36,457	38,144
Advances from funding sources	228,292	138,350
Due to Flank Management LLC		7,743,894
Estimated liabilities due to third parties	12,180,040	10,026,006
Loans payable	721,013	30,092,128
Resident funds held in trust	51,327	153,181
Due to related entities	11,470,149	4,494,091
	<u>33,209,564</u>	<u>63,008,177</u>
Total current liabilities		
Long-term liabilities		
Pension liability payable	1,214,483	1,405,532
Loans payable	14,353,827	14,340,000
Swap liability	3,158,630	1,149,262
	<u>18,726,940</u>	<u>16,894,794</u>
Total long-term liabilities		
	<u>51,936,504</u>	<u>79,902,971</u>
Total liabilities		
Net assets		
Unrestricted	39,248,125	24,634,042
Temporarily restricted	489,123	489,123
	<u>39,737,248</u>	<u>25,123,165</u>
Total net assets		
	<u>\$ 91,673,752</u>	<u>\$ 105,026,136</u>
Total liabilities and net assets		

VILLAGE CENTER FOR CARE

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2011

(With Summarized Financial Information for the
Year Ended December 31, 2010)

	2011		2010
	Unrestricted	Temporarily Restricted	
Operating revenues			
Skilled nursing facility			
Net resident revenues	\$ 19,358,890		\$ 19,358,890
Grant revenues	92,294		92,294
Prior-period revenues	706,521		706,521
Total skilled nursing facility	20,157,705		20,157,705
Adult day health care centers			
Net client fees	6,085,688		6,085,688
Grant revenues			4,000
Prior-period revenues	(181,218)		(181,218)
Total adult day health care centers	5,904,470		5,904,470
Certified home health care agency			
Net client revenues	25,739,513		25,739,513
Grant revenues	379,504		379,504
Prior-period revenues	652,285		652,285
Total certified home health care agency	26,771,302		26,771,302
Case management			
Net client fees	2,357,557		2,357,557
Grant revenues	2,076,465		2,076,465
Total case management	4,434,022		4,434,022
Long-term home health care program			
Net client fees	9,669,803		9,669,803
Prior-period revenues	440,743		440,743
Total long-term home health care program	10,110,546		10,110,546
Other community-based programs			
Grant revenues	171,658		171,658
Total operating revenues	67,549,703		67,549,703

-continued-

VILLAGE CENTER FOR CARE

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2011

(With Summarized Financial Information for the
Year Ended December 31, 2010)

IOEB & TROPER LLP

	2011			2010
	Unrestricted	Temporarily Restricted	Total	
Operating expenses				
Medical and related functions	\$ 9,447,563		\$ 9,447,563	\$ 9,607,820
Service departments	2,418,984		2,418,984	3,185,185
Adult day health care centers	4,696,811		4,696,811	4,945,135
Certified home health care agency	29,190,227		29,190,227	37,683,998
Case management	3,721,464		3,721,464	3,177,536
Long-term home health care	10,787,056		10,787,056	7,762,464
Other community-based programs	140,748		140,748	252,451
Administrative and general	4,036,415		4,036,415	4,241,481
Payroll taxes and employee benefits	7,427,816		7,427,816	7,349,652
Depreciation and amortization	3,039,893		3,039,893	1,262,913
New York State revenue assessment	778,410		778,410	1,098,595
Interest	731,080		731,080	209,908
Bad debt expense				127,321
Total operating expenses	76,416,467		76,416,467	80,904,459
Operating loss	(8,866,764)		(8,866,764)	(4,161)
Nonoperating revenues and expenses				
Contributions	31,569		31,569	90,355
Contribution - beneficial interest in real property	2,850,000		2,850,000	
Investment income - net	3,288		3,288	54,800
Other revenues	352,309		352,309	119,652
Total nonoperating revenues and expenses	3,237,166		3,237,166	264,807

Exhibit A (continued)

VILLAGE CENTER FOR CARE

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2011
 (With Summarized Financial Information for the
 Year Ended December 31, 2010)

