

STATE OF NEW YORK
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

SPECIAL ESTABLISHMENT AND PROJECT REVIEW COMMITTEE

AGENDA

February 8, 2018
9:30 a.m.

New York State Department of Health Offices 90 Church Street, 4th Floor, Rooms 4A/4B, NYC

I. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW

Peter Robinson, Chair

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

Acute Care Services - Establishment

<u>Number</u>	<u>Applicant/Facility</u>
1. 172043 E	One Brooklyn Health System, Inc. (Kings County)



**Project # 172043-E
One Brooklyn Health System, Inc.**

**Program: Hospital
Purpose: Establishment**

**County: Kings
Acknowledged: July 27, 2017**

Executive Summary

Description

One Brooklyn Health System, Inc. (One Brooklyn) is an existing New York not-for-profit corporation that was established under CON 162117 as the co-operator of the following voluntary Article 28 Hospitals (collectively the Hospitals) located in Brooklyn (Kings County):

- Brookdale Hospital Medical Center (BHMC), a 530-bed teaching hospital located at 1 Brookdale Plaza;
- Kingsbrook Jewish Medical Center (KJMC), a 303-bed acute care hospital located at 585 Schenectady Avenue; and
- Interfaith Medical Center (IMC), a 287-bed, acute care hospital located at 1545 Atlantic Avenue.

BHMC and KJMC each have an affiliated Article 28 residential health care facility (RHCF), and BHMC has two affiliated Article 28 diagnostic and treatment centers (DTCs) (collectively the Affiliates). Per this application, One Brooklyn is requesting approval to become the active parent and co-operator of the Affiliates. The Affiliates are as follows:

- Schulman & Schachne Institute for Nursing and Rehabilitation (SSI), a 440-bed RHCF located at 555 Rockaway Parkway (affiliated with BHMC);
- Rutland Nursing Home (RNH), a 446-bed RHCF located at 585 Schenectady Avenue (affiliated with KJMC);
- Urban Strategies/Brookdale Family Care Center (US/BFCC), a D&TC located at 1873 Easter Parkway Brooklyn; and
- Brookdale Family Care Center Inc (BFCC), a D&TC located at 2554 Linden Boulevard.

This application also proposes to disestablish Kingsbrook Healthcare System, Inc. as the active parent and co-operator of KJMC and RNH (approved under CON 032349) so there is only one co-operator for each health care facility. BFA Attachment A is the current and proposed organizational chart of One Brooklyn.

One Brooklyn was created out of the need for collaboration among the Hospitals to develop a strategic framework for regional planning and an organizational structure that would be eligible to apply for the Health Care Facility Transformation Program: Kings County grant. The Affiliates are being brought into the One Brooklyn organizational structure due to their financial interconnectivity with the Hospitals. Approval of this application will give One Brooklyn the ability to exercise Article 28 active powers over the Affiliates.

There will be no change to the boards of the Hospitals or the Affiliates as a result of this application. There are, however, additional directors of One Brooklyn Health System, Inc. proposed in this application and subject to character and competence review. The applicant entity will serve as an umbrella planning and coordinating organization with the Hospitals and Affiliates and will not prepare financial statements. The Affiliates will remain separate not-for-profit corporations certified under Article 28, maintaining separate operating certificates following completion of the project. There will be no change in either authorized services or the number or type of beds as a result of approval of this specific application.

OPCHSM Recommendation
Contingent Approval

Need Summary

There will be no change in either authorized services or the number or type of beds as a result of approval of this specific application.

Program Summary

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

Financial Summary

There are no capital costs and no projected incremental changes in the staffing, utilization, revenues or expenses of the four Affiliates as a direct result of this specific application.

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 photocopy of the executed Amended and Restated Bylaws of One Brooklyn Health System, Inc., acceptable to the Department. [CSL]
2. Submission of a photocopy of the executed Certificate of Amendment of the Certificate of Incorporation of the Schulman and Schachne Institute for Nursing and Rehabilitation, Inc., acceptable to the Department. [CSL]
3. Submission of a photocopy of the executed amended Bylaws of Urban Strategies Family Care Center, Inc., acceptable to the Department. [CSL]
4. Submission of a photocopy of the executed Certificate of Amendment of the Certificate of Incorporation of Brookdale Family Care Centers, Inc., acceptable to the Department. [CSL]
5. Submission of a photocopy of the executed Bylaws of Brookdale Family Care Centers, Inc., acceptable to the Department. [CSL]
6. Submission of a photocopy of the executed amended Bylaws of the Schulman and Schachne Institute For Nursing and Rehabilitation, Inc., acceptable to the Department. [CSL]
7. Submission of a photocopy of the executed Bylaws of Rutland Nursing Home, Inc., acceptable to the Department. [CSL]
8. Submission of a photocopy of the executed Certificate of Amendment to the Certificate of Incorporation of Kingsbrook Jewish Medical Center, acceptable to the Department. [CSL]

Approval conditional upon:

1. The project must be completed within one year 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]

Council Action Date

Need Analysis

Background

There are no projected changes in the staffing, utilization, revenues or expenses of the Affiliates as a direct result of this project. There are no costs associated with this project. The Affiliates will remain separate not-for-profit corporations certified under Article 28, maintaining separate operating certificates following completion of the project. There will be no change in either authorized services or the number or type of beds as a result of approval of this project.

