



Project # 141223-B
Sympaticare, LLC d/b/a Summit Park Nursing Care Center

Program: Residential Health Care Facility **County:** Rockland
Purpose: Establishment & Construction **Acknowledged:** May 22, 2014

Executive Summary

Description

Sympaticare, LLC, d/b/a Summit Park Nursing Care Center, a Delaware limited liability company authorized to conduct business in the State of New York, requests approval to be established as the new operator of Summit Park Nursing Care Center, a 321-bed, public county, Article 28 residential health care facility (RHCF) located at 50 Sanatorium Road, Pomona (Rockland County). The facility is also licensed for a 66-slot Adult Day Health Care Program (ADHCP). As part of this request, the applicant will decertify 41 RHCF beds and perform renovations. A separate entity, Summit Park Acquisition Group, LLC, will acquire the real property which also houses a 74-bed Article 28 hospital, Summit Park Hospital-Rockland County Infirmiry, which is the subject of a companion CON.

The RHCF is currently operated by Rockland County. The County's Health Facilities Corporation, a not-for-profit local development corporation existing under the laws of the State of New York, owns all rights, title and interest in the facility's business assets and real property.

On July 16, 2014, Rockland County Health Facilities Corporation, authorized through Resolution Numbers 192 and 663, adopted April 16, 2013, and December 30, 2013, respectively, entered into a purchase and sale agreement with Sympaticare, LLC (proposed RHCF operator), Sympaticare Health, LLC (proposed hospital operator subsequently assigned to Sympaticare, LLC), and Summit Park Acquisition Group, LLC (proposed real property owner), for the sale and acquisition of the operating assets and real property interests in

the facility. The applicant will lease the premises from Summit Park Acquisition Group, LLC.

The proposed operator is as follows:

Sympaticare, LLC
d/b/a Summit Park Nursing Care Center

<u>Member</u>	<u>Interest</u>
Shalom Braunstein	35.00%
Barry Braunstein	10.00%
Gregory Dyra	0.25%
Sympathy Care Partners, LLC	15.00%
Gloria Adler	66.67% (10.00%)
Dan Kreisel	33.33% (5.00%)
BSDSNF, LLC	10.00%
Jerome Kahan	30.00% (3.00%)
Benjamin Kahan	20.00% (2.00%)
Cheskel Kahan	10.00% (1.00%)
Shabsi Kahan	10.00% (1.00%)
Chaya Rosenfield	10.00% (1.00%)
Naomi Engelman	10.00% (1.00%)
Rifka Friedman	10.00% (1.00%)
SNH, LLC	9.75%
Nesanel Milstein	100.00% (9.75%)
PAM Summit Park, LLC	5.00%
Philip Pollak	100.00% (5.00%)
Sympaticare New Jersey, LLC	5.00%
Yisroel Kuperwasser	60.00% (3.00%)
Charles Kuperwasser	40.00% (2.00%)
Sympaticare Lakewood, LLC	5.00%
Saul Kuperwasser	50.00% (2.50%)
Bernard Zucker	40.00% (2.00%)
David Zucker	10.00% (0.50%)
Sympaticare SZ, LLC	5.00%
Samuel Zucker	100.00% (5.00%)

(%) = indirect interest

The applicant will lease the RHCF premises from Summit Park Acquisition Group, LLC. There is a relationship between Sympaticare, LLC and Summit Park Acquisition Group, LLC in that the entities have common membership. There will be no change in services provided subsequent to the change in operator.

Concurrently under review, the applicant is seeking to be established as the new operator of Summit Park Hospital-Rockland County Infirmary, also located at 50 Sanatorium Rd, Pomona (CON #142211).

OPCHSM Recommendation Contingent Approval

Need Summary

Summit Park Nursing Care Center's occupancy was 80.6% in 2011, 75.6% in 2012, and 66.3% in 2013. Current utilization as of July 22, 2015 is 63.2% with 118 vacant beds. Upon the change of ownership, Summit Park Nursing Care Center will decertify 41 RHCF beds, for a total of 280 beds.

Program Summary

No negative information has been received concerning the character and competence of the proposed applicants. All health care facilities are in substantial compliance with all rules and regulations. The individual background review indicates the applicants have met the standard to provide a substantially consistent high level of care as set forth in Public Health Law §2801-a(3). The design of the nursing home updates a traditional nursing home layout to broad code conformance.

Financial Summary

Summit Park Acquisition Group, LLC will acquire the RHCF operational assets and the real property for \$20,934,594 which will be funded as follows: \$4,186,931 from members' equity and a \$16,747,663 loan with an interest rate between 3.5% - 6.5% for a 10-year term, amortized up to 30 years. The loan amount was determined based on financing 80% of the total purchase price and does not include closing cost estimated at 3.5%.

Total project costs of \$34,520,233 for the renovations is estimated to be funded as follows: \$6,420,763 from members' equity (which was reduced from 25% to 18.6% based on the 41-bed decertification) and a \$28,099,470 loan with an interest rate between 3.5% - 6.5% for a 10-year term, amortized up to 30 years. A letter of interest has been provided by Harborview Capital Partners, LLC. The applicant states that they intend to refinance with a HUD mortgage.

<u>Budget</u>	<u>Year One</u>
Revenues:	\$29,974,960
Expenses:	<u>28,251,839</u>
Net Income:	\$1,723,121

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. A copy of the check must be uploaded into the NYSE-CON system after it is mailed to the Department. [PMU]
2. Submission of a commitment signed by the applicant which indicates that, within two years from the date of the council approval, the percentage of all admissions who are Medicaid and Medicare/Medicaid eligible at the time of admission will be at least 75 percent of the planning area average of all Medicaid and Medicare/Medicaid admissions, subject to possible adjustment based on factors such as the number of Medicaid patient days, the facility's case mix, the length of time before private paying patients became Medicaid eligible, and the financial impact on the facility due to an increase in Medicaid admissions. (RNR)
3. Submission of a plan to continue to enhance access to Medicaid residents. At a minimum, the plan should include, but not necessarily be limited to, ways in which the facility will:
 - a. Reach out to hospital discharge planners to make them aware of the facility's Medicaid Access Program;
 - b. Communicate with local hospital discharge planners on a regular basis regarding bed availability at the nursing facility; and
 - c. Identify community resources that serve the low-income and frail elderly population who may eventually use the nursing facility, and inform them about the facility's Medicaid Access policy. (RNR)
4. Submission of letters of intent, not merely letters of support, from all facilities and lead Performing Provider System agencies willing to refer patients to the residential health care facility. These letters should include, but not be limited to, the estimated number of patient referrals to the residential health care facility. (RNR)
5. Submission of a commitment, signed by the applicant, to serve difficult-to-place individuals and the percentage of the facility's total resident population that will consist of difficult-to-place individuals, including but not limited to short-term restorative patients who require seven days per week physical therapy and/or occupational therapy services. (RNR)
6. Submission of a commitment, signed by the applicant, to serve the uninsured and the percentage of the facility's total resident population that will consist of uninsured individuals, including. Uninsured individuals have been identified by the applicant to be those who have no means of financial support and require charity care. (RNR)
7. Submission of a commitment, signed by the applicant, to submit annual reports to the DOH, for at least two years, demonstrating substantial progress with the implementation of the plan. These reports should include, but not be limited to:
 - a. Description of how the applicant reached out to hospital discharge planners to make them aware of the facility's Medicaid Access Program;
 - b. Documentation that the applicant communicated with local hospital discharge planners on a regular basis regarding bed availability at the nursing facility;
 - c. Identification of the community resources that serve the low-income and frail elderly population that have used, or may eventually use, the nursing facility, and confirming they were informed about the facility's Medicaid Access policy.

- d. Documentation pertaining to the number of referrals and the number of Medicaid admissions; and
- e. Other factors as determined by the applicant to be pertinent.

The DOH reserves the right to require continued reporting beyond the two-year period. (RNR)

8. Submission of an affidavit from each owner of Sympaticare, LLC acknowledging his/her responsibility for the health, safety and welfare of the residents of the nursing home, and the necessity of providing sufficient resources for its successful operation. [LTC]
9. Submission of and programmatic approval of a transition plan that will outline proactive measures to be undertaken to ensure that the quality of care at the facility is maintained and will not be undermined by the implementation of the new business plan. [LTC]
10. Submission and programmatic approval of final plans for the entire building which demonstrate full code compliance and which adhere to the originally approved project scope. [LTC]
11. Submission of an executed loan commitment for the purchase of the operations and real property, acceptable to the Department of Health. (BFA)
12. Submission of an executed loan commitment for the project costs, acceptable to the Department of Health. (BFA)
13. Submission of an amended purchase and sale agreement changing the operations' ownership from Sympaticare Health, LLC to Sympaticare, LLC, with Exhibits completed, acceptable to the Department of Health. (BFA)
14. Submission of a complete Purchase and Sale Agreement with all schedules and exhibits attached, acceptable to the Department. [CSL]
15. Submission of an executed complete CON application Schedule 4B - Medicaid Affidavit, acceptable to the Department. [CSL]
16. Submission of an executed amended Operating Agreement of Sympaticare SZ, LLC, acceptable to the Department. [CSL]
17. Submission of a signed and dated Certificate of Amendment of the Articles of Organization of Sympaticare SZ, LLC, acceptable to the Department. [CSL]
18. Submission of an executed amended Operating Agreement of Sympaticare Lakewood LLC, acceptable to the Department. [CSL]
19. Submission of an executed amended Operating Agreement of Sympaticare New Jersey LLC, acceptable to the Department. [CSL]
20. Submission of an executed amended Operating Agreement of BSDSNF, LLC, acceptable to the Department. [CSL]
21. Submission of a signed and dated Certificate of Amendment of the Articles of Organization of BSDSNF, LLC, acceptable to the Department. [CSL]
22. Submission of an executed amended Operating Agreement of SNH, LLC, acceptable to the Department. [CSL]
23. Submission of an executed amended Operating Agreement of Sympathy Care Partners LLC, acceptable to the Department. [CSL]
24. Submission of a signed and dated Certificate of Amendment of the Articles of Organization of Sympathy Care Partners LLC, acceptable to the Department. [CSL]
25. Submission of an executed amended Operating Agreement of PAM Summit Park LLC, acceptable to the Department. [CSL]
26. Submission of a signed and dated Certificate of Amendment of the Articles of Organization of PAM Summit Park LLC, acceptable to the Department. [CSL]
27. Submission of an executed Certificate of Assumed Name of Sympaticare, LLC, indicating its intent to do business as Summit Park Nursing Care Center, acceptable to the Department. [CSL]
28. Submission of an executed Second Amended and Restated Operating Agreement of Sympaticare, LLC, acceptable to the Department. [CSL]
29. Submission of an executed Certificate of Amendment to the Application for Authority of Sympaticare, LLC, acceptable to the Department. [CSL]
30. Submission of State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-04. [AER]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Any outstanding deficiencies cited in the December 14, 2014 Summit Park survey will be addressed as part of the new business structure for the facility, and the applicant will demonstrate continued compliance with the approved plan of correction. [LTC]
3. The applicant will refrain from the operation of a scatter bed ventilator dependent service and will not admit any patient requiring ventilator support to the nursing home. [LTC]
4. Submission of and approval of the patient safety plan by the Metropolitan Area Regional Office New Rochelle, prior to the commencement of construction. [LTC]
5. The leasing of any space adjacent or contiguous to any nursing home area will receive prior programmatic endorsement. [LTC]
6. The applicant will obtain prior programmatic approval before entering into any subsequent consulting and service agreement for the nursing home. [LTC]
7. The submission of Final Construction Documents, signed and sealed by the project architect, as described in BAEFP Drawing Submission Guidelines DSG-05, prior to the applicant's start of construction. [AER]
8. Construction must start on or before January 1, 2016 and construction must be completed by July 1, 2017, presuming approval to start construction is granted prior to commencement. In accordance with 10 NYCRR Part 710.10(a), if construction is not started on or before the start date this shall constitute abandonment of the approval. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. [AER]

Council Action Date

August 6, 2015

Need Analysis

Project Description

Sympaticare, LLC seeks approval to become the established operator of Summit Park Nursing Care Center, a 321-bed Article 28 residential health care facility (RHCF), located at 50 Sanatorium Road, Pomona, 13326, in Rockland County. The current operator of the RHCF is Rockland County. Upon approval of this application, the facility will reduce its total bed capacity by 41 RHCF beds, resulting in a total of 280 beds, as shown below:

Summit Park Nursing Care Center	Current	Proposed Action	Upon Completion
RHCF Beds	321	(41)	280
Total	321	(41)	280