	2011			2010
	Unrestricted	Temporarily Restricted	Total	
Change in net assets before other changes	\$ (5,629,598)		\$ (5,629,598)	\$ 260,646
Forgiveness of interfund borrowings	(6,308,844)		(6,308,844)	
Loss on swap agreement	<u>(2,009,368)</u>		<u>(2,009,368)</u>	<u>(33,268)</u>
Change in net assets before extraordinary item	(13,947,810)		(13,947,810)	227,378
Net gain on sale of fixed assets	<u>28,561,893</u>		<u>28,561,893</u>	
Change in net assets after extraordinary item	14,614,083		14,614,083	227,378
Net assets - beginning of year	<u>24,634,042</u>	\$ <u>489,123</u>	<u>25,123,165</u>	<u>24,895,787</u>
Net assets - end of year	<u>\$ 39,248,125</u>	<u>\$ 489,123</u>	<u>\$ 39,737,248</u>	<u>\$ 25,123,165</u>

**VILLAGE CARE OF NEW YORK
AND SUBSIDIARIES**

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2011
(With Summarized Financial Information
for December 31, 2010)

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 14,020,180	\$ 3,932,954
Resident funds held in trust	166,953	244,943
Investments	21,986,808	45,419,775
Investments - certificate of deposit	913,000	913,000
Accounts receivable - net	18,657,951	19,487,391
Grants receivable	1,116,752	1,651,246
Prepaid expenses and other assets	1,166,927	2,059,272
Beneficial interest in real property	<u>4,150,000</u>	<u></u>
Total current assets	<u>62,178,571</u>	<u>73,708,581</u>
Assets limited as to use		
Cash and cash equivalents	8,076,142	8,489,069
Investments	<u>5,775,694</u>	<u>5,760,593</u>
Total assets limited as to use	<u>13,851,836</u>	<u>14,249,662</u>
Fixed assets - net	91,033,312	98,578,445
Beneficial interest in real property	<u></u>	<u>1,300,000</u>
Total assets	<u>\$ 167,063,719</u>	<u>\$ 187,836,688</u>

**VILLAGE CARE OF NEW YORK
AND SUBSIDIARIES**

CONSOLIDATED BALANCE SHEET

**DECEMBER 31, 2011
(With Summarized Financial Information
for December 31, 2010)**

	<u>2011</u>	<u>2010</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 8,533,578	\$ 11,112,356
Accrued interest payable	95,113	111,246
Accrued wages payable and related liabilities	4,939,679	5,081,367
Construction costs payable	1,340,017	1,008,809
Pension liability payable	36,457	38,144
Long-term debt	3,404,832	33,126,252
Capital lease payable	195,430	219,546
Advances from funding sources	444,689	374,559
Due to Flank Management LLC		7,743,894
Due to third parties	38,506,471	39,079,097
Resident funds	166,953	244,943
	<u>57,663,219</u>	<u>98,140,213</u>
Total current liabilities		
Long-term liabilities		
Pension liability payable	1,214,483	1,405,532
Long-term debt	36,030,894	38,729,909
Capital lease payable	94,968	202,735
Swap liability	3,158,630	1,149,262
	<u>40,498,975</u>	<u>41,487,438</u>
Total long-term liabilities		
Total liabilities		
	<u>98,162,194</u>	<u>139,627,651</u>
Net assets		
Unrestricted (including shareholders' equity of \$388,188, which has a minority interest of (\$1,147,359))	68,802,325	48,099,837
Temporarily restricted	99,200	109,200
	<u>68,901,525</u>	<u>48,209,037</u>
Total net assets		
Total liabilities and net assets		
	<u>\$ 167,063,719</u>	<u>\$ 187,836,688</u>

**VILLAGE CARE OF NEW YORK
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2011
(With Summarized Financial Information
for the Year Ended December 31, 2010)