Conclusion

No changes will occur with utilization, beds, or services. There are also no planned staffing or revenue and expenditure changes anticipated.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Character and Competence

The board of One Brooklyn Health System is as follows:

Name	Title
Alexander Rovt, PhD	Director & Chairperson
Robert M. Waterman, DMin	Director & Vice Chairperson
Henna White	Director & Secretary/Treasurer
*Bishop Dr. R.C. Hugh Nelson	Director
*Hope L. Mason	Director
*Scott Tenner, MD, JD	Director
*Mark Shelton	Director
*Michael J. Scagnelli	Director
*Victor A. Ayala, PhD	Director
*Michael R. Irwin	Director

***Subject to Character and Competence Review in this application**

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

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

Interfaith Medical Center

On March 28, 2013, the Department identified an Immediate Jeopardy (IJ) situation and cited in the area of Patient Rights. Specifically, the facility failed to monitor and supervise patients; implement their rapid response policy in a timely manner; and provide BCLS (basic cardiac life support) to a critically injured patient on a behavioral health inpatient unit as a result of a homicide attempt by another patient.

On July 23, 2015, the Department again identified an IJ situation and cited the facility in the area of Patient Rights. It was determined that the facility failed to ensure a qualified team responded to a code. Review of code responses throughout the facility revealed that, 87% of the time a code was initiated, an anesthesiologist (the person responsible for intubating patients) was not present. In addition, concerns were raised about code respondents being appropriately certified for advanced cardiac life support (ACLS).

Kingsbrook Jewish Medical Center

On August 13, 2014, the Department identified an Immediate Jeopardy situation at the facility during a complaint investigation. It was determined that the facility failed to provide a safe environment for patients through staff education and implementation of policies and procedures. Additionally, the facility failed to assure that the building and grounds were safe and secured and that surveillance equipment was adequately maintained. Specifically, staff failed to initiate appropriate precautions to maintain the safety of a confused, at-risk patient who exhibited previous elopement attempts. The patient was found dead on facility grounds on August 4, 2013 after he eloped from the Emergency Department the day prior. Systemic failures were identified relating to an ineffective elopement policy and staff's failure to initiate an elopement code in a timely manner. The Department also discovered that, 10 days post-incident, the facility had not yet implemented any corrective measures to prevent a reoccurrence.

In a Stipulation and Order dated July 5, 2017, the Department fined Kingsbrook \$10,000 for issues discovered during an onsite investigation. Immediate Jeopardy was identified regarding the facility's failure to maintain a safe environment for all patients. The facility lacked a protocol for an emergency response to the psychiatric unit for patients in need of emergency medical care. In this case, medical personnel were not called to the unit for the assessment and treatment of this seriously injured patient, but instead, he was transported to the Emergency Department where there was a significant delay in care. Additionally, there was not a process in place of on-going assessments of all patients especially patients with a known history of violent behavior.

Rutland Nursing Home

The Department issued three (3) Stipulations and Orders, one each on March 19, 2012, April 30, 2013, and June 24, 2015, with respective fines of \$22,000, \$4,000 and \$12,000. These sanctions were imposed for deficiencies relating to Quality of Care (specifically, in the areas of nutrition, pressure sores, accidents, and administration). In addition to the April 2013 Stipulation and Order, the Centers for Medicare and Medicaid Services (CMS) placed the facility into a denial of payment for new admissions status on September 1, 2011 (for one day) and fined the facility \$6,500.

Schulman and Schachne Institute for Nursing and Rehabilitation

The Department issued two (2) Stipulations and Orders (S&O) on December 10, 2008 and November 29, 2012, with respective fines of \$4,000 and \$12,000. In the first S&O, issues were identified during a survey that concluded on February 5, 2008 and the facility was cited for deficient practices in the areas of Quality of Care: Accidents, and Organization and Administration. The Centers for Medicare and Medicaid Services (CMS) also placed the facility into a denial of payment for new admissions status from February 13 – 28, 2008 and fined the facility \$39,325. The second Department issued S&O pertained to deficient practices related to keeping residents Free of Accident Hazards/Supervision/Devices and Maintaining Nutritional Status.

Conclusion

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

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Capability and Feasibility

There are no project costs or working capital requirements associated with this application. BFA Attachment B is a summary of BHMC's internal financial statements as of October 31, 2017. As shown, BHMC experienced a negative working capital position and a net deficit position. BHMC maintained an operating gain of \$21,498,096 in 2016 and \$5,782,952 as of October 31, 2017. BHMC received State support as follows: \$68,104,065 from the Interim Access Assurance Fund (IAAF) in State Fiscal Year (SFY) 2014-15; \$29,395,716 from the Vital Access Provider Assistance Program (VAPAP) and \$52,604,284 from Value Based Payment - Quality Improvement Program (VBP-QIP) in SFY 2015-16; and \$140 million in VBP-QIP funding in SFY 2016-17. BHMC is budgeted to receive \$140 million in VBP-QIP funding in SFY 2017-18.

BFA Attachment C is a summary of IMC's internal financial statements as of October 31, 2017. As shown, IMC experienced a negative working capital position, maintained a net asset position and experienced an operating loss of \$44,476,341 as of October 31, 2017. The IMC operating losses have been mitigated due to State support received as follows: \$33,507,395 from IAAF in SFY 2014-15; \$20,273,970 from VAPAP and \$26,944,018 from VBP-QIP in SFY 2015-16; and \$50 million from VBP-QIP and \$5 million from VAPAP in SFY 2016-17. IMC is budgeted to receive \$50 million from VBP-QIP and \$5 million from VAPAP in SFY 2017-18.

BFA Attachment D is a summary of KJMC's and RNH's internal financial statement as of September 30, 2017. As shown, the combined entity experienced a negative working capital position, maintained a negative net asset position in 2016 and as of September 30, 2017. KJMC had an operating loss of \$46,728,757 as of September 30, 2017. The KJMC operating losses have been mitigated due to State support received as follows: \$25,030,479 from IAAF in SFY 2014-15; \$12,704,642 from VAPAP and \$27,613,206 from VBP-QIP in SFY 2015-16; and \$50 million from VBP-QIP in SFY 2016-17. KJMC is budgeted to receive \$50 million from VBP-QIP and \$5 million from VAPAP in SFY 2017-18.

