

STATE OF NEW YORK
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL
SPECIAL ESTABLISHMENT AND PROJECT REVIEW COMMITTEE

AGENDA

April 8, 2021

*Immediately following the Committee on Codes, Regulations and Legislation meeting
(Scheduled to begin at 9:30 a.m.)*

Via Live Webcasting

I. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW

Peter Robinson, Chair

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

Acute Care Services – Establish/Construct

<u>Number</u>	<u>Applicant/Facility</u>
211023 E	The New York Community Hospital of Brooklyn, Inc. (Kings County)

Certified Home Health Agencies - Establish/Construct

<u>Number</u>	<u>Applicant/Facility</u>
201038 E	St. Joseph's Health at Home (Onondaga County)

B. Applications for Construction of Health Care Facilities/Agencies

Ambulatory Surgery Centers - Construction

<u>Number</u>	<u>Applicant/Facility</u>
202093 C	Richmond Pain Management ASC (Richmond County) Mr. Kraut – Conflict



Project # 211023-E

The New York Community Hospital of Brooklyn, Inc.

Program: Hospital
Purpose: Establishment

County: Kings
Acknowledged: February 1, 2021

Executive Summary

Description

Maimonides Medical Center, (MMC) a voluntary not-for-profit corporation located at 4802 Tenth Avenue, Brooklyn, (Kings County), seeks approval to be established as the active parent and co-operator of The New York Community Hospital of Brooklyn, Inc., (NYCH), a 134-bed, voluntary not-for-profit corporation, Article 28 hospital, located at 2525 Kings Highway, Brooklyn (Kings County). MMC is a 711-bed acute care hospital whose sole member and passive parent is Maimonides Health Resources, Inc. Following PHHPC approval, MMC will become the sole corporate and voting member of NYCH.

As active parent and co-operator of NYCH, MMC will have authority over NYCH as stated in its Affiliation Agreement, its certificate of incorporation, bylaws, and the active parent powers as described in 10 NYCRR 405.1(c), including the following:

- Establish policies for the Corporation.
- Maintain quality patient care in the institutions of the Corporation.
- Provide for management of and planning for the institutions of the Corporation.
- Elect officers, appoint agents, remove any officer or agent elected or appointed by it, and fix the compensation of its agents and employees.
- Create and appoint committees of the Board and to delegate to the committee's powers and duties as the Board of Trustees may deem appropriate.
- Determine the manner and by whom checks, drafts, notes, releases, contracts, and other

written instruments shall be signed or countersigned on behalf of the Corporation.

- Determine who on behalf of the Corporation may execute assignments, transfers, exercise rights and options of securities owned by the Corporation.
- Borrow money with or without security on behalf of the Corporation for any authorized purpose of the Corporation to the extent permitted by law.
- Designate trustees and alternates on the board of trustees or other governing body of any subsidiary of the Corporation.

NYCH will remain a separate not-for-profit corporation maintaining a separate operating certificate following completion of the project. There will be no change to beds or services as a result of this application. BFA Attachment A and B presents the current and post-closing organizational charts of Maimonides Medical Center.

MMC has had a successful clinical affiliation with NYCH since 2018 resulting in expanded access and improved continuity of care. MMC and NYCH believe that the proposed active parent co-operator relationship will allow them to develop an integrated healthcare delivery system advancing the quality of healthcare within their communities. MMC expects the affiliation with NYCH will allow the network to serve more patients locally in Brooklyn through core sites at Maimonides in Borough Park, NYCH in Midwood/Madison Park, and an off campus emergency department in Bay Ridge, thereby reducing the need and travel time for patients that would otherwise need to seek care in Manhattan.

MMC has committed to supporting improvements in care clinically, operationally, and financially through the proposed affiliation with NYCH. MMC will work with NYCH on advancing cancer care, cardiovascular care, and surgery; an off-campus emergency department at the former Victory Memorial Hospital site in Bay Ridge; and increasing MRI capacity to improve diagnostics for neurological, orthopedic and stroke care. The operational focus will be on realizing economies of scale and other cost savings from integration. MMC will earmark and commit \$15,000,000 for NYCH programmatic initiatives and will make available a \$20,000,000 secured loan (interest at prime rate plus 2 percent). The loan amount will be forgiven when full integration occurs between the two hospitals that is targeted for July 1, 2021. These investments will support the 3-year strategic plan the organizations will mutually develop, per the Affiliation Agreement dated December 2, 2020.

The COVID-19 pandemic precipitated volume and revenue losses at both facilities due to closure of elective surgery, hesitancy in seeking care and fewer admissions. The proposed relationship is expected to be a key to the recovery of both organizations.