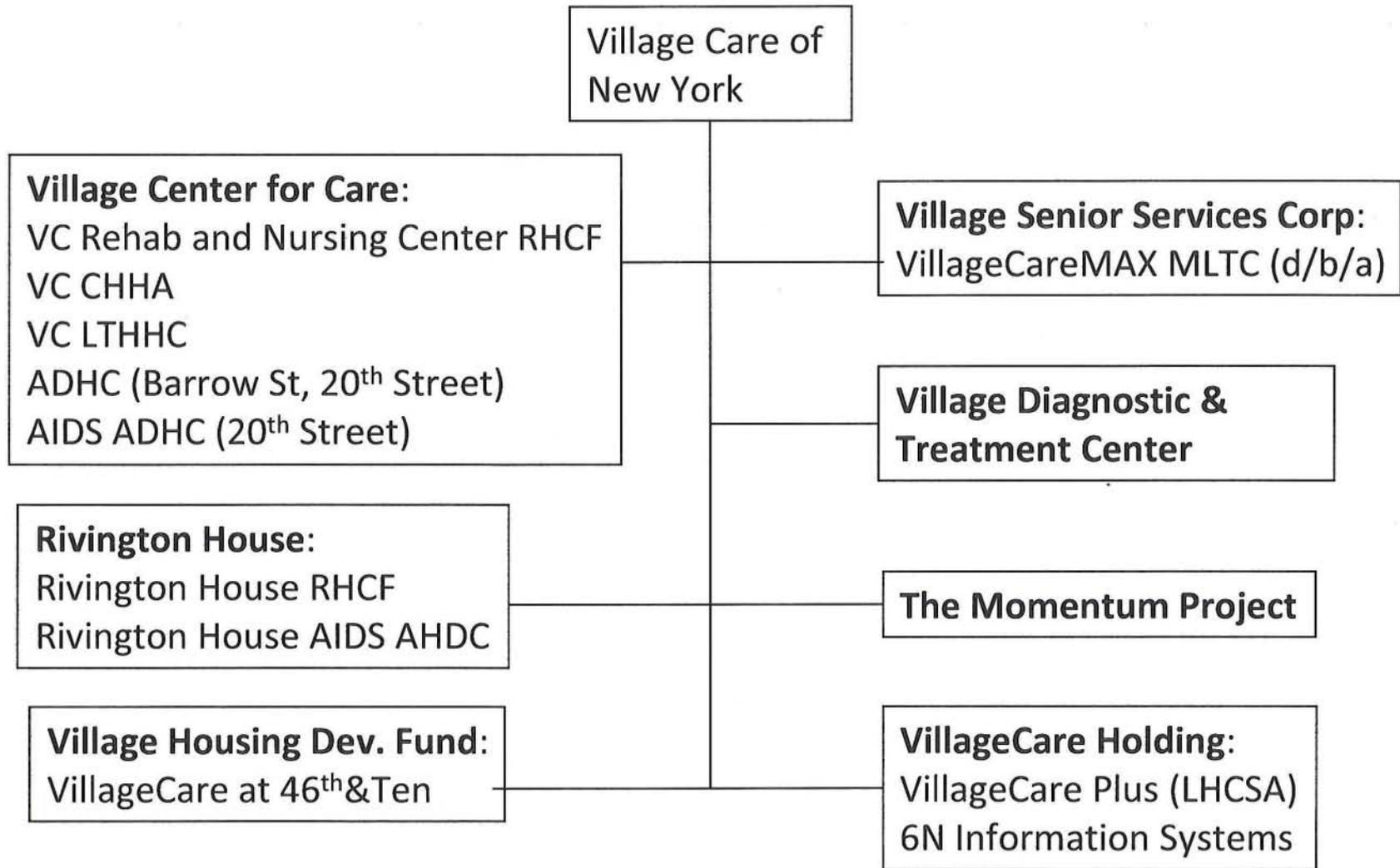
	Unrestricted	Temporarily Restricted	Total	
			2011	2010
Operating revenues				
Skilled nursing facilities	\$ 56,764,768		\$ 56,764,768	\$ 56,073,391
Adult day health care centers	8,008,985		8,008,985	9,337,995
Certified home health care agency	26,771,302		26,771,302	43,001,005
Case management	4,434,022		4,434,022	4,187,792
Long-term home health care program	10,110,546		10,110,546	8,771,902
Licensed agency	919,762		919,762	1,189,765
Service fees	1,465,950		1,465,950	1,542,901
Primary care	1,941,576		1,941,576	1,719,894
Senior housing	3,584,325		3,584,325	3,707,112
Other community-based programs	161,658		161,658	212,400
Grants	2,295,891		2,295,891	2,640,135
Other operating revenues	89,575		89,575	41,903
Total operating revenues	116,548,360		116,548,360	132,426,195
Operating expenses				
Skilled nursing departments	30,323,929		30,323,929	31,855,229
Adult day health care centers	5,078,048		5,078,048	5,239,031
Certified home health care agency	20,422,129		20,422,129	25,546,485
Case management	3,154,136		3,154,136	2,712,165
Long-term home health care program	8,979,134		8,979,134	6,599,461
Licensed agency	5,347,239		5,347,239	7,538,722
Service fees	2,125,589		2,125,589	2,114,440
Primary care	1,627,110		1,627,110	1,257,430
Senior housing	1,540,776		1,540,776	1,561,017
Other community-based programs	140,748		140,748	252,451
Outreach programs	1,636,425		1,636,425	2,354,424
Interest	2,997,727		2,997,727	3,121,645
Payroll taxes and employee benefits	17,377,519		17,377,519	16,866,569
Administrative and general	14,279,726		14,279,726	14,185,585
New York State revenue assessment	2,810,459		2,810,459	2,760,976
Depreciation and amortization	7,242,175		7,242,175	5,838,745
Bad debts	698,719		698,719	1,006,086
Total operating expenses	125,781,588		125,781,588	130,810,461
Operating gain (loss)	(9,233,228)		(9,233,228)	1,615,734