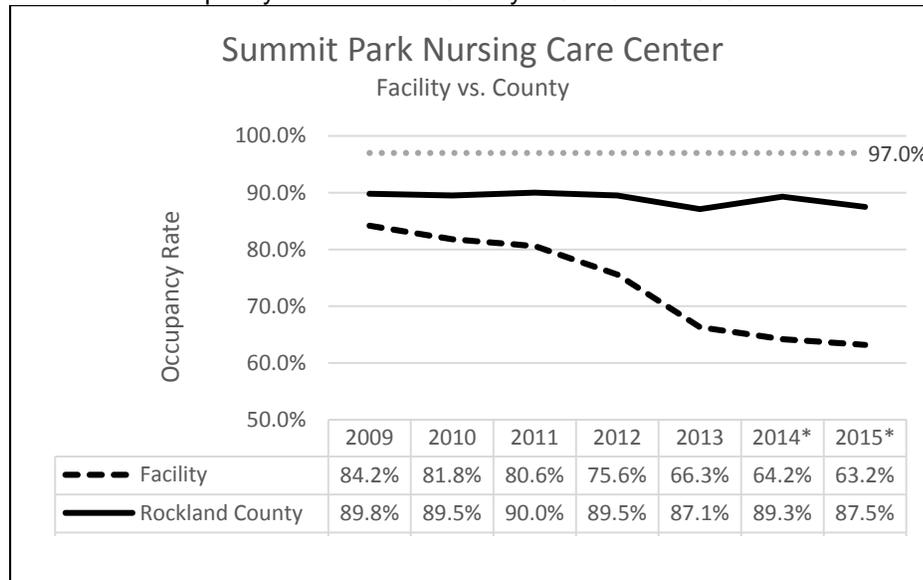
Analysis

There is currently a surplus of one bed in Rockland County as indicated in the following table:

RHCF Need – Rockland County

2016 Projected Need	1,635
Current Beds	1,676
Beds Under Construction	-40
Total Resources	1,636
Unmet Need	-1

The overall occupancy for Rockland County is 87.1% for 2013 as indicated in the following chart:



*unaudited; based off weekly census

Summit Park Nursing Care Center's occupancy was 80.6% in 2011, 75.6% in 2012, and 66.3% in 2013. Current utilization as of July 22, 2015 is 63.2% with 118 vacant beds. According to the applicant, Summit Park Nursing Care has had low occupancy due to the following reasons:

- The facility has been in operational limbo over the past few years as the public became aware of the potential privatization, sale, or closure of the facility;
- Referral sources and families have been reluctant to send patients to a facility whose future is unknown;

- Media scrutiny of the facility's financial losses has discouraged placements by the public who may assume that such losses predict poorer care;
- Due to budgetary constraints, Rockland County has not been the "best in class" operator in the service area and has not been able to afford to invest significant dollars in renovating the property, improving services, and transforming for future healthcare opportunities;
- The current admissions process favors placement of patients into Summit Park Hospital and there is no system in place to process referrals into the nursing home; and
- Rockland County never had an effective marketing and branding campaign.

In addition to the 41-bed reduction, the applicant intends to increase occupancy in the following ways:

- Separate the admissions and marketing departments between the nursing home and the hospital and initiate an active marketing campaign;
- Process admissions seven days a week and work with all area hospitals to process admissions in a timely fashion, avoid unnecessary hospital readmissions and meet the area hospitals' discharge needs;
- Identify difficult-to-place individuals, which are patients requiring short-term rehabilitation on a 7-day a week basis, patients with a history of developmental and/or physical disabilities, patients who exhibit psychiatric behaviors, and uninsured patients;
- Partner with all three PPSs in the area – Montefiore, Westchester, and Refuah;
- Contract with managed long-term care plans to strengthen existing relationships with the facility and enroll with other networks as appropriate;
- Transfer 30 patients from Summit Park Hospital to the nursing home as soon as possible based on patient acuity level and adequate training of the nursing home staff; and
- Admit 30% of the discharged patient population from Summit Park Hospital to the nursing home.

Studies show that 25% of long term acute care hospital (LTACH) patients are discharged to residential health care facilities. In effort to calculate patient projections at the Nursing Home, an analysis included in BPNR Attachment A was performed assuming a discharge rate of 27.5% LTACH patients per month, which is the average of the 25% discharge rate from the evidence base and the 30% provided by the proposed operator. As seen in Table 4 of BPNR Attachment A, this analysis demonstrates achievement of occupancy to the Department's planning optimum by Year 3.

Access

Regulations indicate that the Medicaid patient admissions standard shall be 75% of the annual percentage of all Medicaid admissions for the long term care planning area in which the applicant facility is located. Such planning area percentage shall not include residential health care facilities that have an average length of stay 30 days or fewer. If there are four or fewer residential health care facilities in the planning area, the applicable standard for a planning area shall be 75% of the planning area percentage of Medicaid admissions, or of the Health Systems Agency area Medicaid admissions percentage, whichever is less. In calculating such percentages, the Department will use the most current data which have been received and analyzed by the Department.

An applicant will be required to make appropriate adjustments in its admission policies and practices so that the proportion of its own annual Medicaid patient's admissions is at least 75% of the planning area percentage or the Health Systems Agency percentage, whichever is applicable.

Summit Park Nursing Care Center's Medicaid admissions for 2012 and 2013 was 67.2% and 59.2%, respectively. This facility exceeded Rockland County 75% rates in 2012 and 2013 of 24.4% and 26.5%, respectively.

Conclusion

Although occupancy at the RHCF has been low in recent years, this is largely attributable to the uncertainties surrounding the facility's possible closure or eventual transfer to other sponsorship. The Department expects that the proposed 13 percent reduction in bed capacity and the measures proposed by the new operators to increase utilization will restore the facility's occupancy to more optimum levels. Approval of this application will also help preserve access to RHCF care for the Medicaid population and other residents of Rockland County.

Recommendation

From a need perspective, contingent approval is recommended.

Program Analysis

Facility Information

	Existing	Proposed
Facility Name	Summit Park Nursing Care Center	Same
Address	Sanatorium Road Pomona, NY 10970	Same
RHCF Capacity	321	280
ADHC Program Capacity	66	Same
Type of Operator	County	Proprietary
Class of Operator	Public	Limited Liability Company
Operator	County of Rockland	Sympaticare, LLC Individual Members *Shalom Braunstein 35.00% *Barry Braunstein 10.00% Gregory Dyra 0.25% 2nd level LLC members <u>Sympathy Care Partners LLC 15.00%</u> Gloria Adler 66.66% Dan Kreisel 33.33% <u>BSDSNF, LLC 10.00%</u> Jerome Kahan 30% Benjamin Kahan 20% Cheskel Kahan 10% Shabsi Kahan 10% Chaya Rosenfeld 10% Naomi Engelman 10% Rivka Friedman 10% <u>SNH, LLC 9.75%</u> Nesanel Milstein 100% <u>PAM Summit Park LLC 5.00%</u> Philip Pollak 100% <u>Sympaticare New Jersey LLC 5.00%</u> Yisroel Kuperwasser 60% Charles Kuperwasser 40% <u>Sympaticare Lakewood LLC 5.00%</u> Saul Kuperwasser 50% Bernard Zucker 40% David Zucker 10% <u>Sympaticare SZ, LLC 5.00%</u> Samuel Zucker 100% *Managing Member (%) indirect interest

Character and Competence - Background

Facilities Reviewed

Nursing Homes

Elcor Nursing Home	06/2011 to present
Cayuga Ridge Extended Care Facility	12/2012 to present
Sheepshead Nursing and Rehabilitation Center	07/2014 to present
Laconia Nursing Home	07/2005 to present
Oxford Nursing Home	07/2005 to present

Licensed Home Care Services Agency

Harbor Care, LLC	08/2009 to present
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New Jersey Long Term Acute Care Hospital

Columbus Hospital LTACH	03/2012 to present
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Individual Background Review

Shalom Braunstein is a New York State licensed nursing home administrator and is considered to be in good standing. He is currently employed at Laconia Nursing Home as a managing employee. Mr. Braunstein discloses the following ownership interests:

Elcor Nursing and Rehabilitation Center	06/2011 to present
Cayuga Ridge Extended Care Facility	12/2012 to present

Barry Braunstein is a New York State licensed nursing home administrator and is considered to be in good standing. He is currently employed at Laconia Nursing Home as an administrator. Mr. Braunstein discloses the following ownership interests:

Laconia Nursing Home	12/1992 to present
Oxford Nursing Home	12/1992 to present
Cayuga Ridge Extended Care Facility	12/2012 to present

Gregory Dyra is a chartered financial analyst and is considered to be in good standing. He lists his employment as a consultant at Obair Capital, LLC located in Nashville, Tennessee. Mr. Dyra discloses no ownership interest in health facilities.

Gloria Adler is the president and managing member of GIA Investments and Properties, LLC, a real estate development company located in Monsey, New York. Ms. Adler discloses no ownership interest in health facilities.

Dan Kreisel lists his employment as a manager at the Jewish Foundation, Inc., an outreach company located in Monsey, New York. Mr. Kreisel discloses no ownership interest in health facilities.

Jerome Kahan is a New York State licensed nursing home administrator and is considered to be in good standing. He is currently employed as the nursing home administrator of record at Sheepshead Nursing and Rehabilitation Center. Mr. Kahan discloses the following ownership interests:

Sheepshead Nursing and Rehabilitation Center	07/2014 to present
Harbor Care, LLC	08/2009 to present

Benjamin Kahan is a salesman for The OE Group, an energy consultation company located in Brooklyn, New York. Mr. Kahan discloses no ownership interest in health facilities.

Cheskel Kahan is the Director of Purchasing at Sheepshead Nursing and Rehabilitation Center located in Brooklyn, New York. Mr. Kahan discloses no ownership interest in health facilities.

Shabsi Kahan is a manager at BSD Management, a home care management company located in Monsey, New York. Mr. Kahan discloses no ownership interest in health facilities.

Chaya Rosenfeld is the Vocational Director for the School for Children with Hidden Intelligence, a special education school located in Lakewood Township, New Jersey. Ms. Rosenfeld discloses no ownership interest in health facilities.

Naomi Engelman is the Transportation Coordinator at Sheepshead Nursing and Rehabilitation Center located in Brooklyn, New York. Ms. Engelman discloses no ownership interest in health facilities.

Rivka Friedman is a student at the Excelsior College Testing and Training International (TTI) program. Ms. Friedman discloses no employment history and discloses no ownership interest in health facilities.

Nesanel Milstein is the President of MFI Management, Inc., an investment management company located in Hillside, New Jersey. Mr. Milstein discloses no ownership interest in health facilities.

Phillip Pollak is a Senior Asset Management Analyst with Harbor Group International, a real estate investment firm located in New York, New York. Mr. Pollak discloses no ownership interest in health facilities.

Yisroel Kuperwasser is a teacher at Yeshivas Novominsk, a school located in Brooklyn, New York. Previously he was a teacher at The Cheder, a school located in Brooklyn, New York. Mr. Kuperwasser discloses no ownership interest in health facilities.

Charles Kuperwasser is the Chief Executive Officer of Charles Kuperwasser LLC, a diamond and jewelry manufacturer located in New York, New York. Mr. Kuperwasser discloses no ownership interest in health facilities.

Saul Kuperwasser is the Chief Executive Officer of Strategic Properties of North America, a real estate investment company located in Lakewood, New Jersey. Mr. Kuperwasser discloses the following ownership interest:

Columbus Hospital LTACH (NJ)	03/2012 to present
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Bernard Zucker is a teacher/mentor at Yeshivas Novominsk, a school located in Brooklyn, New York. Mr. Zucker discloses no ownership interest in health facilities.

David Zucker is a teacher at Yeshivas Ruach Chaim, a religious educational institution located in Jerusalem, Israel. Mr. Zucker discloses no ownership interest in health facilities.

Samuel Zucker is the President at Kapok International Trading Inc., a toy accessory company located in Brooklyn, New York. Mr. Zucker discloses no ownership interest in health facilities.

Character and Competence – Analysis

No negative information has been received concerning the character and competence of the applicants.

*A review of operations for **Cayuga Ridge Extended Care Center** for the periods identified above reveals that the Centers for Medicare & Medicaid Services (CMS) imposed Civil Monetary Penalties (CMPs) totaling \$200,750 for the enforcement cycle starting November 18, 2014 through April 21, 2015, when substantial compliance was achieved. The CMP resulted from the declaration of immediate jeopardy on November 18, 2014.*

The referenced NYSDOH survey of November 18, 2014 identified deficiencies under 10 NYCRR 483.25(h) Free of Accident Hazards/Supervision/Devices, 483.35(i) Food Procure/Prepare/Serve-Sanitary, 483.75 Effective Administration/resident Well-Being, 483.75(d)(1)-(2) Governing Body-Facility Policies/Appoint Administration, and 483.75(o)(1) QAA Committee-members/Meet Quarterly/Plans. Concerns rising to the level of Immediate Jeopardy related to the widespread unsanitary conditions in the food service department that potentially affected all the residents in the facility. An additional immediate risk to resident's health and safety was identified regarding the facility's failure to monitor and maintain safe surface temperatures of radiators in resident rooms.