BFA Attachment E is a summary of US/BFCC's internal financial statements as of October 31, 2017. As shown, US/BFCC experienced a negative working capital position and a net deficit position in 2016 and as of October 31, 2017. US/BFCC had an operating loss of \$811,605 in 2016 and \$488,039 as of October 31, 2017. The operating losses are due to a shift from Medicaid fee-for-service to Medicaid Managed Care and a reasonable inflationary rise in expense.

BFA Attachment F is a summary of SSI's 2016 audited financial statements and their internal financial statements as of October 31, 2017. As shown, SSI experienced a negative working capital position, a net deficit position in 2016 and as of October 31, 2017. SSI also experienced an operating loss of \$17,562,195 in 2016 and \$18,001,504 as of October 31, 2017. The losses are due to a decrease in patient days, lack of expected enrollment into the Adult Day Care Center, the chargeback of services from BHMC and a Medicaid blended rate in excess of what SSI expects to be the final cost-based rate.

BFA Attachment G is a summary of the BFCC's 2016 audited financial statements and their internal financial statements for the month ended October 31, 2017. As shown, BFCC experienced a negative working capital position, a net deficit position in 2016 and as of October 31, 2017. BFCC also experienced an operating loss of \$2,848,849 in 2016 and \$2,694,534 as of October 31, 2017. The operating losses are due to a shift from Medicaid fee-for-service to Medicaid Managed Care and a reasonable inflationary rise in expense.

Recommendation

From a financial perspective, approval is recommended.

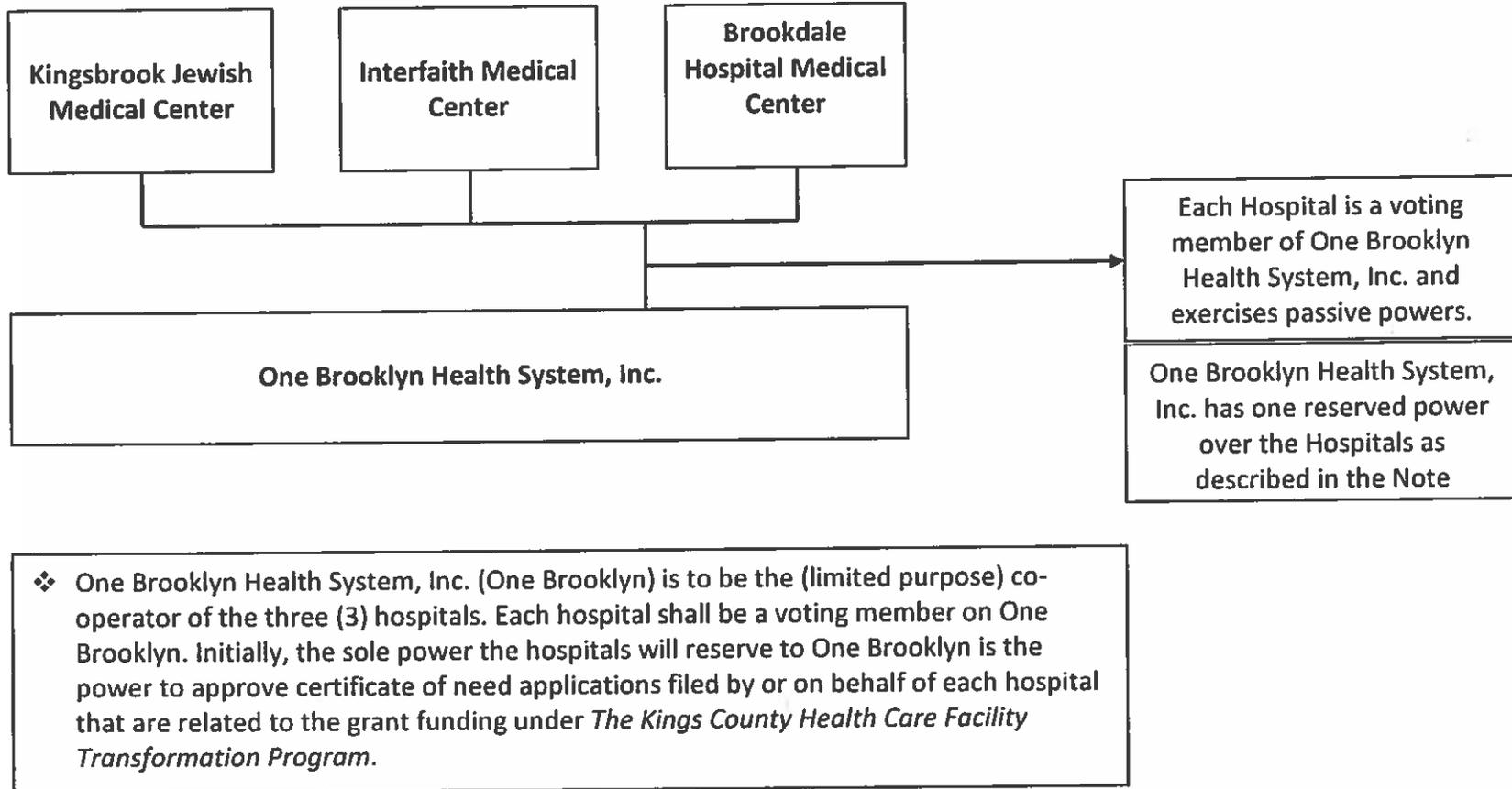
Attachments

- BFA Attachment A Current and Proposed Organizational Charts
- BFA Attachment B Brookdale Hospital Medical Center – certified 2015-2016 and as of May 31, 2017 internal financial statements
- BFA Attachment C Interfaith Medical Center – certified 2015-2016 financial statements
- BFA Attachment D Kingsbrook Jewish Medical Center and Rutland Nursing Home, Inc. – combined internal financials statements as of May 31, 2017
- BFA Attachment E Urban Strategies/Brookdale Family Care Center, Inc. - certified 2015 - 2016 and as of May 31, 2017 internal financial statements
- BFA Attachment F Schulman and Schachne Institute for Nursing and Rehabilitation – certified 2015 - 2016 and as of May 31, 2017 internal financial statements
- BFA Attachment G Brookdale Family Care Center, Inc. – certified 2015 - 2016 and as of May 31, 2017 internal financial statements
- BFA Attachment H Summary of Operational Support Grants Received for Kings County Hospitals

One Brooklyn Health System, Inc.