**VILLAGE CARE OF NEW YORK
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF ACTIVITIES

**YEAR ENDED DECEMBER 31, 2011
(With Summarized Financial Information
for the Year Ended December 31, 2010)**

	Unrestricted	Temporarily Restricted	Total	
			2011	2010
Nonoperating revenues and expenses				
Contributions and grants	\$ 533,677		\$ 533,677	\$ 352,725
Special events revenues	277,954		277,954	314,871
Direct cost of special events	(160,663)		(160,663)	(148,533)
Investment income - net	150,264		150,264	1,352,368
Other revenues	442,811		442,811	122,708
Contribution - beneficial interest				
	2,850,000		2,850,000	
Nonoperating expenses	(720,852)		(720,852)	(452,264)
Net assets released from restriction	10,000	\$ (10,000)		
Total nonoperating revenues and expenses	<u>3,383,191</u>	<u>(10,000)</u>	<u>3,373,191</u>	<u>1,541,875</u>
Change in net assets before other changes	(5,850,037)	(10,000)	(5,860,037)	3,157,609
Loss on swap agreement	(2,009,368)		(2,009,368)	(33,268)
Net gain on sale of fixed assets	<u>28,561,893</u>		<u>28,561,893</u>	
Change in net assets after other changes	20,702,488	(10,000)	20,692,488	3,124,341
Net assets - beginning of year	<u>48,099,837</u>	<u>109,200</u>	<u>48,209,037</u>	<u>45,084,696</u>
Net assets - end of year	<u>\$ 68,802,325</u>	<u>\$ 99,200</u>	<u>\$ 68,901,525</u>	<u>\$ 48,209,037</u>





Public Health and Health Planning Council

Project # 121442-C

Bethel Nursing Home Company, Inc.

County: Westchester (Ossining)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 20, 2012

Executive Summary

Description

Bethel Nursing Home Company, Inc., an existing long-term home health care program (LTHHCP) serving Westchester County, requests approval to convert to a new Article 36 certified home health agency (CHHA) to serve Bronx, New York, Queens, Westchester and Putnam counties, and is only being considered at the present time for the Downstate counties requested (Bronx, New York, Queens, and Westchester). The request relative to Upstate counties will be presented to the Public Health and Health Planning Council (PHHPC) with other applicants who have applied to serve the same county or counties, on a subsequent agenda.

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose CHHA. This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

DOH Recommendation
Disapproval.

Need Summary

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Reviews were conducted, and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the PHHPC with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in New York State is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

The application failed to describe strategies or a plan to produce efficiencies in the delivery of home care services to the home care population to reduce operating costs and inappropriate utilization while improving outcomes. The application failed to provide a comprehensive and effective quality assurance plan which described how the agency will use data to implement an ongoing quality assessment and performance improvement program that leads to measurable and sustained improvement in performance.

The applicant also requested approval to serve the following upstate county: Putnam. A determination regarding the recommendation for approval or disapproval for the establishment of a CHHA to serve the upstate counties will be presented to the council at a future meeting. Therefore, this application has been amended by the Department to remove the request for the upstate counties.

Recommendation

From a need perspective, disapproval is recommended.



Public Health and Health Planning Council

Project # 121456-C

Fort Tryon Center for Rehabilitation and Nursing

County: New York (New York)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 22, 2012

Executive Summary

Description

Fort Tryon Center for Rehabilitation and Nursing, an existing long-term home health care program (LTHHCP) serving New York county, requests approval to convert to a new Article 36 certified home health agency (CHHA) to serve Bronx, New York, Queens, Nassau, Westchester and Rockland counties, and is only being considered at the present time for the Downstate counties requested (Bronx, New York, Queens, Nassau and Westchester). The request relative to Upstate counties will be presented to the Public Health and Health Planning Council (PHHPC) with other applicants who have applied to serve the same county or counties, on a subsequent agenda.