On November 25, 2014, a revisit survey found that the Immediate Jeopardy was removed but the facility was still out of compliance with 10 NYCRR 483.25(h) Free of Accident Hazards/Supervision/Devices, 483.75 Effective Administration/resident Well-Being, 483.75(d)(1)(2) Governing Body-Facility Policies/Appoint Administration, and 483.75(o)(1) QAA Committee-members/Meet Quarterly/Plans.

On March 24, 2015 a second revisit survey determined that substantial compliance still had not been achieved and re-cited deficiencies under 10 NYCRR 483.25(h) Free of Accident Hazards/Supervision/Devices, 483.75 Effective Administration/Resident Well-Being, 483.75(d)(1)(2) Governing Body-Facility Policies/Appoint Administration, and 483.75(o)(1) QAA Committee-members/Meet Quarterly/Plans. The continued non-compliance resulted in a second declaration of Immediate Jeopardy stemming from the facility's failure to implement an effective plan of correction to monitor and maintain safe surface temperatures of radiators in resident rooms.

On March 27, 2015, a third revisit survey removed the Immediate Jeopardy cited the nursing home's continued non-compliance with 10 NYCRR 483.25(h) Free of Accident Hazards/Supervision/Devices, 483.75 Effective Administration/resident Well-Being, 483.75(d)(1)-(2) Governing Body-Facility Policies/Appoint Administration and 483.75(o)(1) QAA Committee-members/Meet Quarterly/Plans.

On April 29, 2015, a fourth revisit survey found that the remaining deficiencies had been corrected, and substantial compliance had been achieved on April 21, 2015.

The New York State Department of Health is currently reviewing the findings. However, a review of the facts related to the above referenced surveys finds that the applicant members involved are in compliance with character and competence principles, consistent with PHL §2801-a(3). The analysis determined that the deficiencies were a continuation of non-compliance, and not isolated events, and that a single enforcement action would be issued.

A review of operations for **Oxford Nursing Home** for the periods identified above reveals the nursing home was assessed a Civil Monetary Penalty of \$66,397.50 for the period of 6/10/01 to 8/11/05. The review of Oxford Nursing Home results in a conclusion of substantially consistent high level of care since there were no enforcements.

A review of operations for **Elcor Nursing and Rehabilitation Center, Laconia Nursing Home and Sheepshead Nursing and Rehabilitation Center** for the periods identified above, results in a conclusion of substantially consistent high level of care since there were no enforcements.

A review of the operations for **Harbor Care, LLC** for the time period indicated above results in a conclusion of substantially consistent high level of care since there were no enforcements.

A review of the operations for **Columbus Hospital LTACH** for the time period indicated above results in a conclusion of substantially consistent high level of care since there were no enforcements.

Program Review

This application proposes to establish Sympaticare, LLC as the operator of Summit Park Nursing Care Center (Summit Park) and undertake construction to correct code deficiencies and update building systems. Sympaticare, LLC is an existing limited liability company with an abstruse and non-transparent organizational structure which includes individual members and second level limited liability companies. The proposed ownership structure has Shalom Braunstein (35%), Barry Braunstein (10%) and Gregory Dyra (0.25%) as individual members, and the following LLC's as second level members: Sympathy Care Partners, LLC (15%), BSDSNF, LLC (10%), SNH, LLC (9.75%), PAM Summit Park LLC (5%), Sympaticare New Jersey LLC (5%), Sympaticare Lakewood LLC (5%), and Sympaticare SZ, LLC (5%). Individual members of each of these LLC's is noted above. The referenced LLC's are not known to be the operator of record of any health facility, or the owner of any health care related companies. A contingency ensuring the accountability of each individual owner will be required.

Shalom and Barry Braunstein are on the current ownership structure for Cayuga Ridge Extended Care Center. Cayuga Ridge Extended Care Center had been operating on a 5 year limited life operating certificate which expired on November 14, 2014. The Department has been working with representatives of Cayuga Ridge to file a Certificate of Need application to establish a permanent operating group and address the physical plant concerns emanating from a lack of maintenance and upkeep by the previous owners. A 90-day notice of ownership interest transfer was approved in February, 2012 adding Shalom Braunstein and Barry Braunstein in an effort to stabilize the nursing home.

As history illustrates, the transition of a county-owned nursing home to private auspices presents unique operational challenges during the transition period immediately following the change of ownership. This application presents an additional challenge by proposing a new business plan for operating the facility. In order to forestall any quality shortcomings the applicant must identify potential dangers and install a management team with the experience to maintain the care and welfare of the residents. A transition plan will be required for review which guarantees the maintenance of health and safety for the residents during the extended fill-up process and implementation of the new business plan.

No administrative services or consulting agreements are proposed in this application.

Physical Environment

Summit Park will occupy 172,005 square feet of space in a building currently housing a 321-bed nursing home, a 74-bed hospital, and Rockland County offices. The most recent design submission locates the nursing home on floors 2-3 and 5-10. The fourth floor will house a 57-bed long term acute care hospital (LTACH) and floors 5-10 will constitute the skilled nursing units. Entrance will be made into the existing lobby on the first floor. The LTACH and nursing home administrator offices will be located adjacent to the lobby located on the existing first floor, and its future use has not been disclosed. The 66 slot adult day health care program will be relocated from the third floor into an FGI compliant area adjacent to the entrance. The bulk of the remaining space on the first floor will be leased for purposes which have not been disclosed. The second floor will continue to house the kitchen, and central storage. The remaining areas on this floor will also be leased to an undisclosed outside party. Currently some industrial and service functions are located on the third floor, including the barber and beauty salon. The applicant proposes to construct a large rehabilitation therapy area in the current ADHCP space with the remaining functions to be located on the floor undetermined at this time. The applicant will be required to obtain prior approval for all spaces to be leased out, with all nursing home functions addressed in the final plan submission.

In addition the applicant has indicated it will bring the building up to code to eliminate all waivers, and address issues resulting from lack of maintenance to the building by the current owner. The major item to be addressed will be the installation of a new HVAC system with separate ducted air filtration to replace the inefficient and obsolete PTAC in-wall units.

The nursing units to be located on floors 5-9 will be identical 48-bed units with 11 doubles and 26 singles. The units will be divided into two neighborhoods of 31 and 17 beds respectively. Dining rooms will be located on the west end of the larger south neighborhood, and on the north side of the north neighborhood. The north dining room includes a private dining space accessible from the adjacent main dining and lounge area, however access through is not made from a corridor, which is not allowed under CMS regulations. A large activity room abuts the northern dining room, and an interior lounge adjacent to the elevator lobby serves the south neighborhood. Central bathing areas are located in the center core and include tub rooms and stretcher showers. Nursing stations are located on the eastern and western sides of the core area and clean and soiled utility rooms are available for each neighborhood. Resident bedrooms are arrayed around the perimeter of the floor, in a variety of sizes and configurations. The majority of these rooms will be ADA compliant, however 7 doubles in the south neighborhood will utilize outboard toilet rooms which are not wheelchair accessible. Five of the resident rooms will include bathrooms with showers of minimum 4 foot by 5 foot dimension. Each floor will also include two oxygen storage rooms. It is unclear the necessity for these rooms on a non-ventilator dependent floor.

The existing tenth floor houses storage and machine rooms, and the future location of these functions will be required on the final plan submission. The floor will undergo a gut renovation to create a fully ADA compliant unit consisting of 20 doubles and 8 singles. The design of the new unit generally mirrors the other nursing units, however the problematic outboard toilet rooms on the lower floors are eliminated. By moving the toilet rooms to the interior corridor wall full wheelchair accessibility is achieved, and the bedroom gains a more open and homelike setting. The design also enables a toe to toe bed arrangement for all the double bedrooms. Four of the singles will include showers.

Project Review - Analysis

The renovation of Summit Park will provide a much needed updating of the building, addressing the outdated and inefficient HVAC system. The design of the building will require significant outlays in order to create an FGI and ADA compliant nursing home. The submitted plans are incomplete, and areas on the first and second floors will be used for non-RHCF purposes. The third floor will be largely untouched, outside of the new rehab area, with the remaining uses of the floor undetermined. The nursing floors reflect the traditional nursing home design concepts, but will meet all current codes.

It is noted that the programmatic review has been restricted to residential space. Other areas of the building may require renovation in order to achieve full code compliance.

Conclusion

No negative information has been received concerning the character and competence of the proposed applicants. All health care facilities are in substantial compliance with all rules and regulations. The individual background review indicates the applicants have met the standard to provide a substantially consistent high level of care as set forth in Public Health Law §2801-a(3). The design of the nursing home updates a traditional nursing home layout to broad code conformance. The applicant should consider adopting the ADA compliant tenth floor design for all nursing units. Additional refinement will be required to attain full compliance with FGI guidelines and CMS requirements.

Recommendation

From a programmatic perspective, contingent approval is recommended.

Financial Analysis

Real Property and Asset Purchase Agreement

The applicant has submitted a signed purchase and sale agreement to acquire the real property and operating interests of the RHCF. The terms of the agreement are summarized below:

Date:	July 16, 2014
Seller:	Rockland County Health Facilities Corporation
Purchaser:	Summit Park Acquisition Group, LLC; Sympaticare, LLC; and Sympaticare Health, LLC
Assets Transferred:	Facility real property; facility business assets including furniture and equipment, inventories, computers, intellectual property, trade names, permits, personal property leases; contracts; books and records; patient and supplier data; surveys, maps and diagrams; causes of action against third parties and insurance proceeds.
Excluded Assets:	Cash and cash equivalents prior to closing date, accounts receivable for period prior closing, residents' personal property, claims to third party overpayments, inventory expended prior to closing date, information and property that does not pertain to the operations of the facility, and employee benefit plans and funds.
Assumed Liabilities:	Future payment and performance of assumed contracts.
Purchase Price:	\$20,934,5794
Payment of the Purchase Price:	\$600,000 deposit at signing (allocated to RHCF); \$1,200,000 additional deposit upon settlement or dismissal of outstanding litigation; \$19,134,594 due at Closing

The applicant has provided an executed Supplemental Agreement dated July 15, 2015, which provides that the Seller and Purchaser have agreed to reduce the Purchase Price from \$24,000,000 to \$20,934,594 based on the decertification of 41 RHCF beds (a reduction of \$74,766 per bed with an aggregate maximum price reduction of \$3,065,406).

The purchase price for the real property and operations is proposed to be satisfied as follows:

Equity (Summit Park Acquisition, LLC)	\$4,186,931
Loan (10 years, 3.5% - 6.5%, 30-year amortization)	<u>16,747,663</u>
Total	<u>\$20,934,594</u>

A letter of interest has been provided by Harborview Capital Partners, LLC. The loan amount was determined based on financing 80% of the total purchase price and does not include closing costs estimated at 3.5%. The applicant states they expect to refinance with a HUD mortgage.

The Asset Purchase Agreement (APA) provides that ten days before closing the value of the RHCF operating assets will be determined and agreed upon. The applicant has provided a pro forma balance sheet which projects that \$3,900,000 will be allocated to the acquisition of the goodwill of the facility, \$1,200,000 will be allocated to the acquisition of the facility's equipment, and \$15,963,600 will be allocated to the purchase of the real property. A BFA contingency has been established for verification of the allocation of the RHCF operating assets.

In accordance with the APA, the Seller will transfer the operational assets of the hospital to a separate entity, Sympaticare Health, LLC. The Department advised the applicant that ownership of both operations must be through one entity. On November 14, 2014, an assignment agreement was executed between Sympaticare Health, LLC and Sympaticare, LLC that assigned Sympaticare Health, LLC's rights to the operational assets of the hospital to Sympaticare, LLC. The purchase price for the operations of the hospital is \$12,000,000 and combined with the above, the Purchase Price totals \$32,934,594.

The applicant has provided a Transition Agreement related to the APA whereby Rockland County Health Facilities Corporation will hold all assets associated with the operation of the RHCF and subject to State and Federal law, will transfer the assets to Sympaticare, LLC at closing.

The applicant states that the litigation referenced in the APA as outstanding (CSEA v. County of Rockland et.al. Index No. 2014-323 and Northern Services Group, Inc. et.al County of Rockland et.al. Index No. 2014-518) was dismissed in December of 2014.