Organizational Chart

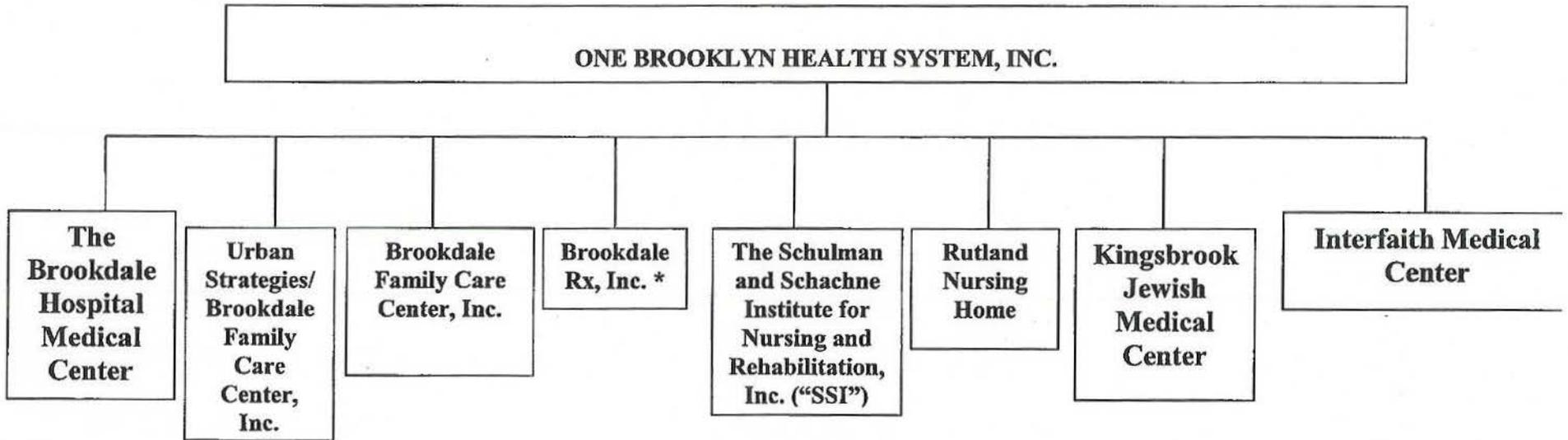
Before CON Approval to Add Affiliated NHs and D&TCs



PHASE 3 – AFTER CON APPROVAL

One Brooklyn Health System, Inc.

Organization Chart



* Not an Article 28 entity

Brookdale Hospital Medical Center
Balance Sheet

For the month ended October 31st, 2017 & December 31st, 2016

Assets	<i>(Unaudited)</i> 10/31/2017	<i>(Audited)</i> 12/31/2016
Current assets:		
Cash and Equivalents	\$ 13,330,034	23,681,664
Patient Accounts Receivable - Net	38,551,614	35,683,113
Supplies	5,226,488	4,938,377
Assets Limited to Use - Current	5,108,235	5,510,995
Prepaid and Other	30,906,268	22,231,446
Due from Third Party - Current	10,555,944	8,256,970
Due from Related parties	4,097,288	2,759,699
Total current assets	<u>107,775,871</u>	<u>103,062,264</u>
Assets limited to use, L/T	26,024,914	24,703,343
Property, Plant, and Equip, Net	52,257,626	58,824,140
Insurance Recoveries	25,047,662	25,047,662
Due from Third Party - L/T	2,238,268	2,238,268
Deferred Financing Costs, Net	—	11,037
Total Assets	<u>\$ 213,344,341</u>	<u>213,886,714</u>
Liabilities and Net Deficit		
Current liabilities:		
Current Portion of LTD	\$ 126,541,464	132,163,962
Current Portion of Malpractice	7,812,487	8,063,348
Due to third party - Current	6,312,047	4,910,335
Account Payable & Accrued Expense	35,152,236	31,781,501
Accrued W/C Liability - S/T	4,390,550	4,282,463
Accrued Payroll	29,254,709	26,485,102
Total current liabilities	<u>209,463,493</u>	<u>207,686,711</u>
Long-term debt:		
Estimated Malpractice, LT	125,110,847	128,613,075
Long Term Debt, Net of Current	11,897,267	11,828,203
Accrued Pension - Non Current	55,971,741	59,774,164
Accrued Worker's Compensation	17,585,838	17,585,838
Accrued Payroll - L/T	2,797,629	4,112,041
Due to Third party - L/T	13,093,307	13,093,307
Other Noncurrent Liabilities	853,096	853,096
Total long term debt	<u>227,309,725</u>	<u>235,859,724</u>
Total Liabilities	<u>436,773,218</u>	<u>443,546,435</u>
Net Assets (Deficiency) Unrestricted	<u>(223,428,877)</u>	<u>(229,659,721)</u>
Total Liabilities and Net Deficit	<u>\$ 213,344,341</u>	<u>213,886,714</u>

Brookdale Hospital Medical Center
Statements of Operations and Changes in Net Deficit
For YTD ended October 31st, 2017 & December 31st, 2016