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose CHHA. This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

DOH Recommendation
Disapproval.

Need Summary

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Reviews were conducted, and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the PHHPC with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in New York State is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

The application failed to adequately demonstrate the organizational capacity to successfully implement the MRT initiatives and the potential to support the goals of the Department in advancing MRT initiatives. The application failed to adequately demonstrate public need based on criteria specified in Section 709.1(a) of Title 10 NYCRR as well as provide an adequate description of community need and the health needs of the community supported by data. The application failed to adequately describe strategies or a plan to produce efficiencies in the delivery of home care services to the home care population to reduce operating costs and inappropriate utilization while improving outcomes. The application failed to provide an adequate comprehensive and effective quality assurance plan which described how the agency will use data to implement an ongoing quality assessment and performance improvement program that leads to measurable and sustained improvement in performance.

The applicant also requested approval to serve the following upstate county: Rockland. A determination regarding the recommendation for approval or disapproval for the establishment of a CHHA to serve the upstate counties will be presented to the council at a future meeting. Therefore, this application has been amended by the Department to remove the request for the upstate counties.

Recommendation

From a need perspective, disapproval is recommended.



Public Health and Health Planning Council

Project # 121421-C Four Seasons Nursing and Rehabilitation Center LTHHCP

County: Kings (Brooklyn)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 5, 2012

Executive Summary

Description

Four Seasons Nursing and Rehabilitation Center LTHHCP, an existing long-term home health care program (LTHHCP) serving Kings County, requests approval to convert their LTHHCP to a new Article 36 certified home health agency (CHHA) to serve Bronx, Kings, Queens, and Richmond counties. Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

DOH Recommendation
Disapproval.

Need Summary

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Reviews were conducted, and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau,

Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in New York State is based on the demonstration of need and on the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

The application failed to adequately demonstrate the organizational capacity to successfully implement the MRT initiatives and the potential to support the goals of the Department in advancing MRT initiatives. The application failed to demonstrate public need based on criteria specified in Section 709.1(a) of Title 10 NYCRR as well as provide an adequate description of community need and the health needs of the community supported by data.

Recommendation

From a need perspective, disapproval is recommended.



Public Health and Health Planning Council

Project # 121440-C
Hillside Manor Nursing Center

County: Queens (Hollis)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 20, 2012

Executive Summary

Description

Hillside Manor Nursing Center, an existing long-term home health care program (LTHHCP) serving Queens County, requests approval to convert their LTHHCP to a new Article 36 certified home health agency (CHHA) to serve Bronx, Kings, Queens, New York and Richmond counties. Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

DOH Recommendation
Disapproval.

Need Summary

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Reviews were conducted, and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau,

Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in New York State is based on the demonstration of need and on the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

The application failed to adequately demonstrate the organizational capacity to successfully implement the MRT initiatives. The application failed to describe strategies or a plan to produce efficiencies in the delivery of home care services to the home care population to reduce operating costs and inappropriate utilization while improving outcomes. The application failed to provide an adequate comprehensive and effective quality assurance plan which described how the agency will use data to implement an ongoing quality assessment and performance improvement program that leads to measurable and sustained improvement in performance.

Recommendation

From a need perspective, disapproval is recommended.



Public Health and Health Planning Council

Project # 121450-C

Kingsbridge Heights Rehabilitation and Care Center

County: Bronx (Bronx)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 21, 2012

Executive Summary

Description

Kingsbridge Heights Nursing Home, an existing long-term home health care program (LTHHCP) serving Bronx, Queens and New York counties, requests approval to convert to a new Article 36 certified home health agency (CHHA) to serve Bronx, Queens, New York and Kings counties. Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

DOH Recommendation
Disapproval.

Need Summary

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Reviews were conducted, and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau,

Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in New York State is based on the demonstration of need and on the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

The application failed to adequately demonstrate the organizational capacity to successfully implement the MRT initiatives and the potential to support the goals of the Department in advancing MRT initiatives. The application failed to demonstrate public need based on criteria specified in Section 709.1(a) of Title 10 NYCRR as well as provide an adequate description of community need and the health needs of the community supported by data. The application failed to describe strategies or a plan to produce efficiencies in the delivery of home care services to the home care population to reduce operating costs and inappropriate utilization while improving outcomes. The application failed to provide a comprehensive and effective quality assurance plan which described how the agency will use data to implement an ongoing quality assessment and performance improvement program that leads to measurable and sustained improvement in performance.

