

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: All Metro Home Care Services of New York, Inc. d/b/a
All Metro Health Care
Address: Lynbrook
County: Nassau
Structure: For-Profit Corporation
Application Number: 2393-L

Description of Project:

All Metro Home Care Services of New York, Inc. d/b/a All Metro Health Care, a for-profit corporation, requests approval for a change in ownership of a licensed home care services agency under Article 36 of the Public Health Law.

All Metro Home Care Services of New York, Inc. d/b/a All Metro Health Care was previously approved as a home care services agency by the Public Health Council at its November 19, 2010 meeting and subsequently licensed as 1650L001-1650L010.

In this proposal, AM Holdco, Inc., a Delaware corporation, proposes to purchase of all the capital stock of All Metro Health Care Services, Inc., the parent company of All Metro Home Care Services of New York, Inc. d/b/a All Metro Health Care, through a Stock Purchase Agreement.

AM Holdco, Inc. is a wholly-owned direct subsidiary of AM Holdco, LLC, a Delaware LLC formed for this purpose. The current owners of AM Holdco, LLC are three (3) Delaware limited partnerships.

The current members of AM Holdco, LLC are comprised of the following three (3) Delaware limited partnerships:

Nautic Partners VI, LP – 74.18%

Nautic Partners VI-A, LP – 25.45%

Kennedy Plaza Partners VI, LP – 0.37%

These three limited partnerships are investment funds affiliated with Nautic Partners, a private equity firm. The limited partnership agreement governing the first two funds, Nautic Partners VI, LP and Nautic Partners VI-A, LP provides that management control of each entity is vested exclusively in its general partner. The general partner of Nautic Partners VI, LP and Nautic Partners VI-A, LP is Nautic Management VI, LP. The general partner of the General Partner is Nautic Management, LLC, a Delaware LLC, which is the ultimate general partner of the General Partner.

The limited partnership agreement governing the third fund listed above, Kennedy Plaza Partners VI, LP provides that management control is vested in its manager, Nautic Management VI, LP. Thus, management control of each of the Nautic Funds is concentrated in Nautic Management VI, LP, as the general partner of the first two funds and the manager of the third fund.

Pursuant to the limited partnership agreement governing the General Partner, all control over the management of the General Partner is vested in certain committees, the members of which are the Board of Managers of its general partner, Nautic Management, LLC. As such, all control over the management of the General Partner is vested in the Board of Managers.

The Board of Managers of Nautic Management, LLC is comprised of the following individuals:

Habib Y. Gorgi
Managing Director, Nautic Partners, LLC

Bernard V. Buonanno III –
Managing Director, Nautic Partners, LLC

Scott F. Hilinski
Managing Director, Nautic Partners, LLC

Christopher J. Crosby
Principal/Managing Director, Nautic Partners, LLC

Affiliations:

- Director, Family Service of Rhode Island, Inc.

Douglas C. Hill
Managing Director, Nautic Partners, LLC

Bradley B. Wightman
VP, Principal, Managing Director, Nautic Partners,
LLC

Michael W. Joe
Managing Director, Nautic Partners, LLC

Following consummation of the transaction, AM Holdco, Inc. will be owned 100% by AM Holdco, LLC. AM Holdco, LLC will be owned by the Nautic Funds, and four (4) individuals who are the current All Metro management team.

The proposed Members of AM Holdco, LLC are comprised as follows:

Nautic Partners VI, LP – 70.3%

Nautic Partners VI-A, LP – 24.1%

Kennedy Plaza Partners VI, LP – 0.3%

David P. Middleton – 3.5%
President/COO, All Metro Health Care
President/COO, All Metro Home Care Services of
New Jersey
President/COO, All Metro Home Care Services of
Florida

Affiliations:

- Director, All Metro Home Care Services of
New Jersey
- Director, All Metro Home Care Services of
Florida

Seth J. Shapiro – 0.4%
Vice President/Chief Administrative Officer,
All Metro Health Care
Secretary, All Metro Home Care Services of
New Jersey
Secretary, All Metro Home Care Services of Florida

James T. Watson – 1.1%
Executive Vice President, All Metro Health Care
Executive Vice President, All Metro Home Care
Services of New Jersey
Executive Vice President, All Metro Home Care
Services of Florida

Affiliations:

- Director, All Metro Home Care Services of
New Jersey
- Director, All Metro Home Care Services of
Florida

Affiliations:

- Director, All Metro Home Care Services of
New Jersey
- Director, All Metro Home Care Services of
Florida

Collin T. Ivory, CPA – 0.3%
Chief Financial Officer, All Metro Health Care
Services, Inc.