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<u>10/31/2017</u>	<u>12/31/2016</u>
Unrestricted revenues and other support:		
Net Patient Service Revenue	\$ 264,460,148	319,253,555
Provision for Bad Debt, Net	(2,245,696)	(1,922,946)
Net Patient Service revenue Less Provision for Bad Debt	<u>262,214,452</u>	<u>317,330,609</u>
Capitation Revenue	553,251	808,025
Other Revenue and Gains	192,662,021	217,509,141
Total Unrestricted Revenues and Other Support	<u>455,429,724</u>	<u>535,647,775</u>
Expenses:		
Salaries and Wages	221,953,685	255,188,404
Employee Benefits	69,482,794	84,411,008
Supplies and Other	126,137,941	136,540,411
Depreciation & Amortization	9,729,203	12,359,709
Interest expense	1,253,562	2,390,739
Prov uncol amts D/F Rel Prty	21,089,588	23,259,408
Total expenses	<u>449,646,773</u>	<u>514,149,679</u>
Gain/Loss From Operations:	5,782,952	21,498,096
Other Income:		
Contributions	168,843	161,941
Excess (Deficiency) of Revenue & Other Support over Expense	5,951,794	21,660,038
Other Changes in Unrestricted:		
Grant for Capital Purposes	—	30,656
Change in minimum Pnsion Liab	—	2,204,627
Foregiveness of debt by Affi	—	513,333
Equity transfer - Related Parties	279,050	2,727,607
Change in Unrestricted Net Assets	<u>6,230,844</u>	<u>27,136,261</u>
Net Deficit:		
Beginning of Year	(229,659,721)	(256,795,981)
End of Year	<u>\$ (223,428,877)</u>	<u>(229,659,720)</u>

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INTERFAITH MEDICAL CENTER
STATEMENTS OF FINANCIAL POSITION
For the One Month Ended October 31, 2017

	October 31, 2017	September 30, 2017	Change
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 3,377,322	\$ (345,808)	\$ 3,723,130
Accounts Receivable			
Patient Care, Less Allowance for Uncollectabl	13,619,146	15,714,758	(2,095,612)
Receivable from Public Goods Pools	7,571,511	5,737,506	1,834,005
Net Patient Receivables	21,190,657	21,452,264	(261,607)
Grants and Other Receivables	8,161,768	9,420,627	(1,258,859)
Net Accounts Receivable	29,352,425	30,872,891	(1,520,466)
Inventories	1,360,922	1,285,471	75,451
Prepaid and Other Current Assets	1,725,306	1,341,270	384,036
Total Current Assets	35,815,975	33,153,824	2,662,151
Noncurrent Assets:			
Self Insured Insurance Fund A	2,145,565	2,145,565	-
Self Insured Insurance Fund B	-	-	-
Donor Restricted	253,870	253,870	-
Total Assets Limited to Use - Noncurrent	2,399,435	2,399,435	-
Property Buildings and Equipment - Net	20,510,102	20,530,588	(120,486)
Other Long Term Assets	24,611,095	24,441,928	169,167
Total Assets	\$ 83,336,607	\$ 80,625,775	\$ 2,710,832
Liabilities And Equities			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 28,648,235	\$ 29,017,544	\$ (369,309)
Accrued Salaries and Related Withholdings	2,936,349	2,099,725	836,624
Accrued Vacation Payable	4,797,302	4,800,439	(3,137)
Accrued Fringe Benefits Payable	2,503,239	997,958	1,505,281
Due to Foundation	-	-	-
Current Portion of Long Term Debt	550,077	560,077	-
Current Portion of Estimated Professional Lia	661,493	661,493	-
Liabilities due to Third Party Payors-c	3,671,401	3,700,851	(29,450)
Total Current Liabilities	43,778,096	41,838,087	1,940,009
Noncurrent Liabilities:			
IMC DASNY Loan Payable - LT	8,746,059	8,746,059	-
Liabilities due to Third Party Payors-nc	5,533,163	5,533,163	-
Estimated Professional Liabilities	6,058,507	6,058,507	-
Total Noncurrent Liabilities	20,337,729	20,337,729	-
Total Liabilities	64,115,825	62,175,816	1,940,009
Net Assets			
Unrestricted Fund Balance	19,106,553	18,335,730	770,823
Specific Purpose Funds	114,229	114,229	-
Permanently Restricted Funds	-	-	-
Current Year	1,190,327	419,504	770,823
Total Net Assets	19,220,782	18,449,959	770,823
Total Liabilities and Net Assets	\$ 83,336,607	\$ 80,625,775	\$ 2,710,832

INTERFAITH MEDICAL CENTER
STATEMENTS OF OPERATIONS
For the One Month Ended October 31, 2017