BFA Attachment D presents a summary of the net worth of the applicant members of Sympaticare, LLC and Summit Park Acquisition Group, LLC. The applicant has provided a letter of interest from Harborview Capital Partners to finance the acquisition of the operations and real property at the terms stated above. The letter of interest provides a ten-year bridge loan at the terms stated above. The applicant intends to refinance the loan at the end of the term. It is noted that liquid resources may not be available in proportion to the proposed ownership interest. Signed, dated, and notarized affidavits have been received by sixteen of the applicant members stating their willingness to contribute resources disproportionate to their membership interest in the operating and realty entity to cover the equity contributions of any member who does not have adequate liquid assets to cover his or her share of the purchase price, working capital requirements, project costs, and the balloon payment (should terms acceptable to the Department be unavailable at the time of refinancing). As of July 20, 2015, affidavits remain outstanding from the following: Naomi Engelman, Dan Kreisel, Yisroel Kuperwasser, and Chaya Rosenfeld (submitted a signed affidavit, but not dated or notarized).

The applicant has submitted an original affidavit, which is acceptable to the Department, in which the applicant agrees, notwithstanding any agreement, arrangement or understanding between the applicant and the transferor to the contrary, to be liable and responsible for any Medicaid overpayments made to the facility and/or surcharges, assessments or fees due from the transferor pursuant to Article 28 of the Public Health Law with respect to the period of time prior to the applicant acquiring its interest, without releasing the transferor of its liability and responsibility. Currently, there are no Medicaid liabilities or assessments due.

Lease Agreement

The applicant has submitted an execute lease agreement, the terms of which are summarized below:

Date:	July 7, 2015
Premises:	The 3 rd , 5 th , 6 th , 7 th , 8 th and 9 th floors of "Building A", located at 50 Sanatorium Rd, Pomona, New York 10970.
Owner/Landlord:	Summit Park Acquisition Group, LLC,
Lessee:	Sympaticare, LLC
Term:	30 years
Rent:	\$3,000,000 (\$250,000 per month) in years 1 and 2; \$3,500,000 per annum (\$291,666.66 per month) in Years 3-30.
Provisions:	Triple Net

The lease arrangement is a non-arm's length agreement. The applicant states that Summit Park Acquisition Group, LLC and Sympaticare, LLC share the same membership.

Total Project Cost and Financing

Total project costs for renovations are estimated at \$34,520,233, broken down as follows:

Renovation & Demolition	\$24,613,710
Asbestos Abatement or Removal	565,000
Design Contingency	2,517,871
Construction Contingency	2,517,871
Architect/Engineering Fees	1,198,653
Financing Costs	1,415,322
Interim Interest Expense	1,500,000
CON Application Fee	3,000
CON Processing Fee	<u>188,806</u>
Total Project Cost	\$34,520,233

Project costs are based on a start date of January 1, 2016, with an eighteen-month construction period.

The applicant's financing plan appears as follows:

Equity - Summit Park Acquisition Group, LLC (Real Property owner)*	\$6,420,763
Bank loan (10-years, 3.5% - 6.5%, amortization up to 30 years)	<u>28,099,470</u>
Total	\$34,520,233

* Members' equity was reduced from 25% to 18.6% based on a 41-bed decertification.

A letter of interest has been provided by Harborview Capital Partners, LLC. The loan amount may decrease with a corresponding increase in equity, depending on the property value. The applicant states they expect to refinance with a HUD mortgage

The net worth summary of the applicant members reveals sufficient resources overall to meet equity requirements for the purchase of the operating assets, working capital, renovations and balloon payment (BFA Attachment D). However, liquid resources may not be available in proportion to ownership interest. As of July 20, 2015, affidavits have been provided from all except the four aforementioned members stating their willingness to contribute resources disproportionate to their membership interest in the operating and realty entities to cover the equity contributions of any member who does not have adequate liquid assets.

Operating Budget

The applicant has provided an operating budget, in 2015 dollars, for the first year subsequent to change of ownership, summarized as follows:

	<u>Per-Diem</u>	<u>Year One</u>
Revenues:		
Commercial Fee-for-Service	\$275.00	\$950,675
Medicare Fee-for-Service	\$530.00	\$3,331,580
Medicaid Fee-for-Service	\$293.90	\$21,558,084
Private Pay	\$373.80	\$2,487,639
Blue Cross/Blue Shield	\$325.00	<u>\$17,550</u>
Subtotal		\$28,345,528
Revenues for ADHCP	\$159.00	<u>\$1,629,432</u>
Total Revenues		\$29,974,960
Expenses:		
Operating	\$281.19	\$25,251,839
Capital	<u>\$33.41</u>	\$3,000,000
Total	\$314.60	\$28,251,839
Net Income		\$1,723,121

Utilization (Patient Days)	89,804
Occupancy	87.87%

The following is noted with respect to the submitted budget:

- The expenses and revenues related to the on-site ADHCP are included in the projected budget and are based on the current operator's historical experience providing this outpatient service.
- ADHCP utilization is projected at 10,248 visits annually, based on the historical experience of the current operator.
- The Medicaid nursing home (NH) rate is based on the facility's 2015 Medicaid Regional Pricing Rate assuming a Case Mix Index (CMI) of 0.90 for the first six months and a CMI of 0.95 for that last six months of Year One.
- The projected Medicare NH rate utilizes a 0.9907 Facility Case Mix Adjustment in Year One and a \$7.47 increase in the capital rate.
- The applicant indicates they will increase utilization based on the current census and acuity level of the patients in the affiliated hospital. They anticipate that approximately thirty of the hospital's patients can immediately be transferred to the nursing home.
- The applicant states that they will be able to maintain the RHCF's occupancy projections going forward, as hospital patients stabilize and step down to lower acuity care available in the RHCF setting. The applicant projects that there will be a net gain of one patient per week, based in part on such transfers.
- Breakeven RHCF utilization is projected at 82.8%
- Utilization broken down by payor source during the first year after the change in ownership is summarized below:

<u>Payor:</u>	<u>Visits</u>	<u>%</u>
Commercial-FFS	3,457	3.85%
Medicare-FFS	6,286	7.00%
Medicaid-FFS	73,352	81.68%
Private Pay	6,655	7.41%
Blue Cross/Blue Shield	54	.06%
Total	89,804	100.00%

Capability and Feasibility

The purchase price of \$20,934,594 for the operations and real property will be met with members' equity of \$4,186,931 and a bank loan of \$16,747,663 at the terms stated above. Total project costs for the renovations of \$34,520,233 are to be funded via \$6,420,763 from members' equity (which was reduced from 25% to 18.6% based on a decertification of 41 beds) and a \$28,099,470 loan at the terms stated above. Harborview Capital Partners has provided a letter of interest to cover project costs and costs related to the purchase of the operations and real property. The applicant states that they intend to refinance with a HUD mortgage.

The working capital requirement is estimated at \$4,708,640 based on two months of year one expenses. The applicant states that they will utilize members' equity to cover working capital. The pro-forma balance sheet indicates that as of day one of operations the members will have contributed the entire amount from their personal liquid resources. The members' net worth summary provided as BFA Attachment D shows sufficient resources overall to meet all equity requirements for this application, but liquid resources may not be available in proportion to ownership interest. As of July 20, 2015, affidavits have been provided from all except the four aforementioned members stating their willingness to contribute resources disproportionate to their membership interest in the operating and realty entities to cover the equity contributions of any member who does not have sufficient liquid assets.

BFA Attachment E is Sympaticare, LLC's pro forma balance sheet as of the first day of operation, which indicates members' equity of \$9,408,640. Assets include \$3,900,000 in goodwill which is not a liquid resource nor is it recognized for Medicaid reimbursement. If goodwill is eliminated, the total members' equity would become \$5,508,640.

The applicant has submitted a detailed business plan to increase RHCF occupancy and case mix. Major objectives include: immediately transferring patients from the affiliated hospital who can be served in a lower acuity setting; initiating a marketing program; collaborating with area hospitals and the Westchester Medical Center PPS to initiate and encourage patient transfers to the nursing home; and developing special programs for difficult to serve and/or hard to place patients.

A transition of NH residents to Medicaid managed care is currently being implemented statewide. Under the managed care construct, Managed Care Organizations (MCOs) will negotiate payment rates directly with NH providers. A department policy, as described in the "Transition of Nursing Home Benefit and Population into Managed Care Policy Paper," provided guidance requiring MCOs to pay the benchmark Medicaid FFS rate, or a negotiated rate acceptable to both plans and NH, for three years after a county has been deemed mandatory for NH population enrollment. As a result, the benchmark FFS rate remains a viable basis for assessing Medicaid NH revenues through the transition period. Rockland County has transitioned to Medicaid Managed Care for new enrollees.

BFA Attachment F is the 2012-2013 certified financial statements of Summit Park Hospital / Summit Park Nursing Care Center. As shown, the combined entity had an average negative working capital position of \$62,769,832, average negative net assets of \$136,465,576, and an average negative income of \$28,682,360 for the period. The following is noted with respect to the combined certified financial statements:

- The 2013 loss from operations increased by \$2 million over 2012. Total operating revenues declined more than total operating expenses (16.8% and 9.3%, respectively).
- Net patient service revenue decreased 17.6% or \$12.2 million – comprised of \$9.7 million from a decrease in census and service units, \$2 million related to a decrease in intergovernmental transfer (IGT) payments, and a \$663,000 increase in bad debt expense.
- The hospital and the nursing home rely on advances from the County to help meet their obligations on a timely basis. In 2013 the County transferred \$13.3 million (no advances were transferred in 2012). As of 2013, the facilities owe the County \$70.7 million.
- Reflected in the combined entity financials, in 2013 and 2012 the hospital received \$4.0 million and \$3.7 million, respectively, from the indigent care pool, which is intended to partially offset the cost of services provided to the uninsured.
- Included in other receivables at the end of 2013 and 2012 were approximately \$15.3 million and \$18.9 million, respectively, of IGT payments that were authorized by the State of New York Department of Health.

BFA Attachment C is a financial summary of the proposed members' affiliated nursing homes, which shows that the facilities have maintained a positive net asset position, positive working capital position, and positive income from operations for the periods shown, with the exception of Cayuga Ridge Extended Care. Cayuga Ridge had a negative net asset position and negative working capital position for the period; however, 2014 shows improvement from the prior two years. Shalom Braunstein and Barry Braunstein acquired ownership interest in the facility in December 2012 and December 2014, respectively. For 2013 and 2014, the facility has demonstrated positive income from operations, showing marked improvement over the 2012 loss. BFA does not see any issues with the negative working capital position.

Subject to the noted contingencies, 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

BPNR Attachment A	Need Analysis
BNHLC Attachment A	Quality Measures and Inspection Report
BFA Attachment A	Organizational Chart - Sympaticare, LLC d/b/a Summit Park Hospital
BFA Attachment B	Organizational Chart - Summit Park Acquisition Group, LLC
BFA Attachment C	Financial Summary - Members' Affiliated Nursing Homes
BFA Attachment D	Net Worth Summary - Sympaticare, LLC and Summit Park Acquisition Group,
BFA Attachment E	Pro Forma Balance Sheet - Sympaticare, LLC d/b/a Summit Park Nursing Care Center
BFA Attachment F	2012-2013 Financial Summary of Summit Park Hospital/Summit Park Nursing Care Center Financial Summary - Summit Park Nursing Care Center

BPNR Attachment

CON's 142211 and 141223

Need Analysis – Sympaticare/Summit Park: Hospital and Nursing Care Center

As CON's 142211 and 141223 involve co-located facilities operating in concert with each other, it was necessary to analyze the projected number of patients to be discharged from Summit Park Hospital (Hospital) and admitted to the residential health care facility, Summit Park Care Center (Nursing Home). While the projections provided by the proposed operator, Sympaticare, LLC, do not entirely coincide, the Department's own analysis suggests utilization sufficient to sustain both facilities by Year 3.

Sympaticare, LLC intends to discharge all 30 long term acute care patients currently at the Hospital to the Nursing Home as soon as possible based on patient acuity level and adequate training of nursing home staff. After transfer of all 30 patients, it is the intent of the proposed operators to gradually admit new patients to the hospital to achieve a patient total of 33 by the end of Year 1 and 50 by the end of Year 3. The proposed operators provided the Department a projection of 481 discharges from the hospital in Year 1, with 120 of those patients to be admitted to the nursing home. However, in order to achieve 120 discharges to the Nursing Home in Year 1, the hospital would need to start the year with 33 patients ($33 \times 12 \times 30\% = \sim 120$); but effective transfer of all current patients to the nursing home would leave zero patients at the start of the year.