MMC had a net operating loss in 2020 but expects to reach a breakeven run rate by the fourth quarter of 2021 through a combination of revenue growth and expense reduction. MMC has demonstrated the ability to maintain a stable cash position through the pandemic, thus allowing the organization to make investments in the NYCH affiliation. Pre-COVID, NYCH was running an operational deficit of \$3.7M, but projects a positive net income by year 1 of the CON financial projections resulting from approval of this proposal.

OPCHSM Recommendation

Contingent Approval

Need Summary

There are no projected changes to beds, services or utilization at Maimonides Medical Center or The New York Community Hospital of Brooklyn as a result of this project. Their current affiliation and proposed active parent relationship stems naturally from the hospitals' overlapping service areas in Kings County. Both hospitals plans to work together to prevent chronic disease and improve health care for low income minority populations in Kings County

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 project costs or working capital requirements associated with this application. The consolidated MMC/NYCH financial projections generate a positive net income of \$35.3M and \$38.9M in year 1 and 3, respectively. Financial projections for NYCH indicate a positive net income of \$604,000 and \$3.2M in years 1 and 3, respectively. These projections reflect incremental volume and revenue from service enhancements resulting from Maimonides capital projects, achieving clinical program growth from investments at NYCH and timely recovery to pre-pandemic volume levels for both organizations

The following represents the consolidated budgets for MMC and NYCH post affiliation:

	<u>Current Year</u> (2019)	<u>Year One</u> (2023)	<u>Year Three</u> (2025)
Revenue	\$1,509,203,467	\$1,591,624,126	\$1,609,521,316
Expense	\$1,496,315,126	\$1,556,263,652	\$1,570,619,346
Gain (Loss)	\$12,888,341	\$35,360,474	\$38,901,970

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

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a photocopy of the applicants fully executed Restated Certificate of Incorporation, which is 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

April 8, 2021

Need and Program Analysis

Program Description

Maimonides Medical Center (MMC), a 711-bed acute care facility located at 4802 Tenth Avenue in Brooklyn (Kings County), requests approval for the establishment as the active parent and co-operator of The New York Community Hospital of Brooklyn, Inc (NYCH, the "Hospital"). Approval of this application will give MMC the ability to exercise all Article 28 active powers over NYCH. Other than having MMC listed as the co-operator, there will be no changes to the operating certificate as a result of this CON. NYCH is a 134-bed acute care hospital located at 2525 Kings Highway in Brooklyn (Kings County), approximately four miles from MMC. NYCH is a not for profit corporation with no member.

This goal of this affiliation will serve the purpose of developing an integrated healthcare delivery system to further the mission of advancing the quality of care with the communities served and to further the charitable activities in a manner consistent with their respective 501(c)(3) charitable purposes. Clinically, MMC will work with NYCH on advancements in cancer care, cardiovascular care, ED renovations, and increased MRI capacity to improve diagnostics for neurological, orthopedic, and stroke care. Operationally, the focus will be on reducing costs through shared administration and other planning.

Analysis

New York Community Hospital shares the service areas of several Brooklyn facilities. Eighty five percent of NYCH discharges reside in fourteen zip codes, thirteen in Kings County and one in Queens. In six of these zip codes Maimonides Medical Center is already the majority provider of primary care / discharges.

Market Share Analysis for 1293:NEW YORK COMMUNITY HOSPITAL OF BROOKLYN, INC
Service area: 85% of hospital discharges based on patient Zip codes of origin
----- including the facility with the biggest share in each zip code -----
Source: SPARCS inpatient data (Apr. 1, 2019 - Mar. 31, 2020)- Date last update: 10/21/2020