	Oct 2017 ACTUAL	Oct 2017 BUDGET	VARIANCE ACTUAL vs. BUDGET	Oct 2017 YTD ACTUAL	Oct 2017 YTD BUDGET	YTD VARIANCE ACT vs. BUD
Revenue:					\$ 31,714,391	\$ 3,523,821
Net Inpatient Revenue	\$ 11,935,152	\$11,169,218	\$765,934	105,714,638	\$108,792,348	(\$3,077,710)
Net Outpatient Revenue	2,030,587	2,426,359	(395,772)	20,755,496	23,419,704	(2,664,208)
Net Capitation Revenue	416,667	416,667	0	4,166,667	4,166,670	(3)
LESS: Provision for Bad Debts	(451,748)	(451,748)	0	(4,517,512)	(4,517,480)	(32)
Net Patient Revenue	13,930,658	13,560,496	370,162	126,119,289	131,861,242	(5,741,953)
Other Revenue:						
Meaningful Use	0	0	0	0	0	0
340(B) Revenue	239,725	228,041	11,684	2,222,189	2,236,274	(14,085)
Physician Billings	646,476	353,039	293,437	5,139,010	3,462,061	1,676,949
Grants	510,680	353,005	157,675	6,221,596	3,900,768	2,320,828
Alternative Housing	23,561	40,000	(16,439)	408,218	400,000	8,218
Investment Income	129,211	129,250	(39)	2,103,203	1,292,483	810,720
Rental of Space	36,723	36,598	125	344,196	360,195	(15,999)
General Contributions	1,000	2,263	(1,263)	207,140	45,549	161,591
Medical Student Training	102,425	199,589	(97,164)	1,500,325	1,957,261	(456,936)
Misc.	14,110	36,110	(22,000)	600,938	415,363	185,575
Non Operating Revenue	1,994	4,477	(2,483)	85,173	43,905	41,268
Other Revenue	1,705,905	1,382,372	323,533	18,831,988	14,113,859	4,718,129
Total Revenue	15,636,563	14,942,868	693,695	144,951,277	145,975,101	(1,023,824)
Expenses:						
Salaries and Wages	10,588,087	10,769,723	181,636	99,456,520	101,137,795	1,681,275
Employee Benefits	2,967,940	3,263,667	295,727	31,267,822	31,609,028	341,206
Professional Fees	887,594	646,136	(241,458)	8,061,520	7,298,400	(763,120)
Medical Supplies	1,060,989	1,126,635	65,646	9,951,272	10,824,022	872,750
Nonmedical Supplies & Other	396,405	388,164	(8,241)	4,729,030	4,330,232	(398,798)
Purchased Services	142,219	1,727,424	1,585,205	16,841,256	16,288,251	(553,005)
Property Lease	751,059	753,997	2,938	7,497,005	7,532,815	35,810
Other Equipment Lease/Rental	202,199	70,625	(131,574)	1,052,246	1,556,252	504,006
Utilities	307,339	367,446	60,107	2,910,525	3,364,342	453,817
Insurance and Malpractice	216,907	379,240	162,333	2,953,003	3,718,994	765,991
Interest	61,669	0	(61,669)	207,419	0	(207,419)
Depreciation and Amortization	450,000	450,000	0	4,500,000	4,500,000	0
Total Operating Expenses	18,032,407	19,943,057	1,910,650	189,427,618	192,160,131	2,732,513
Net Profit (Loss) from Operations	(2,395,844)	(5,000,189)	2,604,345	(44,476,341)	(46,185,030)	1,708,689
Vital Access Provider Grant	(1,000,000)	0	(1,000,000)	4,000,000	0	4,000,000
Interim Access Assurance Fund Grant	0	0	0	0	0	0
VBP QIP	4,166,667	4,166,667	0	41,666,667	41,666,670	(3)
Net Profit (Loss)	\$770,823	(\$833,522)	\$1,604,345	\$1,190,326	(\$4,518,360)	\$5,708,686
EBIDA	\$1,282,492	(\$383,522)	\$1,666,014	\$5,897,745	(\$18,360)	\$5,916,105

**KINGSBROOK JEWISH MEDICAL CENTER
RUTLAND NURSING HOME
COMBINED STATEMENT OF FINANCIAL POSITION
September 30, 2017 and December 31, 2016**

	September 30, 2017 (in thousands)	December 31, 2016 (in thousands)
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$5,005	\$8,013
Cash - funds held in trust for residents	323	279
Assets whose use is limited - current portion	2,722	3,503
Accounts receivable:		
Patient Care (net of estimated reserves of \$64,828 in 2017 & \$73,481 in 2016)	48,711	34,592
Other	4,270	2,992
Inventories and other current assets	4,239	5,605
Total Current Assets	65,270	54,984
Noncurrent Assets		
Assets whose use is limited:		
Mortgage & Depreciation reserve funds	104	104
Mortgage escrow	0	0
Operating escrow	0	0
Interest in Kingsbrook Jewish Medical Center Foundation, Inc.	1,104	1,866
Funds Held for SERP	0	0
Board Designated Funds	0	0
Professional liabilities trust fund	1,514	1,533
	2,722	3,503
Less assets whose use is limited - current portion	2,722	3,503
Total assets whose use is limited - noncurrent portion	0	0
Property, buildings and equipment - net	40,305	43,980
Total assets	\$105,575	\$98,964
<i>Liabilities and net assets(deficiency)</i>		
Current liabilities:		
Current portion of long-term debt	\$4,679	\$4,679
Accounts payable and accrued expenses	49,946	37,785
Accrued salaries payable & related liabilities	16,255	19,697
Funds held in trust for residents	323	279
Current portion of estimated self insurance liability	5,360	5,360
Current portion of estimated third party liabilities	7,730	7,730
Other current liabilities	0	129
Total current liabilities	84,293	75,659
Noncurrent liabilities:		
Long-term debt, less current portion	7,226	6,291
HCRA Loan Liability	0	0
Estimated self-insurance liabilities	16,347	15,945
Accrued pension liability	5,808	5,878
Accrued SERP Liability	0	0
Accrued postretirement liability	1,699	1,699
Deferred Revenue	0	0
Estimated third party liabilities	34,457	36,194
Other non-current liabilities	2,466	2,466
Total liabilities	152,296	144,132
Net Assets:		
Unrestricted	(46,721)	(45,168)
Temporarily restricted	0	0
Total net assets	(46,721)	(45,168)
Total liabilities and net assets	\$105,575	\$98,964