The Department undertook alternate analyses to calculate patient projections for Years 1 through 3 for both the Hospital and Nursing Home. Historical average length of stay (ALOS) for the hospital is shown in Table 1. The average of the ALOS between 2010 and 2014 is 29.1 days. To calculate patient projections for the hospital in Table 3, ALOS was rounded up to 30 days, or one month. Historical length of stay and admissions data for the nursing home are shown in Table 2. As seen in Table 2, implied ALOS has historically been greater than one year and decreased from 2010 to 2013. The proposed operator anticipates that the ALOS in the nursing home will decrease due to the drawing of a higher acuity patient population from the hospital. To calculate patient projections for the nursing home in Table 4, an ALOS of one year was assumed. As shown in Table 2, the average of monthly admissions has been approximately 16 patients. Therefore, 16 patients is the number of "Other Admits" to the nursing home in Table 4, which represents the number of patients admitted to Summit Park Nursing Care Center from facilities other than Summit Park Hospital.

The proposed operator states that 30% of patients from the hospital will be discharged to the nursing home. Peer-reviewed studies find that the number of long term acute care hospital (LTACH) patients discharged to residential health care facilities is 25%. For this analysis, the number used to calculate patient projections is an average of those two percentages and equals 27.5% as indicated in Table 4. As seen in Table 4, the starting census at the nursing home is 230, and is based on the current census of about 200 residents plus the 30 patients to be admitted from the hospital immediately following change of ownership.

Assuming the hospital achieves the goal of admitting 50 patients per month by Year 3 as demonstrated in Table 3, approximately 12-14 Hospital patients will be admitted to the Nursing Home each month as demonstrated in Table 4. As a result, referrals from outside facilities would only need to be about 10 patients per month for the Nursing Home to maintain 97% occupancy.

As indicated in Table 5, three hospitals have provided letters of support to refer between 10 and 20 patients a month to the hospital. Conservatively, the low end estimate for referrals to the hospital is 65 per month. Based on these data, there appears to be adequate demand for the LTACH at Summit Park Hospital.

Table 1
Summit Park Hospital Historical Length of Stay
Non-Psychiatric Inpatients (per SPARCS)

Year	Average Length of Stay¹ (in days)
2010	30.2
2011	30.1
2012	31.4
2013	26.8
2014	27.1
Average	29.1

¹The Average Length of Stay (ALOS) at the Summit Park Hospital LTACH has been approximately 30 days. To calculate census projections, average length of stay at the LTACH was rounded to one month. Per Table 3, the total number of patients at the beginning of a month equals the number of discharges in the subsequent month.

Table 2
Summit Park Nursing Care Center
Historical Length of Stay/Admissions

Year	From Cost Reports (2009-2013)				Computed		
	Starting Census	Ending Census	Annual Discharges	Days of Care Provided	Implied ALOS (in days) ²	Annual Admissions	Monthly Admission Average ³
2009	297	291	243	104,825	431.4	237	19.75
2010	291	265	217	101,825	469.2	191	15.92
2011	265	251	213	95,344	447.6	199	16.58
2012	251	224	216	88,809	411.2	189	15.75
2013	224	209	206	77,698	377.2	191	15.92
2014*	209	203	200	N/A	N/A	194	16.17
2015*	203	197	195	N/A	N/A	189	15.75
*Per weekly census						Avg. 2010-2015	16.01

²ALOS was calculated by dividing Days of Care Provided by Annual Discharges. The historical implied ALOS for the Nursing Home has been greater than one year. Per the applicant, admission of LTACH patients to the Nursing Home will decrease the Nursing Home's ALOS. To account for this decrease, ALOS for the Nursing Home was adjusted to one year when calculating projections in Tables 3 and 4.

³Since 2010, monthly admission average has been approximately 16 patients and was used in Table 4 for the number of Other Admits.

Table 3
Summit Park Hospital Projections Years 1 - 3
(Average Length of Stay = 30 days)
Capacity = 57 beds

	Month	Patients Beginning Month	Admits	Discharges ⁴	Patients End Month	Net Change	Yearly Net Change
YEAR 1	1	0	2	0	2	2	
	2	2	4	0	6	4	
	3	6	6	2	10	4	
	4	10	8	6	12	2	
	5	12	10	10	12	0	
	6	12	12	12	12	0	
	7	12	14	12	14	2	
	8	14	16	12	18	4	
	9	18	19	14	23	5	
	10	23	22	18	27	4	
	11	27	26	23	30	3	
	12	30	30	27	33	3	
		Total		169	136		
YEAR 2	13	33	30	30	33	0	
	14	33	31	33	31	-2	
	15	31	32	33	30	-1	
	16	30	33	31	32	2	
	17	32	34	30	36	4	
	18	36	35	32	39	3	
	19	39	36	36	39	0	
	20	39	37	39	37	-2	
	21	37	38	39	36	-1	
	22	36	39	37	38	2	
	23	38	40	36	42	4	
	24	42	41	38	45	3	
	Total		426	414			12
YEAR 3	25	45	42	42	45	0	
	26	45	43	45	43	-2	
	27	43	44	45	42	-1	
	28	42	45	43	44	2	
	29	44	46	42	48	4	
	30	48	47	44	51	3	
	31	51	48	48	51	0	
	32	51	49	51	49	-2	
	33	49	50	51	48	-1	
	34	48	50	49	49	1	
	35	49	50	48	51	2	
	36	51	50	49	52	1	
	Total		564	557			7

⁴The number of Discharges is calculated by multiplying the total number of LTACH discharges by the 27.5% of patient expected to be admitted to the Nursing Home, excluding the 30 LTACH patients to be admitted to the nursing home immediately following the change in ownership.

Table 4
Summit Park Nursing Home Projections Years 1 - 3
(Average Length of Stay = 1 year)
Capacity upon CON completion = 280 beds

Starting Census:	200
Admissions From LTCH:	27.5%

	Month	Admits from LTCH ⁵	Other Admits	Total Admits	Discharges	Residents	Net Change	Yearly Net Change
YEAR 1	Start	30	0	30		230	0	
	1	0	16	16	19	227	-3	
	2	0	16	16	19	224	-3	
	3	1	16	17	19	222	-2	
	4	2	16	18	18	221	-1	
	5	3	16	19	18	221	0	
	6	3	16	19	18	222	1	
	7	3	16	19	19	223	1	
	8	3	16	19	19	224	1	
	9	4	16	20	19	225	1	
	10	5	16	21	19	227	2	
	11	6	16	22	19	231	3	
	12	7	16	23	19	235	4	
	Total	67	192	229	225			5
YEAR 2	13	8	16	24	20	239	5	
	14	9	16	25	20	245	5	
	15	9	16	25	20	249	5	
	16	9	16	25	21	253	4	
	17	8	14	22	21	254	1	
	18	9	14	23	21	256	2	
	19	10	14	24	21	258	3	
	20	11	14	25	22	262	3	
	21	11	14	25	22	264	3	
	22	10	14	24	22	267	2	
	23	10	14	24	22	268	2	
	24	10	14	24	22	270	2	
	Total	114	176	290	254			36
YEAR 3	25	12	10	22	23	269	-1	
	26	12	10	22	22	269	0	
	27	12	10	22	22	269	0	
	28	12	10	22	22	269	-1	
	29	12	10	22	22	268	-1	
	30	12	10	22	22	268	0	
	31	13	10	23	22	268	1	
	32	14	10	24	22	270	2	
	33	14	10	24	23	272	2	
	34	13	10	23	23	272	1	
	35	13	10	23	23	273	0	
	36	13	10	23	23	274	1	
	Total	153	120	273	270			3

⁵The number of Admits from LTACH is calculated by multiplying the total number of LTACH discharges by the 27.5% of patients expected to be sent to the Nursing Home, excluding the 30 LTACH patients to be admitted to the nursing home immediately following the change in ownership.

Table 5

Applicant Projected Monthly Referrals to the LTACH	Low	High	Verified via letter
Nyack Hospital	10	15	Yes
Good Samaritan Regional Medical Center	15	25	Yes
Westchester Medical Center	15	25	
St Johns Riverside Hospital	10	20	Yes
New York Presbyterian Hudson Valley Hospital	15	20	
Totals	65	105	

Summit Park Nursing Care Center

The following table shows how this nursing home performs in key quality measure areas.

Percentage of residents who...	Performance Ranking 
<p> Self-report moderate to severe pain (short stay) Reporting period: January to December 2014 14.6% This Facility 13.7% State average 18.3% National average</p>	<p>3 out of 5 stars</p>
<p> Have pressure sores that are new or worsened Reporting period: January to December 2014 2.2% This Facility 1.0% State average 0.9% National average</p>	<p>1 out of 5 stars</p>
<p> Were given, appropriately, the seasonal influenza vaccine (short stay) Reporting period: January to December 2014 90.8% This Facility 84.7% State average 82.8% National average</p>	<p>3 out of 5 stars</p>
<p> Were given, appropriately, the pneumococcal vaccine Reporting period: January to December 2014 57.8% This Facility 83.3% State average 81.9% National average</p>	<p>1 out of 5 stars</p>
<p> Newly received an antipsychotic medication Reporting period: January to December 2014 6.3% This Facility 2.3% State average 2.4% National average</p>	<p>1 out of 5 stars</p>
<p> Needed increased help with daily activities (long stay) Reporting period: April to December 2014 26.0% This Facility 14.4% State average 15.6% National average</p>	<p>1 out of 5 stars</p>
<p> Self-report moderate to severe pain (long stay) Reporting period: April to December 2014 6.4% This Facility 4.9% State average 7.4% National average</p>	<p>2 out of 5 stars</p>
<p> Have pressure sores (long stay) Reporting period: April to December 2014 6.0% This Facility 7.5% State average 5.9% National average</p>	<p>4 out of 5 stars</p>
<p> Lose too much weight (long stay) Reporting period: April to December 2014</p>	<p>4 out of 5 stars</p>

141223 BNHLC Attachment A – Quality Measures and Inspection Report

<p>4.1% This Facility 6.1% State average 7.0% National average</p>	
<p>☑Lose control of their bowels or bladder (long stay, low risk) Reporting period: April to December 2014 46.4% This Facility 45.8% State average 45.0% National average</p>	<p>3 out of 5 stars</p>
<p>☑Had a catheter inserted and left in their bladder (long stay) Reporting period: April to December 2014 1.0% This Facility 2.6% State average 3.1% National average</p>	<p>5 out of 5 stars</p>
<p>☑Had a urinary tract infection (long stay) Reporting period: April to December 2014 4.3% This Facility 5.5% State average 5.7% National average</p>	<p>3 out of 5 stars</p>
<p>☑Have depressive symptoms (long stay) Reporting period: April to December 2014 7.5% This Facility 11.4% State average 6.0% National average</p>	<p>2 out of 5 stars</p>
<p>☑Were physically restrained (long stay) Reporting period: April to December 2014 0.2% This Facility 1.5% State average 1.1% National average</p>	<p>3 out of 5 stars</p>
<p>☑Experienced one or more falls with major injury (long stay) Reporting period: April to December 2014 2.6% This Facility 2.7% State average 3.2% National average</p>	<p>3 out of 5 stars</p>
<p>☑Were given, appropriately, the seasonal influenza vaccine (long stay) Reporting period: April to December 2014 99.7% This Facility 94.8% State average 92.6% National average</p>	<p>5 out of 5 stars</p>
<p>☑Were given, appropriately, the pneumococcal vaccine (long stay) Reporting period: April to December 2014 99.1% This Facility 96.7% State average 93.8% National average</p>	<p>3 out of 5 stars</p>
<p>☑Received an antipsychotic medication (long stay) Reporting period: April to December 2014 25.2% This Facility 17.6% State average 19.3% National average</p>	<p>1 out of 5 stars</p>

Summit Park Nursing Care Center

Inspection Report

Report Period: June 2011 to May 2015

This report displays citations for Certification Surveys and Complaint Surveys during the reporting period.

Summary

This table summarizes the citations in the details section of this report and compares them against the statewide average.

Measure	This Facility	Statewide Average
Standard Health Deficiencies	22	23
Life Safety Code Deficiencies	19	12
Total Deficiencies	41	35
Deficiencies Related to Actual Harm or Immediate Jeopardy	0	1
% of Deficiencies Related to Actual Harm or Immediate Jeopardy	0%	3%

Elcor Nursing and Rehabilitation Center

The following table shows how this nursing home performs in key quality measure areas.