Patients' zip code	Post office name	Annual average discharges	Percent of facility's total discharges	Cumulative percent	Facility's share of zip code	Facility with biggest share of this zip code (%)
11235	BROOKLYN	864	14.8	14.8	8.6	1294: CONEY ISLAND HOSPITAL (23%)
11229	BROOKLYN	759	13.0	27.7	9.1	1305: MAIMONIDES MEDICAL CENTER (19%)
11230	BROOKLYN	605	10.3	38.0	6.4	1305: MAIMONIDES MEDICAL CENTER (34%)
11234	BROOKLYN	419	7.2	45.2	4.4	1324: MOUNT SINAI BROOKLYN (20%)
11236	BROOKLYN	386	6.6	51.8	3.5	1286: BROOKDALE HOSPITAL MEDICAL CENTER (18%)
11224	BROOKLYN	371	6.3	58.1	5.5	1294: CONEY ISLAND HOSPITAL (31%)
11223	BROOKLYN	304	5.2	63.3	3.9	1305: MAIMONIDES MEDICAL CENTER (24%)
11214	BROOKLYN	272	4.6	68.0	3.0	1305: MAIMONIDES MEDICAL CENTER (32%)
11210	BROOKLYN	262	4.5	72.4	4.1	1305: MAIMONIDES MEDICAL CENTER (15%)
11226	BROOKLYN	192	3.3	75.7	1.8	1301: KINGS COUNTY HOSPITAL CENTER (20%)
11239	BROOKLYN	127	2.2	77.9	4.5	1286: BROOKDALE HOSPITAL MEDICAL CENTER (20%)
11691	FAR ROCKAWAY	118	2.0	79.9	1.2	1635: ST JOHNS EPISCOPAL HOSPITAL SO SHORE (43%)
11208	BROOKLYN	115	2.0	81.9	1.0	1286: BROOKDALE HOSPITAL MEDICAL CENTER (18%)
11218	BROOKLYN	107	1.8	83.7	1.4	1305: MAIMONIDES MEDICAL CENTER (38%)

MMC is positioned as a tertiary care hub and a safety net provider to South Brooklyn's resident population. MMC is the largest Medicaid provider in the Borough of Brooklyn and 80% of its patient volume is drawn from those enrolled in Medicaid or Medicare. MMC performs between 8,000 and 9,000 births annually, more than 75% of whom are enrolled in Medicaid. Nearly 30% of babies born in Brooklyn are born at MMC. Maimonides Children's Hospital is one of New York City's principal pediatric hospitals, specifically focused on the treatment and care of infants, children, and adolescents.

In addition to providing an array of medical, surgical and specialty care programs, the Hospital is:

- Children's Hospital: a major New York City pediatric hospital.
- A New York State Department of Health Designated Stroke Center, Level 1 Adult Trauma Center and Level II Pediatric Trauma Center.

- A cardiovascular care center.
- A dedicated cancer center.
- A NYS-designated Regional Perinatal Center.

Table 1: Facility Beds, Average Daily Census, and Occupancy. Source SPARCS									
		2016		2017		2018		2019	
Facility / Service	Beds	ADC	Occ.	ADC	Occ.	ADC	Occ.	ADC	Occ.
The New York Community Hospital Brooklyn									
Med/Surg	134	100	74.6%	95	70.9%	94	70.1%	86	64.2%
Total	134	100	74.6%	95	70.9%	94	70.1%	86	64.2%
Maimonides Medical Center									
Med/Surg	498	338	67.9%	313	62.9%	357	71.7%	350	70.3%
Pediatric	43	25	58.1%	22	51.2%	24	55.8%	22	51.2%
Obstetric	69	67	97.1%	63	91.3%	65	94.2%	62	89.9%
General Psychiatric	70	65	92.9%	59	84.3%	62	88.6%	59	84.3%
High Risk Neonates	31	29	93.5%	29	93.5%	24	77.4%	22	71.0%
Total	711	528	74.3%	489	68.8%	535	75.2%	519	73.0%

NYCH has evolved to meet the needs of a growing and diverse community. With expanded facilities, state-of-the-art medical technology, and a patient centered approach to care, NYCH continues to provide quality healthcare. NYCH continues its commitment to serving its community by offering educational programs, support groups, health screenings and other outreach programs. These initiatives strive to encourage each member of the Midwood, Madison Park & Brighton Beach communities to take charge of their health.

Character and Competence

The Board of Maimonides Medical Center is comprised of the following individuals:

<u>Name</u>	<u>Title/Position</u>
Eugene Keilin, Chair	Trustee
Paul T. Addison	Trustee
Harry L. Adler, M.D.	Trustee
Donna Astion, M.D.	Trustee
Richard Barasch	Trustee
Irwin M. Birnbaum	Trustee
Joseph Bruno	Trustee
Rev. Msgr. David Cassato	Trustee
Chaim Fischer	Trustee
Richard D. Forman	Trustee
Kenneth D. Gibbs	Trustee
Jeremy Glick	Trustee
Jack A. Hidary	Trustee
Lofton Holder	Trustee
Mortimer N. Klaus	Trustee
Chaim H. Leshkowitz	Trustee
George Liu, M.D.	Trustee
Robert Machinist	Trustee
Donald Meltzer	Trustee
Frank A. Naccarato	Trustee
Azzam Obeid	Trustee
Martin Payson	Trustee
Trevor Price	Trustee
Peter Rebenwurz	Trustee
Erminia Rivera	Trustee
Alex Rovt, Ph.D.	Trustee
Mary Singh	Trustee
David Spira	Trustee
Aaron D. Twerski	Trustee
Michael L. Ziegler, Esq	Trustee
George Weinberger	Trustee