The proposed Board of Managers of AM Holdco, LLC comprised the following individuals:

Christopher Crosby – Nautic Designee
(Previously Disclosed)

Scott Hilinski – Nautic Designee
(Previously Disclosed)

Christopher W. Vinciguerra – Nautic Designee
Associate, Senior Associate, Nautic Partners, LLC

David S. Harrington – Nautic Designee
Advisor to the Private Equity Firms, DASH
Business Group

Affiliations:

- Member, AlphaCare (MLTCP)
2012 - Present

David P. Middleton, CPA – President/Management
Manager
(Previously Disclosed)

AM Holdco, Inc. has authorized and issued 1,000 shares of stock. AM Holdco, Inc. is wholly owned by AM Holdco, LLC.

The proposed Board of Directors of AM Holdco, Inc. comprised the following individuals:

Christopher Crosby – Director
(Previously Disclosed)

Scott Hilinski – Director
(Previously Disclosed)

Christopher W. Vinciguerra – Director
(Previously Disclosed)

David S. Harrington – Director
(Previously Disclosed)

David P. Middleton, CPA – Director
(Previously Disclosed)

All Metro Health Care Services, Inc. has authorized 100,000 shares of common stock; and 1,000 shares of preferred stock. All Metro Health Care Services, Inc. has issued and outstanding; 93,444.24 shares of common stock; and 1.5 shares of preferred stock. After the proposed change of ownership, All Metro Home Care Services, Inc. is wholly owned by AM Holdco, Inc. 6,555.76 shares of authorized common stock remain unissued. In addition, 998.5 authorized shares of preferred stock remain unissued.

The proposed Board of Directors of All Metro Health Care Services, Inc. comprise the following individuals:

James T. Watson – Director, Executive Vice
President
(Previously Disclosed)

David P. Middleton, CPA – Director, Chief
Operating Officer, President
(Previously Disclosed)

Seth J. Shapiro – Director, Vice President and Chief
Administrative Officer
(Previously Disclosed)

All Metro Home Care Services, Inc. has authorized 1,000 shares of stock and issued 100 shares of stock. 900 shares of authorized stock remain unissued. All Metro Home Care Services, Inc. is wholly owned by All Metro Health Care Services, Inc.

The proposed Board of Directors of All Metro Home Care Services, Inc. comprise the following individuals:

David P. Middleton, CPA – Director, Chief Operating
Officer, President
(Previously Disclosed)

James T. Watson – Director, Executive Vice
President
(Previously Disclosed)

Seth J. Shapiro – Director, Secretary
(Previously Disclosed)

All Metro Home Care Services of New York, Inc. d/b/a All Metro Health Care has authorized 1,000 shares of stock and issued 100 shares of stock. 900 shares of authorized stock remain unissued. All Metro Home Care Services, Inc. is wholly owned by All Metro Home Care Services, Inc.

The proposed Board of Directors All Metro Home Care Services of New York, Inc. d/b/a All Metro Health Care comprise the following individuals:

David P. Middleton, CPA – Director, Chief Operating
Officer, President
(Previously Disclosed)

James T. Watson – Director, Executive Vice
President
(Previously Disclosed)

Seth J. Shapiro – Director, Secretary
(Previously Disclosed)

David P. Middleton, James T. Watson and Seth J. Shapiro are exempt from character and competence review due to the fact that they were previously approved by the Public Health Council for this operator.

The Office of the Professions of the State Education Department indicates no issues with the licensure of the professionals associated with this application.

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

A seven year review of the operations of the following facilities was performed as part of this review (unless otherwise noted):

- All Metro Aides, Inc. d/b/a All Metro Health Care
- All Metro Home Care Services of New York, Inc. d/b/a All Metro Health Care
- AlphaCare (MLTCP) 2012 - Present
- Family Service of Rhode Island, Inc.

All Metro Home Care Services of New York, Inc. d/b/a All Metro Health Care was fined fourteen thousand five hundred dollars (\$14,500.00) pursuant to a stipulation and order dated February 24, 2014 for inspection findings of August 7, 2013 for violations of 10 NYCRR Sections 766.3(b) and (d) – Plan of Care; 766.4 (d) – Medical Orders; 766.5 (b) – Clinical Supervision; 766.9(a)(c)(o)(j) and (l) – Governing Authority; and 766.11(g) – Personnel.