Percentage of residents who...	Performance Ranking
<p>Self-report moderate to severe pain (short stay) Reporting period: January to December 2014 24.2% This Facility 13.7% State average 16.3% National average</p>	<p>1 out of 5 stars</p>
<p>Have pressure sores that are new or worsened Reporting period: January to December 2014 0.2% This Facility 1.0% State average 0.9% National average</p>	<p>4 out of 5 stars</p>
<p>Were given, appropriately, the seasonal influenza vaccine (short stay) Reporting period: January to December 2014 95.9% This Facility 84.7% State average 82.8% National average</p>	<p>4 out of 5 stars</p>
<p>Were given, appropriately, the pneumococcal vaccine Reporting period: January to December 2014 95.5% This Facility 83.3% State average 81.9% National average</p>	<p>4 out of 5 stars</p>
<p>Newly received an antipsychotic medication Reporting period: January to December 2014 0.8% This Facility 2.3% State average 2.4% National average</p>	<p>4 out of 5 stars</p>
<p>Needed increased help with daily activities (long stay) Reporting period: April to December 2014 19.9% This Facility 14.4% State average 15.6% National average</p>	<p>1 out of 5 stars</p>
<p>Self-report moderate to severe pain (long stay) Reporting period: April to December 2014 15.6% This Facility 4.9% State average 7.4% National average</p>	<p>1 out of 5 stars</p>
<p>Have pressure sores (long stay) Reporting period: April to December 2014 7.4% This Facility 7.5% State average 5.9% National average</p>	<p>3 out of 5 stars</p>
<p>Lose too much weight (long stay) Reporting period: April to December 2014</p>	<p>1 out of 5 stars</p>

141223 BNHLC Attachment A – Quality Measures and Inspection Report

<p>8.6% This Facility 6.1% State average 7.0% National average</p>	
<p>☞ Lose control of their bowels or bladder (long stay, low risk) Reporting period: April to December 2014 32.3% This Facility 45.8% State average 45.0% National average</p>	4 out of 5 stars
<p>☞ Had a catheter inserted and left in their bladder (long stay) Reporting period: April to December 2014 2.2% This Facility 2.6% State average 3.1% National average</p>	3 out of 5 stars
<p>☞ Had a urinary tract infection (long stay) Reporting period: April to December 2014 6.9% This Facility 5.5% State average 5.7% National average</p>	2 out of 5 stars
<p>☞ Have depressive symptoms (long stay) Reporting period: April to December 2014 30.0% This Facility 11.4% State average 6.0% National average</p>	1 out of 5 stars
<p>☞ Were physically restrained (long stay) Reporting period: April to December 2014 3.1% This Facility 1.5% State average 1.1% National average</p>	1 out of 5 stars
<p>☞ Experienced one or more falls with major injury (long stay) Reporting period: April to December 2014 1.9% This Facility 2.7% State average 3.2% National average</p>	4 out of 5 stars
<p>☞ Were given, appropriately, the seasonal influenza vaccine (long stay) Reporting period: April to December 2014 99.6% This Facility 94.8% State average 92.6% National average</p>	5 out of 5 stars
<p>☞ Were given, appropriately, the pneumococcal vaccine (long stay) Reporting period: April to December 2014 100.0% This Facility 96.7% State average 93.8% National average</p>	5 out of 5 stars
<p>☞ Received an antipsychotic medication (long stay) Reporting period: April to December 2014 15.7% This Facility 17.6% State average 19.3% National average</p>	3 out of 5 stars

Elcor Nursing and Rehabilitation Center

Inspection Report

Report Period: June 2011 to May 2015

This report displays citations for Certification Surveys and Complaint Surveys during the reporting period.

Summary

This table summarizes the citations in the details section of this report and compares them against the statewide average.

Measure	This Facility	Statewide Average
Standard Health Deficiencies	29	23
Life Safety Code Deficiencies	16	12
Total Deficiencies	45	35
Deficiencies Related to Actual Harm or Immediate Jeopardy	0	1
% of Deficiencies Related to Actual Harm or Immediate Jeopardy	0%	3%

Cayuga Ridge Extended Care

The following table shows how this nursing home performs in key quality measure areas.

Percentage of residents who...	Performance Ranking
<p>Self-report moderate to severe pain (short stay) Reporting period: January to December 2014 7.9% This Facility 13.7% State average 18.3% National average</p>	<p>4 out of 5 stars</p>
<p>Have pressure sores that are new or worsened Reporting period: January to December 2014 1.0% This Facility 1.0% State average 0.9% National average</p>	<p>2 out of 5 stars</p>
<p>Were given, appropriately, the seasonal influenza vaccine (short stay) Reporting period: January to December 2014 48.1% This Facility 54.7% State average 82.8% National average</p>	<p>1 out of 5 stars</p>
<p>Were given, appropriately, the pneumococcal vaccine Reporting period: January to December 2014 13.2% This Facility 83.3% State average 81.9% National average</p>	<p>1 out of 5 stars</p>
<p>Newly received an antipsychotic medication Reporting period: January to December 2014 0.7% This Facility 2.3% State average 2.4% National average</p>	<p>4 out of 5 stars</p>
<p>Needed increased help with daily activities (long stay) Reporting period: April to December 2014 22.8% This Facility 14.4% State average 15.6% National average</p>	<p>1 out of 5 stars</p>
<p>Self-report moderate to severe pain (long stay) Reporting period: April to December 2014 4.4% This Facility 4.9% State average 7.4% National average</p>	<p>3 out of 5 stars</p>
<p>Have pressure sores (long stay) Reporting period: April to December 2014 6.5% This Facility 7.5% State average 5.9% National average</p>	<p>3 out of 5 stars</p>
<p>Lose too much weight (long stay) Reporting period: April to December 2014</p>	<p>1 out of 5 stars</p>

141223 BNHLC Attachment A – Quality Measures and Inspection Report

<p>13.1% This Facility 6.1% State average 7.0% National average</p>	
<p>☞Lose control of their bowels or bladder (long stay, low risk) Reporting period: April to December 2014 34.5% This Facility 45.8% State average 45.0% National average</p>	4 out of 5 stars
<p>☞Had a catheter inserted and left in their bladder (long stay) Reporting period: April to December 2014 2.3% This Facility 2.6% State average 3.1% National average</p>	3 out of 5 stars
<p>☞Had a urinary tract infection (long stay) Reporting period: April to December 2014 8.5% This Facility 5.5% State average 5.7% National average</p>	1 out of 5 stars
<p>☞Have depressive symptoms (long stay) Reporting period: April to December 2014 22.2% This Facility 11.4% State average 6.0% National average</p>	1 out of 5 stars
<p>☞Were physically restrained (long stay) Reporting period: April to December 2014 0.7% This Facility 1.5% State average 1.1% National average</p>	3 out of 5 stars
<p>☞Experienced one or more falls with major injury (long stay) Reporting period: April to December 2014 1.5% This Facility 2.7% State average 3.2% National average</p>	4 out of 5 stars
<p>☞Were given, appropriately, the seasonal influenza vaccine (long stay) Reporting period: April to December 2014 91.0% This Facility 94.8% State average 92.6% National average</p>	2 out of 5 stars
<p>☞Were given, appropriately, the pneumococcal vaccine (long stay) Reporting period: April to December 2014 72.2% This Facility 96.7% State average 93.8% National average</p>	1 out of 5 stars
<p>☞Received an antipsychotic medication (long stay) Reporting period: April to December 2014 15.5% This Facility 17.6% State average 19.3% National average</p>	3 out of 5 stars

Cayuga Ridge Extended Care

Inspection Report

Report Period: June 2011 to May 2015

This report displays citations for Certification Surveys and Complaint Surveys during the reporting period.

Summary

This table summarizes the citations in the details section of this report and compares them against the statewide average.

Measure	This Facility	Statewide Average
Standard Health Deficiencies	80	23
Life Safety Code Deficiencies	37	12
Total Deficiencies	117	35
Deficiencies Related to Actual Harm or Immediate Jeopardy	5	1
% of Deficiencies Related to Actual Harm or Immediate Jeopardy	4%	3%

Sheepshead Nursing & Rehabilitation Center

The following table shows how this nursing home performs in key quality measure areas.

Percentage of residents who...	Performance Ranking
<p>Self-report moderate to severe pain (short stay) Reporting period: January to December 2014 1.9% This Facility 13.7% State average 18.3% National average</p>	<p>5 out of 5 stars</p>
<p>Have pressure sores that are new or worsened Reporting period: January to December 2014 0.4% This Facility 1.0% State average 0.9% National average</p>	<p>4 out of 5 stars</p>
<p>Were given, appropriately, the seasonal influenza vaccine (short stay) Reporting period: January to December 2014 91.2% This Facility 84.7% State average 82.8% National average</p>	<p>3 out of 5 stars</p>
<p>Were given, appropriately, the pneumococcal vaccine Reporting period: January to December 2014 90.3% This Facility 83.3% State average 81.9% National average</p>	<p>3 out of 5 stars</p>
<p>Newly received an antipsychotic medication Reporting period: January to December 2014 2.0% This Facility 2.3% State average 2.4% National average</p>	<p>3 out of 5 stars</p>
<p>Needed increased help with daily activities (long stay) Reporting period: April to December 2014 6.3% This Facility 14.4% State average 15.6% National average</p>	<p>5 out of 5 stars</p>
<p>Self-report moderate to severe pain (long stay) Reporting period: April to December 2014 0.3% This Facility 4.9% State average 7.4% National average</p>	<p>5 out of 5 stars</p>
<p>Have pressure sores (long stay) Reporting period: April to December 2014 12.7% This Facility 7.5% State average 5.9% National average</p>	<p>1 out of 5 stars</p>
<p>Lose too much weight (long stay) Reporting period: April to December 2014</p>	<p>2 out of 5 stars</p>

141223 BNHLC Attachment A – Quality Measures and Inspection Report

<p>7.4% This Facility 6.1% State average 7.0% National average</p>	
<p>☑ Lose control of their bowels or bladder (long stay, low risk) Reporting period: April to December 2014 56.0% This Facility 45.8% State average 45.0% National average</p>	2 out of 5 stars
<p>☑ Had a catheter inserted and left in their bladder (long stay) Reporting period: April to December 2014 2.3% This Facility 2.6% State average 3.1% National average</p>	3 out of 5 stars
<p>☑ Had a urinary tract infection (long stay). Reporting period: April to December 2014 0.3% This Facility 5.5% State average 5.7% National average</p>	5 out of 5 stars
<p>☑ Have depressive symptoms (long stay) Reporting period: April to December 2014 64.9% This Facility 11.4% State average 6.0% National average</p>	1 out of 5 stars
<p>☑ Were physically restrained (long stay) Reporting period: April to December 2014 0.0% This Facility 1.5% State average 1.1% National average</p>	5 out of 5 stars
<p>☑ Experienced one or more falls with major injury (long stay) Reporting period: April to December 2014 0.9% This Facility 2.7% State average 3.2% National average</p>	5 out of 5 stars
<p>☑ Were given, appropriately, the seasonal influenza vaccine (long stay) Reporting period: April to December 2014 92.8% This Facility 94.8% State average 92.6% National average</p>	2 out of 5 stars
<p>☑ Were given, appropriately, the pneumococcal vaccine (long stay) Reporting period: April to December 2014 97.6% This Facility 96.7% State average 93.8% National average</p>	2 out of 5 stars
<p>☑ Received an antipsychotic medication (long stay) Reporting period: April to December 2014 14.2% This Facility 17.6% State average 19.3% National average</p>	4 out of 5 stars

Sheepshead Nursing & Rehabilitation Center

Inspection Report

Report Period: June 2011 to May 2015

This report displays citations for Certification Surveys and Complaint Surveys during the reporting period.

Summary

This table summarizes the citations in the details section of this report and compares them against the statewide average.

Measure	This Facility	Statewide Average
Standard Health Deficiencies	5	23
Life Safety Code Deficiencies	7	12
Total Deficiencies	12	35
Deficiencies Related to Actual Harm or Immediate Jeopardy	0	1
% of Deficiencies Related to Actual Harm or Immediate Jeopardy	0%	3%

Laconia Nursing Home

The following table shows how this nursing home performs in key quality measure areas.