Recommendation

From a need perspective, disapproval is recommended.



Public Health and Health Planning Council

Project # 121452-C

Lutheran Augustana Center for Extended Care and Rehab LTHHCP

County: Kings (Brooklyn)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 21, 2012

Executive Summary

Description

Lutheran Augustana Center for Extended Care and Rehab, an existing long-term home health care program (LTHHCP) serving Kings County, requests approval to convert to a new Article 36 certified home health agency (CHHA) to serve Bronx, Kings, Queens, New York and Richmond counties. Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

DOH Recommendation
Disapproval.

Need Summary

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Reviews were conducted, and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau,

Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in New York State is based on the demonstration of need and on the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

The application failed to adequately demonstrate the potential to support the goals of the Department in advancing MRT initiatives. The application failed to adequately describe strategies or a plan to produce efficiencies in the delivery of home care services to the home care population to reduce operating costs and inappropriate utilization while improving outcomes. The application failed to provide an adequate description of community need and the health needs of the community supported by data.

Recommendation

From a need perspective, disapproval is recommended.



Public Health and Health Planning Council

Project # 121441-C

New York Congregational Nursing Center Long Term Home Health Care Program

County: Kings (Brooklyn)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 20, 2012

Executive Summary

Description

New York Congregational Nursing Center, an existing long-term home health care program (LTHHCP) serving Kings County, requests approval to convert to a new Article 36 certified home health agency (CHHA) to serve Kings County. Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

DOH Recommendation
Disapproval.

Need Summary

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Reviews were conducted, and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau,

Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in New York State is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

The application failed to adequately demonstrate the potential to support the goals of the Department in advancing MRT initiatives. The application failed to adequately demonstrate public need based on criteria specified in Section 709.1(a) of Title 10 NYCRR. The application failed to adequately describe strategies or a plan to produce efficiencies in the delivery of home care services to the home care population to reduce operating costs and inappropriate utilization while improving outcomes.

Recommendation

From a need perspective, disapproval is recommended.



Public Health and Health Planning Council

Project # 121290-C

Park Gardens Rehabilitation and Nursing Center

County: Bronx (Riverdale)

Purpose: Construction

Program: Certified Home Health Agency

Submitted: April 20, 2012

Executive Summary

Description

Park Gardens Rehabilitation and Nursing Center, an existing long-term home health care program (LTHHCP) serving Bronx county, requests approval to convert to a new Article 36 certified home health agency (CHHA) to serve Bronx, Kings, Queens, New York, Richmond and Westchester counties. Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

DOH Recommendation
Disapproval.

Need Summary

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Reviews were conducted, and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau,

Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in New York State is based on the demonstration of need and on the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

The application failed to adequately demonstrate the organizational capacity to successfully implement the MRT initiatives and the potential to support the goals of the Department in advancing MRT initiatives. The application failed to demonstrate public need based on criteria specified in Section 709.1(a) of Title 10 NYCRR as well as provide an adequate description of community need and the health needs of the community supported by data. The application failed to describe strategies or a plan to produce efficiencies in the delivery of home care services to the home care population to reduce operating costs and inappropriate utilization while improving outcomes. The application failed to provide a comprehensive and effective quality assurance plan which described how the agency will use data to implement an ongoing quality assessment and performance improvement program that leads to measurable and sustained improvement in performance.

Recommendation

From a need perspective, disapproval is recommended.



Public Health and Health Planning Council

Project # 121436-C
PTS of Manhattan LTHHCP

County: Kings (Brooklyn)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 19, 2012

Executive Summary

Description

PTS of Manhattan, an existing long-term home health care program (LTHHCP) serving New York County, requests approval to convert their LTHHCP to a new Article 36 certified home health agency (CHHA) to serve New York County. Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

DOH Recommendation
Disapproval.

Need Summary

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Reviews were conducted, and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau,

Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in New York State is based on the demonstration of need and on the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

The application failed to adequately demonstrate the organizational capacity to successfully implement the MRT initiatives. The application failed to adequately demonstrate public need based on criteria specified in Section 709.1(a) of Title 10 NYCRR.

Recommendation

From a need perspective, disapproval is recommended.