All Metro Home Care Services of New York, Inc. d/b/a All Metro Health Care was fined five thousand five hundred dollars (\$5,500.00) pursuant to a stipulation and order dated February 24, 2014 for inspection findings of July 18, 2013 for violations of 10 NYCRR Sections 766.3(b) and (d) – Plan of Care; 766.4 (d) – Medical Orders; 766.5 (a) and (b) – Clinical Supervision; 766.9(a)(c)(j) and (l) – Governing Authority; and 766.11(g) – Personnel.

All Metro Home Care Services of New York, Inc. d/b/a All Metro Health Care was fined twelve thousand dollars (\$12,000.00) pursuant to a stipulation and order dated May 24, 2011 for inspection findings of March 13, 2008, May 7, 2009 and June 18, 2010 for violations of 10 NYCRR Sections 766.1(a)(1) – Patient Rights; 766.4(d) – Medical Orders; 766.5(b)(1) – Clinical Supervision; 766.5(b)(3) – Clinical Supervision; 766.9(a) –Governing Authority; and 766.11(f)(ii) – Personnel.

The information provided by the Division of Home and Community Based Services has indicated that the applicant has provided sufficient supervision to prevent harm to the health, safety and welfare of residents and to prevent recurrent code violations.

The information provided by the Office of Managed Care has indicated that the MLTC plan has provided sufficient supervision to prevent harm to the health, safety and welfare of patients and to prevent recurrent code violations.

The information provided by The State of Rhode Island has indicated that Family Service of Rhode Island, Inc. is in good standing.

All Metro Home Care Services, Inc. has subsidiaries that operate home care agencies in the States of Florida and New Jersey. The Florida Agency for Health Care Administration and the State of New Jersey submitted compliance reports through August 2010 that indicated that entities have exercised sufficient supervisory responsibility to protect the health, safety and welfare of patients. Updated compliance reports were requested from these States, but were not received as of this date.

The applicant proposes to continue to serve the residents of the following counties from an office located at 50 Broadway, Lynbrook, New York 11562. (Current License: 1650L001)

Nassau

Suffolk

Queens

The applicant proposes to continue to serve the residents of the following counties from an office located at 4 West Prospect Avenue, Mount Vernon, New York 10550. (Current License: 1650L002)

Dutchess	Orange	Putnam	Rockland
Westchester	Bronx		

The applicant proposes to continue to serve the residents of the following counties from an office located at 1010 Route 112, Port Jefferson Station, New York 11776. (Current License: 1650L003)

Nassau	Suffolk
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The applicant proposes to continue to serve the residents of the following counties from an office located at 1450 Western Avenue, Suite 104, Albany, New York 12203. (Current License: 1650L004)

Albany	Greene	Schoharie	Clinton
Hamilton	Warren	Columbia	Monroe
Washington	Delaware	Essex	Otsego
Franklin	Rensselaer	Fulton	Saratoga
Schenectady			

The applicant proposes to continue to serve the residents of the following counties from an office located at 181 West Main Street, Babylon, New York 11702. (Current License: 1650L005)

Nassau	Suffolk	Queens
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The applicant proposes to continue to serve the residents of the following counties from an office located at 80 Broadway Street, Suite 14, New York, New York 10004. (Current License: 1650L006)

New York	Queens	Kings	Bronx	Richmond
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The applicant proposes to continue to serve the residents of the following counties from an office located at 170 Franklin, Suite 205, Buffalo, New York 14202. (Current License: 1650L007)

Allegany	Cattaraugus	Wyoming	Chautauqua
Erie	Genesee	Niagara	Orleans

The applicant proposes to continue to serve the residents of the following counties from an office located at 1350 University Avenue, Suite C, Rochester, New York 14607. (Current License: 1650L008)

Livingston	Monroe	Ontario	Wayne
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The applicant proposes to continue to serve the residents of the following counties from an office located at 526 Old Liverpool Road, Liverpool, New York 13088. (Current License: 1650L009)

Broome	Cayuga	Madison	Chenango
Oneida	Cortland	Onondaga	Herkimer
Oswego	Jefferson	St. Lawrence	Lewis
Tioga	Tompkins		

The applicant proposes to continue to serve the residents of the following counties from an office located at 650 Franklin Street, Suite 102, Schenectady, New York 12305. (Current License: 1650L010)

Albany	Montgomery	Warren	Rensselaer
Saratoga	Schenectady	Fulton	Schoharie

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Medical Social Services
Personal Care	Physical Therapy	Speech-Language Pathology
Nutritional	Occupational Therapy	Housekeeping
Homemaker		

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval

Date: July 18, 2014