Percentage of residents who...	Performance Ranking
<p>Self-report moderate to severe pain (short stay) Reporting period: January to December 2014</p> <p>1.6% This Facility 13.7% State average 18.3% National average</p>	<p>5 out of 5 stars</p>
<p>Have pressure sores that are new or worsened Reporting period: January to December 2014</p> <p>0.0% This Facility 1.0% State average 0.9% National average</p>	<p>5 out of 5 stars</p>
<p>Were given, appropriately, the seasonal influenza vaccine (short stay) Reporting period: January to December 2014</p> <p>39.4% This Facility 84.7% State average 82.8% National average</p>	<p>1 out of 5 stars</p>
<p>Were given, appropriately, the pneumococcal vaccine Reporting period: January to December 2014</p> <p>62.6% This Facility 83.3% State average 81.9% National average</p>	<p>1 out of 5 stars</p>
<p>Newly received an antipsychotic medication Reporting period: January to December 2014</p> <p>0.0% This Facility 2.3% State average 2.4% National average</p>	<p>5 out of 5 stars</p>
<p>Needed increased help with daily activities (long stay) Reporting period: April to December 2014</p>	<p>1 out of 5 stars</p>

141223 BNHLC Attachment A – Quality Measures and Inspection Report

<p>35.2% This Facility 14.4% State average 15.6% National average</p>	
<p>Self-report moderate to severe pain (long stay) Reporting period: April to December 2014</p> <p>0.5% This Facility 4.9% State average 7.4% National average</p>	<p>5 out of 5 stars</p>
<p>Have pressure sores (long stay) Reporting period: April to December 2014</p> <p>9.4% This Facility 7.5% State average 5.9% National average</p>	<p>2 out of 5 stars</p>
<p>Lose too much weight (long stay) Reporting period: April to December 2014</p> <p>4.9% This Facility 6.1% State average 7.0% National average</p>	<p>4 out of 5 stars</p>
<p>Lose control of their bowels or bladder (long stay, low risk) Reporting period: April to December 2014</p> <p>29.1% This Facility 45.8% State average 45.0% National average</p>	<p>5 out of 5 stars</p>
<p>Had a catheter inserted and left in their bladder (long stay) Reporting period: April to December 2014</p> <p>0.8% This Facility 2.6% State average 3.1% National average</p>	<p>5 out of 5 stars</p>
<p>Had a urinary tract infection (long stay) Reporting period: April to December 2014</p> <p>4.2% This Facility 5.5% State average 5.7% National average</p>	<p>4 out of 5 stars</p>
<p>Have depressive symptoms (long stay) Reporting period: April to December 2014</p>	<p>4 out of 5 stars</p>

141223 BNHLC Attachment A – Quality Measures and Inspection Report

<p>1.6% This Facility 11.4% State average 6.0% National average</p>	
<p>Were physically restrained (long stay) Reporting period: April to December 2014</p> <p>2.2% This Facility 1.5% State average 1.1% National average</p>	<p>2 out of 5 stars</p>
<p>Experienced one or more falls with major injury (long stay) Reporting period: April to December 2014</p> <p>0.6% This Facility 2.7% State average 3.2% National average</p>	<p>5 out of 5 stars</p>
<p>Were given, appropriately, the seasonal influenza vaccine (long stay) Reporting period: April to December 2014</p> <p>97.8% This Facility 94.8% State average 92.6% National average</p>	<p>3 out of 5 stars</p>
<p>Were given, appropriately, the pneumococcal vaccine (long stay) Reporting period: April to December 2014</p> <p>99.0% This Facility 96.7% State average 93.8% National average</p>	<p>3 out of 5 stars</p>
<p>Received an antipsychotic medication (long stay) Reporting period: April to December 2014</p> <p>35.6% This Facility 17.6% State average 19.3% National average</p>	<p>1 out of 5 stars</p>

Laconia Nursing Home

Inspection Report

Report Period: June 2011 to May 2015

This report displays citations for Certification Surveys and Complaint Surveys during the reporting period.

Summary

This table summarizes the citations in the details section of this report and compares them against the statewide average.

Measure	This Facility	Statewide Average
Standard Health Deficiencies	8	23
Life Safety Code Deficiencies	15	12
Total Deficiencies	23	35
Deficiencies Related to Actual Harm or Immediate Jeopardy	0	1
% of Deficiencies Related to Actual Harm or Immediate Jeopardy	0%	3%

Oxford Nursing Home

The following table shows how this nursing home performs in key quality measure areas.

Percentage of residents who...	Performance Ranking
<p>Self-report moderate to severe pain (short stay) Reporting period: January to December 2014</p> <p>2.8% This Facility 13.7% State average 18.5% National average</p>	<p>5 out of 5 stars</p>
<p>Have pressure sores that are new or worsened Reporting period: January to December 2014</p> <p>0.0% This Facility 1.0% State average 0.9% National average</p>	<p>5 out of 5 stars</p>
<p>Were given, appropriately, the seasonal influenza vaccine (short stay) Reporting period: January to December 2014</p> <p>93.1% This Facility 84.7% State average 82.8% National average</p>	<p>4 out of 5 stars</p>
<p>Were given, appropriately, the pneumococcal vaccine Reporting period: January to December 2014</p> <p>93.9% This Facility 83.3% State average 81.9% National average</p>	<p>4 out of 5 stars</p>
<p>Newly received an antipsychotic medication Reporting period: January to December 2014</p> <p>5.2% This Facility 2.3% State average 2.4% National average</p>	<p>1 out of 5 stars</p>
<p>Needed increased help with daily activities (long stay) Reporting period: April to December 2014</p>	<p>5 out of 5 stars</p>

141223 BNHLC Attachment A – Quality Measures and Inspection Report

<p>8.9% This Facility 14.4% State average 15.6% National average</p>	
<p>Self-report moderate to severe pain (long stay) Reporting period: April to December 2014</p> <p>0.0% This Facility 4.9% State average 7.4% National average</p>	<p>5 out of 5 stars</p>
<p>Have pressure sores (long stay) Reporting period: April to December 2014</p> <p>5.1% This Facility 7.5% State average 5.9% National average</p>	<p>4 out of 5 stars</p>
<p>Lose too much weight (long stay) Reporting period: April to December 2014</p> <p>6.9% This Facility 6.1% State average 7.0% National average</p>	<p>2 out of 5 stars</p>
<p>Lose control of their bowels or bladder (long stay, low risk) Reporting period: April to December 2014</p> <p>15.6% This Facility 45.8% State average 45.0% National average</p>	<p>5 out of 5 stars</p>
<p>Had a catheter inserted and left in their bladder (long stay) Reporting period: April to December 2014</p> <p>0.9% This Facility 2.6% State average 3.1% National average</p>	<p>5 out of 5 stars</p>
<p>Had a urinary tract infection (long stay) Reporting period: April to December 2014</p> <p>2.1% This Facility 5.5% State average 5.7% National average</p>	<p>5 out of 5 stars</p>
<p>Have depressive symptoms (long stay) Reporting period: April to December 2014</p>	<p>2 out of 5 stars</p>

141223 BNHLC Attachment A – Quality Measures and Inspection Report

<p>10.8% This Facility 11.4% State average 6.0% National average</p>	
<p>Were physically restrained (long stay) Reporting period: April to December 2014</p> <p>0.0% This Facility 1.5% State average 1.1% National average</p>	<p>5 out of 5 stars</p>
<p>Experienced one or more falls with major injury (long stay) Reporting period: April to December 2014</p> <p>3.3% This Facility 2.7% State average 3.2% National average</p>	<p>2 out of 5 stars</p>
<p>Were given, appropriately, the seasonal influenza vaccine (long stay) Reporting period: April to December 2014</p> <p>99.5% This Facility 94.8% State average 92.6% National average</p>	<p>5 out of 5 stars</p>
<p>Were given, appropriately, the pneumococcal vaccine (long stay) Reporting period: April to December 2014</p> <p>100.0% This Facility 96.7% State average 93.8% National average</p>	<p>5 out of 5 stars</p>
<p>Received an antipsychotic medication (long stay) Reporting period: April to December 2014</p> <p>30.3% This Facility 17.6% State average 19.3% National average</p>	<p>1 out of 5 stars</p>

Oxford Nursing Home

Inspection Report

Report Period: June 2011 to May 2015

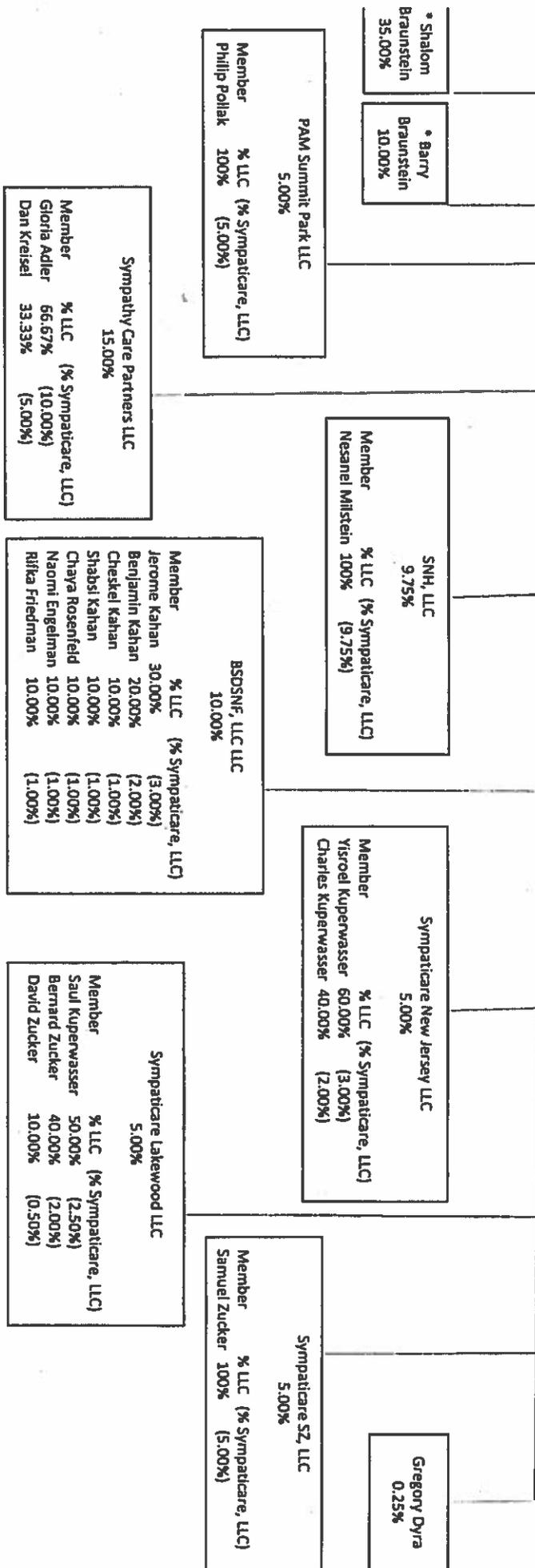
This report displays citations for Certification Surveys and Complaint Surveys during the reporting period.

Summary

This table summarizes the citations in the details section of this report and compares them against the statewide average.

Measure	This Facility	Statewide Average
Standard Health Deficiencies	17	23
Life Safety Code Deficiencies	10	12
Total Deficiencies	27	35
Deficiencies Related to Actual Harm or Immediate Jeopardy	0	1
% of Deficiencies Related to Actual Harm or Immediate Jeopardy	0%	3%

SYMPATICARE, LLC



• Managing Member of Sympaticare, LLC

SUMMIT PARK ACQUISITION GROUP, LLC

* Shalom
Braunstein
35.00%

* Barry
Braunstein
10.00%

PAM Summit Park LLC
5.00%
Member % LLC (% SPAG, LLC)
Philip Pollak 100% (5.00%)

SNH, LLC
9.79%
Member % LLC (% SPAG, LLC)
Nesanel Mitstein 100% (9.75%)

Sympatcare New Jersey LLC
5.00%
Member % LLC (% SPAG, LLC)
Yisroel Kuperwasser 60.00% (3.00%)
Charles Kuperwasser 40.00% (2.00%)

Gregory Dyra
0.25%

Sympatcare SZ, LLC
5.00%
Member % LLC (% SPAG, LLC)
Samuel Zucker 100% (5.00%)

Sympathy Care Partners LLC
15.00%
Member % LLC (% SPAG, LLC)
Gloria Adler 66.67% (10.00%)
Dan Kreisel 33.33% (5.00%)

BSDSNF, LLC LLC
10.00%
Member % LLC (% SPAG, LLC)
Jerome Kahan 30.00% (3.00%)
Benjamin Kahan 20.00% (2.00%)
Cheskel Kahan 10.00% (1.00%)
Shabsi Kahan 10.00% (1.00%)
Chaya Rosenfeld 10.00% (1.00%)
Naomi Engelman 10.00% (1.00%)
Ritka Friedman 10.00% (1.00%)

Sympatcare Lakewood LLC
5.00%
Member % LLC (% SPAG, LLC)
Saul Kuperwasser 50.00% (2.50%)
Bernard Zucker 40.00% (2.00%)
David Zucker 10.00% (0.50%)

* Managing Member of Summit Park Acquisition
Group, LLC (SPAG)

* based on HCFSystems Cost Report data, presented in thousands
* totals presented in thousands