Public Health and Health Planning Council

Project # 121457-C

Split Rock Rehabilitation and Health Care Center

County: Bronx (Bronx)
Purpose: Construction

Program: Certified Home Health Agency
Submitted: June 22, 2012

Executive Summary

Description

Split Rock Rehabilitation and Health Care Center, an existing long-term home health care program (LTHHCP) serving Bronx county, requests approval to convert to a new Article 36 certified home health agency (CHHA) to serve Bronx, Queens, New York, Nassau, Westchester and Rockland counties, and is only being considered at the present time for the Downstate counties requested (Bronx, New York, Queens, Nassau and Westchester). The request relative to Upstate counties will be presented to the Public Health and Health Planning Council (PHHPC) with other applicants who have applied to serve the same county or counties, on a subsequent agenda.

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing LTHHCP requesting approval as a general purpose CHHA. This authorization was subsequent to the Department of Health issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

DOH Recommendation
Disapproval.

Need Summary

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extending the CON submission due date to June 22, 2012.

Reviews were conducted, and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the PHHPC with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in New York State is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this application.

Office of Health Systems Management

Disapproval.

Council Action Date

August 9, 2012.

Need Analysis

Background

Chapter 56 of the Laws of 2012 authorized the Commissioner of Health to grant an expedited review of a certificate of need (CON) application submitted by an existing Long Term Home Health Care Plan (LTHHCP) requesting approval as a general purpose Certified Home Health Agency (CHHA). This authorization was subsequent to the Department issuing a Request for Applications (RFA) on January 25, 2012, to establish new or expand existing CHHAs in New York State.

Solicitation

On May 10, 2012, the Department issued a Dear Administrator Letter (DAL) outlining the process for LTHHCPs who were eligible for the expedited review process authorized by Chapter 56 of the Laws of 2012. The DAL identified LTHHCPs that did not submit an application in response to the January 25, 2012 RFA as eligible to submit a CON application requesting approval as a general purpose CHHA. CON applications were initially due on June 15, 2012, but a June 11, 2012 clarification letter was issued extended the CON submission due date to June 22, 2012.

Review

Reviews were conducted and recommendations are being made separately for Downstate and Upstate counties. Downstate counties consist of the counties Kings, Queens, New York, Richmond, Bronx, Nassau, Suffolk, and Westchester. Upstate counties consist of the remaining counties in New York State not listed in the preceding Downstate counties. All applications were reviewed for each county they proposed to serve. If applicants requested Upstate and Downstate counties, they will be presented to the Public Health and Health Planning Council with other applicants who have requested the same county or counties.

The CON determination of need was based on the applicant's responses to CON Schedule 21. A June 11, 2012 clarification letter to the May 10, 2012 DAL letter informed potential applicants that the process to establish or expand existing CHHAs in NYS is based on the demonstration of need and or the ability of the organization to facilitate Medicaid Redesign Initiatives. The applicant was expected to address these criteria in their responses to the questions in CON Schedule 21.

From this review, applicants were recommended in each county proposed based on how well their proposal addressed the criteria in CON Schedule 21. Ultimately, three of thirteen applications were recommended for approval to establish a new general purpose CHHA in one or more of the eight Downstate counties.

This CON is one of ten applicants that did not address the review criteria well enough to merit approval to establish a new general purpose CHHA in the geographic area, and is therefore recommended for disapproval.

The application failed to adequately demonstrate the organizational capacity to successfully implement the MRT initiatives and the potential to support the goals of the Department in advancing MRT initiatives. The application failed to adequately demonstrate public need based on criteria specified in Section 709.1(a) of Title 10 NYCRR as well as provide an adequate description of community need and the health needs of the community supported by data. The application failed to adequately describe strategies or a plan to produce efficiencies in the delivery of home care services to the home care population to reduce operating costs and inappropriate utilization while improving outcomes. The application failed to provide an adequate comprehensive and effective quality assurance plan which described how the agency will use data to implement an ongoing quality assessment and performance improvement program that leads to measurable and sustained improvement in performance.

The applicant also requested approval to serve the following upstate county: Rockland. A determination regarding the recommendation for approval or disapproval for the establishment of a CHHA to serve the upstate counties will be presented to the council at a future meeting. Therefore, this application has been amended by the Department to remove the request for the upstate counties.

Recommendation

From a need perspective, disapproval is recommended.