**KINGSBROOK JEWISH MEDICAL CENTER
& RUTLAND NURSING HOME
STATEMENT OF REVENUE AND EXPENSE**

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	<u>KJMC Actual</u>	<u>RNH Actual</u>	<u>Total 09/30/17</u>	<u>BUDGET 09/30/17</u>	<u>VARIANCE POS/(NEG)</u>	<u>%</u>
PATIENT AND RESIDENT SERVICE REVENUE	\$125,020,385	\$41,753,189	166,773,574	\$167,694,662	(\$921,088)	-0.5%
LESS: PROVISION FOR BAD DEBTS	\$0	\$0	0		\$0	#DIV/0!
NET PATIENT REVENUE	\$125,020,385	\$41,753,189	166,773,574	\$167,694,662	(\$921,088)	-0.5%
CHARITY CARE POOLS (net)	1,125,000	0	1,125,000	1,125,000	0	0.0%
OTHER OPERATING INCOME	11,539,113	618,146	12,157,259	12,098,682	58,577	0.5%
TOTAL OPERATING INCOME	\$137,684,498	\$42,371,335	\$180,055,833	\$180,918,344	(\$862,511)	-0.5%
SALARIES AND WAGES	83,333,394	31,609,219	114,942,613	114,219,123	(723,490)	-0.6%
FRINGE BENEFITS	31,342,814	12,432,066	43,774,880	45,127,488	1,352,608	3.0%
SUPPLIES AND OTHER EXPENSES	38,444,576	22,308,547	60,753,123	63,726,360	2,973,237	4.7%
DEPRECIATION EXPENSE	5,897,506	675,000	6,572,506	4,799,997	(1,772,509)	-36.9%
INTEREST EXPENSE	215,896	525,572	741,468	818,361	76,893	9.4%
TOTAL OPERATING EXPENSES	159,234,187	67,550,403	226,784,590	228,691,329	1,906,739	0.8%
GAIN <LOSS> FROM OPERATIONS	(\$21,549,689)	(\$25,179,068)	(\$46,728,757)	(\$47,772,985)	\$1,044,228	-2.2%
NON OPERATING REVENUE:						
GRANT INCOME	44,277,758	564,967	44,842,725	0	44,842,725	#DIV/0!
NON OPERATING INCOME	\$299,143	0	299,143	16,344	282,799	0.0%
SUPPLEMENTARY INCOME	15,680	18,358	34,038	0	34,038	#DIV/0!
GAIN OR (LOSS) FOR PERIOD	\$23,042,892	(\$24,595,743)	(\$1,552,851)	(\$47,756,641)	\$46,203,790	-96.7%

URBAN STRATEGIES

Balance Sheet

For the month ended October 31st, 2017 & December 31st, 2016

Assets	<i>(Unaudited)</i> 10/31/2017	<i>(Audited)</i> 12/31/2016
Current assets:		
Cash and Investments	\$ 519,846	153,474
A/R - Emergency RM. & Clinics	135,059	178,507
Less: Allowance for Uncollectable Out-Patient	(15,892)	(28,457)
Prepaid Expense	5,989	5,954
Total current assets	645,002	309,478
 Plant, Property & Equipment - Net	 621,025	 658,333
 Assets whose use is limited:		
Special Requirement Fund	441,876	297,190
Total Non Current Assets:	441,876	297,190
Total Assets	\$ 1,707,903	1,265,001
 Liabilities and Net Deficit		
Current liabilities:		
Long Term Debt - Current	\$ 365,000	365,000
Accounts Payable & Accrued Exp	116,584	84,951
Payroll Related Liabilities	101,001	75,054
Other Liabilities	5,062	5,062
Due to related Companies	10,480,218	9,332,363
Due to Third Party	37	36
Total current liabilities	11,067,902	9,862,466
 Long-term debt:		
Long Term Debt, Net of Current	592,266	776,399
Other Non-Current Liabilities	264,000	264,000
Total long term debt	856,266	1,040,399
Total Liabilities	11,924,168	10,902,865
 Fund Balance:		
Net Assets (Deficiency) Unrestricted	(10,216,265)	(9,637,864)
Total Liabilities and Net Deficit	\$ 1,707,903	1,265,001

URBAN STRATEGIES
Statements of Operations and Changes in Net Deficit
For YTD ended October 31st, 2017 & December 31st, 2016

	<i>(Unaudited)</i> <u>10/31/2017</u>	<i>(Audited)</i> <u>12/31/2016</u>
Unrestricted revenues and other support:		
Net Patient Service Revenue	\$ 928,959	1,162,641
Provision for Bad Debt, Net	(12,061)	(15,926)
Net Patient Service revenue Less Provision for Bad Debt	<u>916,898</u>	<u>1,146,715</u>
Capitation Revenue	5,212	671
Other Revenue	494,054	280,782
Total Revenues and Other Support	<u>1,416,164</u>	<u>1,428,168</u>
Expenses:		
Salaries and Wages	964,900	1,071,327
Employee Benefits	216,188	241,496
Supplies and Other	737,962	799,935
Depreciation & Amortization	38,698	68,181
Interest expense	36,817	58,834
Total expenses	<u>1,994,565</u>	<u>2,239,773</u>
Excess (Deficiency) of Revenue & Other Support over Expense	(488,039)	(811,605)
Net Deficit:		
Beginning of Year	(9,637,864)	(8,826,259)
End of Year	<u>\$ (10,125,903)</u>	<u>(9,637,864)</u>

SSI FOR NURSING AND REHAB, INC.

Balance Sheet

For the month ended October 31st, 2017 & December 31st, 2016

Assets	<i>(Unaudited)</i> <u>10/31/2017</u>	<i>(Audited)</i> <u>12/31/2016</u>
Current assets:		
Cash and cash equivalents	\$ 3,594,005	4,569,308
Accounts Receivable - Net	8,532,321	9,791,284
Supplies	231,249	231,249
Prepaid and Other	125,842	588,970
Total current assets	<u>12,483,417</u>	<u>15,180,811</u>
Funds held in Trust for residents	—	183,230
Property, Plant and Equip, Net	5,594,973	5,798,310
Total assets	<u>\$ 18,078,390</u>	<u>21,162,351</u>
Liabilities and Net Deficit		
Current liabilities:		
Current portion of LTD	\$ 46,585	—
Due to Third Party - Current	52,175,707	52,161,899
Account Payable & Accrued Exp	1,204,009	1,503,429
Accrued Payroll	3,604,514	3,954,390
Due to Related Party - Current	174,718,801	159,214,500
Total current liabilities	<u>231,749,616</u>	<u>216,834,218</u>
Funds held in Trust for residents	<u>185,375</u>	<u>183,230</u>
Total Liabilities	231,934,991	217,017,448
Net Assets (Deficiency) Unrestricted	(213,856,601)	(195,855,097)
Total Liabilities and Net Deficit	<u>\$ 18,078,390</u>	<u>21,162,351</u>