<u>Cayuga Ridge, LLC</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Current Assets	\$2,563,226	\$3,279,929	\$2,818,143
Fixed Assets	<u>\$441,962</u>	<u>\$392,797</u>	<u>\$387,198</u>
Total Assets	\$3,005,188	\$3,672,726	\$3,205,341
Current Liabilities	\$3,576,702	\$4,490,719	\$4,186,310
Long Term Liabilities	<u>\$51,841</u>	<u>\$131,589</u>	<u>\$0</u>
Total Liabilities	\$3,628,543	\$4,622,308	\$4,186,310
Net Assets	-\$623,355	-\$949,582	-\$980,969
Working Capital Position	-\$1,013,476	-\$1,210,790	-\$1,368,167
Operating Revenues	\$12,074,985	\$10,844,760	\$10,214,676
Operating Expenses	<u>\$11,750,129</u>	<u>\$10,813,806</u>	<u>\$10,893,456</u>
Operating Net Income	\$324,856	\$30,954	-\$678,780

<u>Elcor Operating Company, LLC</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Current Assets	\$6,280,918	\$6,348,762	\$4,943,938
Fixed Assets	<u>\$2,853,362</u>	<u>\$2,724,763</u>	<u>\$2,662,454</u>
Total Assets	\$9,134,280	\$9,073,525	\$7,606,392
Current Liabilities	\$1,663,402	\$2,649,414	\$2,648,960
Long Term Liabilities	<u>\$1,303,698</u>	<u>\$1,457,875</u>	<u>\$1,924,961</u>
Total Liabilities	\$2,967,100	\$4,107,289	\$4,573,921
Net Assets	\$6,167,180	\$4,966,236	\$3,032,471
Working Capital Position	\$4,617,516	\$3,699,348	\$2,294,978
Operating Revenues	\$24,715,530	\$23,805,548	\$21,776,877
Operating Expenses	<u>\$22,522,148</u>	<u>\$21,755,947</u>	<u>\$21,582,901</u>
Operating Net Income	\$2,193,382	\$2,049,601	\$193,976

<u>Laconia Nursing Home</u>	<u>2014</u>	<u>2013</u>	<u>2012*</u>
Current Assets	\$5,287,281	\$5,767,674	\$5,425
Fixed Assets	<u>\$765,021</u>	<u>\$421,819</u>	<u>\$228</u>
Total Assets	\$6,052,302	\$6,189,493	\$5,653
Current Liabilities	\$1,687,997	\$2,992,428	\$1,939
Long Term Liabilities	<u>\$0</u>	<u>\$233,236</u>	<u>\$0</u>
Total Liabilities	\$1,687,997	\$3,225,664	\$1,939
Net Assets	\$4,364,305	\$2,963,829	\$3,714
Working Capital Position	\$3,599,284	\$2,775,246	\$3,486
Operating Revenues	\$24,272,521	\$23,310,364	\$21,684
Operating Expenses	<u>\$22,469,340</u>	<u>\$22,966,092</u>	<u>\$18,433</u>
Operating Net Income	\$1,803,181	\$344,272	\$3,251

<u>Oxford Nursing Home Inc.</u>	<u>2014</u>	<u>2013*</u>	<u>2012*</u>
Current Assets	\$6,562,973	\$5,047	\$4,749
Fixed Assets	<u>\$1,194,017</u>	<u>\$3,497</u>	<u>\$3,182</u>
Total Assets	\$7,756,990	\$8,544	\$7,931
Current Liabilities	\$1,206,301	\$1,908	\$1,812
Long Term Liabilities	\$496,228	\$681	\$496
Total Liabilities	\$1,702,529	\$2,589	\$2,308
Net Assets	\$6,054,461	\$5,955	\$5,623
Working Capital Position	\$5,356,672	\$3,139	\$2,937
Operating Revenues	\$21,396,078	\$17,943	\$16,155
Operating Expenses	<u>\$18,252,512</u>	<u>\$16,904</u>	<u>\$16,036</u>
Operating Net Income	\$3,143,566	\$1,039	\$119

SUMMIT PARK NURSING HOME
ProForma Balance Sheet at 1/1/2015

BFA Attachment E
CON # 141223

BALANCE SHEET	Summit NH Operating 1/1/2015		Summit Realty NH & LTACH (2)		
			Total	NH	LTACH
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	4,808,640	(5)			
Resident Accounts Receivable - Net	6,500,000	(1)			
Prepaid Expenses, including escrow accounts	-				
Inventory	700,000				
TOTAL CURRENT ASSETS	12,008,640				
PROPERTY AND EQUIPMENT, AT COST:					
Land, Buildings and Improvements	-		24,999,600	15,963,600	9,036,000 (3)
Equipment	-		1,800,000	1,200,000	600,000 (3)
	-		26,799,600	17,163,600	9,636,000
	-		-		
Less accumulated depreciation and amortization	-		26,799,600	17,163,600	9,636,000
Total property and equipment	-				
OTHER ASSETS					
Securtiy Deposit	-				
Resident Funds Held in Trust	-				
Mortgage Acquisition Costs	-		1,423,827	890,362	533,465 (4)
Goodwill	3,900,000	(3)			
Total other assets	3,900,000		1,423,827	890,362	533,465
TOTAL ASSETS	15,908,640		28,223,427	18,053,962	10,169,465
LIABILITIES AND OWNER'S EQUITY					
CURRENT LIABILITIES					
Accounts Payable and accrued expenses	-				
Accrued compensation and related benefits	-				
Deferred revenue - patient deposits	-				
AR Loan	6,500,000	(1)			
Current portion of debt	-		370,918	235,755	135,163 (4)
TOTAL CURRENT LIABILITIES	6,500,000		370,918	235,755	135,163
OTHER LIABILITIES					
Resident Funds Held in Trust	-				
Related party payables	-				
Estimated amounts due to third party payors	-				
Debt, less current portion	-		27,115,807	17,224,198	9,891,609 (4)
TOTAL LIABILITIES	6,500,000		27,486,725	17,459,953	10,026,772
Owners Equity	9,408,640		736,702	594,009	142,693
TOTAL LIABILITIES AND OWNER'S EQUITY	15,908,640		28,223,427	18,053,962	10,169,465

(1) The Transition Agreement allows for the use of the County's AR for 18 months. Currently, the total AR is 18,000,000, however an analysis must be done to determine collectibility, therefore only 50% (LTCH: \$2,500,000 and NH: \$6,500,000) of the total has been used in the proforma.

(2) Will hold the realty and financing for both the NH and LTACH.

(3) Represents the allocation of the purchase price between land, building, equipment and operations (goodwill).

(4) Proforma includes purchase financing but not the capital improvement financing as project will start subsequent to closing. See attached schedule of capital project adjustments to balance sheet.

BALANCE SHEET	Summit NH 1/1/2015	Summit Realty NH & LTACH (2)		
		Total	NH	LTACH
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents				
Resident Accounts Receivable - Net				
Prepaid Expenses, including escrow accounts				
Inventory				
TOTAL CURRENT ASSETS	-	-		
PROPERTY AND EQUIPMENT, AT COST:				
Land, Buildings and Improvements	-	36,949,698	34,520,233	2,429,465
Equipment	-	-		
	-	36,949,698	34,520,233	2,429,465
Less accumulated depreciation and amortization	-	-		
Total property and equipment	-	36,949,698	34,520,233	2,429,465
OTHER ASSETS				
Security Deposit	-			
Resident Funds Held in Trust	-			
Mortgage Acquisition Costs	-	1,576,173	1,468,170	108,003
Goodwill				
Total other assets	-	1,576,173	1,468,170	108,003
TOTAL ASSETS	-	38,525,871	35,988,403	2,537,468
LIABILITIES AND OWNER'S EQUITY				
CURRENT LIABILITIES				
Accounts Payable and accrued expenses	-			
Accrued compensation and related benefits	-			
Deferred revenue - patient deposits	-			
AR Loan				
Current portion of debt	-	2,544,144	2,376,576	167,568
TOTAL CURRENT LIABILITIES	-	2,544,144	2,376,576	167,568
OTHER LIABILITIES				
Resident Funds Held in Trust	-			
Related party payables	-			
Estimated amounts due to third party payors	-			
Debt, less current portion	-	28,276,552	26,414,146	1,862,406
TOTAL LIABILITIES	-	30,820,696	28,790,722	2,029,974
Owners Equity	-	7,705,175	7,197,681	507,494
TOTAL LIABILITIES AND OWNER'S EQUITY	-	38,525,871	35,988,403	2,537,468

Represents the amounts to be added to the balance sheet at completion of project, currently estimated to be eighteen months after start of operations. This is not a complete balance sheet but rather the projected assets and liabilities for the construction project.

**SUMMIT PARK HOSPITAL/SUMMIT PARK
NURSING CARE CENTER**
(Formerly Known as Summit Park Hospital/
Rockland County Infirmary)
(An Enterprise Fund of the County of Rockland)

Statements of Net Position

December 31, 2013 and 2012

Assets	<u>2013</u>	<u>2012</u>
Current assets:		
Cash	\$ 85,765	48,658
Patients' accounts receivable:		
Long-term acute care and skilled nursing facility, less allowance for doubtful accounts of \$1,753,057 in 2013 and \$1,422,419 in 2012	6,346,652	7,586,905
Mental health units, less allowance for doubtful accounts of \$1,066,857 in 2013 and \$1,358,565 in 2012	1,431,470	1,905,456
Other receivables	15,424,744	19,356,626
Supplies	796,462	703,562
Funds held in trust for residents	233,366	259,385
Due from the State of New York by mental health units for outpatient subsidy, net	81,095	—
Total current assets	<u>24,399,554</u>	<u>29,860,592</u>
Capital assets, net	18,665,300	19,099,701
Cash equivalents held by the County of Rockland designated for construction	7,877,889	2,003,265
Total noncurrent assets	<u>26,543,189</u>	<u>21,102,966</u>
Total assets	<u>\$ 50,942,743</u>	<u>50,963,558</u>
Liabilities and Net Deficit		
Current liabilities:		
Current portion of advances from the County of Rockland:		
Bond anticipation notes	\$ 337,000	450,000
General obligation bonds	1,971,297	1,596,660
Due to the County of Rockland, net	70,676,400	68,537,794
Accounts payable and accrued expenses	8,370,496	7,478,029
Accrued salaries, vacation, and holiday pay	9,143,737	9,421,414
Deferred revenues	501,169	512,285
Accrued interest payable	170,090	140,687
Funds held in trust for residents	233,366	259,385
Total current liabilities	<u>91,403,555</u>	<u>88,396,254</u>
Advances from the County of Rockland – General Obligation Bonds, net of current portion	15,547,732	10,582,614
Postemployment benefits obligation, other than pension	86,411,273	78,521,913
Estimated third-party liabilities, net	2,344,160	1,629,953
Total long-term liabilities	<u>104,303,165</u>	<u>90,734,480</u>
Total liabilities	<u>195,706,720</u>	<u>179,130,734</u>
Commitments and contingencies		
Net position:		
Invested in capital assets, net of related debt	8,687,161	8,473,692
Unrestricted	(153,451,138)	(136,640,868)
Total net position	<u>(144,763,977)</u>	<u>(128,167,176)</u>
Total liabilities and net position	<u>\$ 50,942,743</u>	<u>50,963,558</u>

See accompanying notes to basic financial statements.

**SUMMIT PARK HOSPITAL/SUMMIT PARK
NURSING CARE CENTER**

(Formerly Known as Summit Park Hospital/
Rockland County Infirmiry)

(An Enterprise Fund of the County of Rockland)

Statements of Revenues, Expenses, and Changes in Net Position

Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Net patient service revenue (net of provision for bad debts of \$2,657,082, in 2013 and \$1,994,004, in 2012)	\$ 57,440,172	69,671,135
Other operating revenue:		
Services provided to the County jail	330,000	330,000
Services provided to the County of Rockland	2,987,152	3,114,138
Other	520,098	542,729
Total operating revenues	<u>61,277,422</u>	<u>73,658,002</u>
Operating expenses:		
Salaries and wages	37,089,314	40,007,303
Employee benefits	19,611,400	20,681,551
Postemployment benefits, other than pension	15,055,705	18,841,059
Supplies and other	7,125,605	8,286,066
Depreciation	2,185,761	2,289,193
Expenses allocated by the County of Rockland	9,888,213	11,238,974
Total operating expenses	<u>90,955,998</u>	<u>101,344,146</u>
Loss from operations	(29,678,576)	(27,686,144)
Interest expense, net	243,291	287,599
Loss before transfers	(29,921,867)	(27,973,743)
Transfers – County of Rockland	13,325,066	—
Decrease in net position	(16,596,801)	(27,973,743)
Net position at beginning of year	(128,167,176)	(100,193,433)
Net position at end of year	<u>\$ (144,763,977)</u>	<u>(128,167,176)</u>

See accompanying notes to basic financial statements.