Member requiring C&C because he is new to the board

Mr. George Weinberger is the CEO of Integra Scripts, LLC for five (5) years. He develops cost containment strategies for pharmacies and other healthcare institutions. He was previously employed as the President and CEO at Siemens Medical Solution for over 16 years. He developed financial and clinical system for acute care hospitals. Mr. Washington held ownership interest in the following healthcare facility:

New Vista Nursing and Rehabilitation Center

12/1998 to 02/2016

Mr. Weinberger disclosed a lawsuit related to commercial contract arbitration. Mr. Weinberger sold his interest in New Vista in February 2016. Under the terms of the transaction, it was agreed the proposed adjacent dialysis facility, to be operated as a joint venture between Fresenius Medical Care and a group led by Mr. Weinberger would be retained by the seller. The new owners of New Vista did not comply, and as a result, Fresenius took the Weinberger group to arbitration. The arbitration was essentially a dispute between partners and has nothing to do with the quality of care provided by New Vista. The dialysis facility never opened and Mr. Weinberger never operated a dialysis facility.

Mr. Keilin disclosed suspension of his law license in 2013 due to failure to reapply for licensure. He has not practiced law since 1976 and did not need to reapply for licensure.

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.

Prevention Agenda

The New York Community Hospital of Brooklyn, Inc. states that the proposed project will advance local Prevention Agenda priorities by working together to continue preventing chronic diseases and strengthen methods for tracking progress by including at least one intermediate measure for each goal.

The New York Community Hospital of Brooklyn, Inc. is implementing interventions to support three goals of the 2019-2024 New York State Prevention Agenda:

- Promoting tobacco cessation in the Russian community under promote tobacco use cessation goal.
- Changing cafeteria nutrition standards by incorporating more healthy foods under increasing access to healthy and affordable foods and beverage goal
- Increasing hypertension screening, and stroke prevention and education under increase early detection of cardiovascular disease, diabetes, prediabetes and obesity goal.

The application states that The New York Community Hospital of Brooklyn, Inc. engaged numerous community partners, including public health officials, elected officials, faith-based organizations, public and non-profit social service providers, community associations and boards, in their Prevention Agenda efforts. The New York Community Hospital of Brooklyn, Inc. cites output data measures that it tracks to assess progress toward achieving local Prevention Agenda goals, including:

- Number of patients who receive tobacco cessation prescription and # referred to Quitline.
- Number served free meals in the cafeteria.
- Number of events and blood pressure screenings.

In 2018 the applicant spent \$67,937 on community health improvement services, representing 0.063% of total operating expenses.

Conclusion

The purpose of the transaction is to establish a coordinated, integrated system with the objectives of improving quality and expanding access to health care services locally, and to further the charitable activities of MMC and NYCH. There will be no change in beds or services. From a need perspective, approval is recommended. 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 Analysis

Consolidated Projections

The following represents the consolidated budgets and assumptions detail for MMC and NYCH post affiliation:

	<u>Current Year</u> (2019)	<u>Year One</u> (2023)	<u>Year Three</u> (2025)
Total Revenues	\$1,509,203,467	\$1,591,624,126	\$1,609,521,316
Total Expenses	\$1,496,315,126	\$1,556,263,652	\$1,570,619,346
Net Income (Loss)	\$12,888,341	\$35,360,474	\$38,901,970

Total Discharges	49,840	53,124	53,693
Total Visits	489,818	535,646	541,571

The following is noted with respect to the submitted budget:

- Current Year revenues and expenses are based on the MMC and NYCH 2019 certified financial statements.
- Assumes full recovery of pre-COVID revenue and volume for both facilities by Year 1.
- Current Year revenues and expenses present the entire MMC enterprise, with items such as faculty practice, M2PC, capital assets, and pensions.
- The NYCH initiatives (advancing cancer care, cardiovascular care, and surgery) will generate incremental margin of approximately \$3.7M in Year 1 and \$5.7M in Year 3.
- The Year 1 and Year 3 projections assume completion of MMC's capital project (CON 181016), which will expand and modernize both the adult and pediatric services of the Emergency Department (ED), and improve key services impacted by the ED expansion. These services include renovations to Interventional Cardiology, the Neonatal, Intensive Care Unit (NICU) and Surgical Services. Construction on this project started September 8, 2020.
- Projections do not include NYCH cost savings as a result of the affiliation as that have not yet been quantified.
- Medicaid payments have been reduced by 1.5% in accordance with SFY 2020 Enacted State Budget