SSI FOR NURSING AND REHAB, INC.
Statements of Operations and Changes in Net Deficit
For YTD ended October 31st, 2017 & December 31st, 2016

	<i>(Unaudited)</i> <u>10/31/2017</u>	<i>(Audited)</i> <u>12/31/2016</u>
Unrestricted revenues and other support:		
Net Patient Service Revenue	\$ 50,371,306	62,155,029
Provision for Bad Debt	(657,072)	(1,089,428)
Net Patient Service revenue Less Provision for Bad Debt	<u>49,714,234</u>	<u>61,065,601</u>
Investment Income	1,347	1,183
Other Revenue and Gains	835,924	2,346,816
Total Unrestricted Revenues and Other Support	<u>50,551,505</u>	<u>63,413,600</u>
Expenses:		
Salaries and Wages	28,483,571	33,397,838
Employee Benefits	10,024,100	11,371,835
Supplies and Other	29,443,776	35,471,595
Depreciation & Amortization	601,556	734,516
Interest expense	6	11
Total expenses	<u>68,553,009</u>	<u>80,975,795</u>
Gain/Loss From Operations:	(18,001,504)	(17,562,195)
Other Income:		
Contributions	—	936
Excess (Deficiency) of Revenue & Other Support over Expense	<u>(18,001,504)</u>	<u>(17,561,259)</u>
Net Deficit:		
Beginning of Year	(195,855,097)	(178,293,839)
End of Year	<u>\$ (213,856,601)</u>	<u>(195,855,097)</u>

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BROOKDALE FAMILY CARE CTR INC.

Balance Sheet

For the month ended October 31st, 2017 & December 31st, 2016

Assets	<i>(Unaudited)</i> 10/31/2017	<i>(Audited)</i> 12/31/2016
Current assets:		
Cash and Investments	\$ 100,502	43,864
A/R - Emergency RM. & Clinics	482,902	640,261
Less: Allowance for Uncollectable Out-Patient	(27,486)	(68,021)
Total current assets	<u>555,918</u>	<u>616,104</u>
 Plant, Property & Equipment - Net	 3,433,259	 3,555,742
 Assets whose use is limited:		
Special Requirement Fund	<u>2,051,899</u>	<u>1,426,474</u>
Total Non Current Assets	<u>2,051,899</u>	<u>1,426,474</u>
Total Assets	<u>\$ 6,041,076</u>	<u>5,598,320</u>
 Liabilities and Net Deficit		
Current liabilities:		
Long Term Debt - Current	\$ 1,585,000	1,585,000
Accounts Payable & Accrued Exp	714,062	610,384
Payroll Related Liabilities	343,850	298,277
Other Liabilities	34,415	34,416
Due to related Companies	23,432,357	19,361,636
Due to Third Party	569,912	839,359
Total current liabilities	<u>26,679,596</u>	<u>22,729,072</u>
Long-term debt:		
Long Term Debt, Net of Current	2,609,916	3,413,097
Capital Lease Obligations	1,526,942	1,536,995
Other Non-Current Liabilities	<u>1,032,000</u>	<u>1,032,000</u>
Total long term debt	<u>5,168,858</u>	<u>5,982,092</u>
Fund Balance:		
Net Assets (Deficiency) Unrestricted	(25,807,378)	(23,112,844)
Total Liabilities and Net Deficit	<u>\$ 6,041,076</u>	<u>5,598,320</u>

BROOKDALE FAMILY CARE CTR INC.
Statements of Operations and Changes in Net Deficit
For YTD ended October 31st, 2017 & December 31st, 2016

	<i>(Unaudited)</i> <u>10/31/2017</u>	<i>(Audited)</i> <u>12/31/2016</u>
Unrestricted revenues and other support:		
Net Patient Service Revenue	\$ 3,427,470	4,299,517
Provision for Bad Debt, Net	(21,196)	(38,186)
Net Patient Service revenue Less Provision for Bad Debt	<u>3,406,274</u>	<u>4,261,331</u>
Capitation Revenue	276,500	401,493
Other Revenue	677,462	839,783
Total Revenues and Other Support	<u>4,360,236</u>	<u>5,502,607</u>
Expenses:		
Salaries and Wages	2,891,312	3,708,164
Employee Benefits	858,215	999,299
Education & Tuition Reimbursement	2,281	3,000
Supplies and Other	2,830,087	2,900,295
Depreciation & Amortization	168,652	346,375
Interest expense	304,223	394,323
Total expenses	<u>7,054,770</u>	<u>8,351,456</u>
Excess (Deficiency) of Revenue & Other Support over Expense	(2,694,534)	(2,848,849)
Net Deficit:		
Beginning of Year	(23,112,844)	(20,263,995)
End of Year	<u>\$ (25,807,378)</u>	<u>(23,112,844)</u>

Summary of Operational Support Grants Received for Kings County Hospitals

	<u>Brookdale Hospital</u>	<u>Interfaith Medical Center</u>	<u>Kingsbrook Jewish Medical Center</u>
2014-15 IAAF	68,104,065	33,507,395	25,030,479
2015-16 VAPAP	29,395,716	20,273,970	12,704,642
2015-16 VBP-QIP	52,604,284	26,944,018	27,613,206
2015-16 TOTAL	82,000,000	47,217,988	40,317,848
2016-17 VAPAP		5,000,000	
2016-17 VBP-QIP	140,000,000	50,000,000	50,000,000
2016-17 TOTAL	140,000,000	55,000,000	50,000,000
2017-18 VAPAP Budget		5,000,000	5,000,000
2017-18 VBP-QIP Budget	140,000,000	50,000,000	50,000,000
2017-18 TOTAL	140,000,000	55,000,000	55,000,000