Utilization by payor for the consolidated MMC/NYCH is as follows:

Inpatient	Current Year		Year One		Year Three	
	Discharges	%	Discharges	%	Discharges	%
<u>Payors:</u>						
Medicaid-FFS	3,269	6.6%	3,528	6.6%	3,705	7%
Medicaid-MC	19,670	39.5%	20,998	39.5%	20,998	39%
Medicare-FFS	12,610	25.3%	13,410	25.2%	13,670	25%
Medicare-MC	5,862	11.8%	6,156	11.6%	6,156	11%
Commercial FFS	2,922	5.9%	3,166	6.0%	3,292	6%
Commercial MC	4,711	9.5%	4,987	9.4%	4,987	9%
Private Pay	471	0.9%	501	0.9%	501	1%
Charity Care	91	0.2%	91	0.2%	91	0%
<u>All Other</u>	<u>234</u>	<u>0.5%</u>	<u>287</u>	<u>0.5%</u>	<u>293</u>	<u>1%</u>
Total	49,840	100%	53,124	100%	53,693	100%
Outpatient	Current Year		Year One		Year Three	
	Visits	%	Visits	%	Visits	%
<u>Payors:</u>						
Medicaid-FFS	22,674	4.6%	29,919	5.6%	31,392	5.8%
Medicaid-MC	226,463	46.2%	239,065	44.6%	239,065	44.1%
Medicare-FFS	80,189	16.4%	94,561	17.7%	97,776	18.1%
Medicare-MC	49,696	10.1%	51,659	9.6%	51,659	9.5%
Commercial FFS	49,315	10.1%	56,256	10.5%	57,397	10.6%
Commercial MC	40,485	8.3%	41,877	7.8%	41,877	7.7%
Private Pay	11,446	2.3%	12,042	2.2%	12,042	2.2%
Charity Care	4,570	0.9%	4,742	0.9%	4,742	0.9%
<u>All Other</u>	<u>4,980</u>	<u>1.0%</u>	<u>5,525</u>	<u>1.0%</u>	<u>5,620</u>	<u>1.0%</u>
Total	489,818	100%	535,646	100%	541,571	100%

The following represents the budget for NYCH:

<u>NYCH Budget:</u>	<u>Current Year</u> <u>(2019)</u>	<u>Year One</u> <u>(2023)</u>	<u>Year Three</u> <u>(2025)</u>
Total Revenues	\$105,750,765	\$132,145,054	\$150,042,244
Total Expenses	\$109,494,914	\$131,541,483	\$146,137,502
Net Income (Loss)	(\$3,744,149)	\$603,571	\$3,904,742
Total Discharges	6,503	6,787	7,356
Total Visits	29,604	50,769	56,694

The following is noted with respect to the submitted budget:

- Current Year revenues and expenses are based on the NYCH 2019 certified financial statements.
- The First and Third-Year projection includes the positive financial impact of three clinical growth initiatives to collectively generate an incremental positive margin of \$10 million by year five post-affiliation. These initiatives are interventional cardiology, oncology infusion and surgical services. The oncology initiative received contingent CON Approval from New York State under Project No. 201180 on September 25, 2020.
- Maimonides and NYCH leadership indicate that the Year 1 projections assume NYCH will return to pre-COVID volume by year end 2021.
- Medicaid payments have been reduced by 1.5% in accordance with SFY 2020 Enacted State Budget.

Administrative Services Agreement

MMC entered into an Administrative Services Agreement with NYCH. MMC will assess, consult and advise on certain services to NYCH. The applicant has submitted an executed agreement, which is summarized below:

Dated:	March 4, 2020
Facility:	The New York Community Hospital of Brooklyn, Inc. (NYCH)
Contractor:	Maimonides Medical Center (MMC)
Compensation:	Reasonable out-of-pocket costs (excludes compensation & benefits paid to MMC employees who provide the services and/or any portion of MMC overhead).
Contractor's Duties:	Assist in the following: identify & retain professionals, develop Bridge Operating Plan, develop "day one" integration initiatives, expand clinical integration, identify co-marketing opportunities. Recommend resources, inputs or clinical or administrative services that MMC can provide to NYCH to enable NYCH to expand various clinical programs.

The executed Administrative Service Agreement acknowledges NYCH and its Board of Directors (the "Board") shall at all times retain ultimate control and governance over the assets and operation of NYCH. Further, the Board shall remain the governing body of NYCH and shall remain ultimately responsible for the control, policymaking and direction of NYCH. By entering into this Agreement, NYCH does not delegate to MMC any of the powers, duties and responsibilities required to own or operate NYCH.

Capability and Feasibility

There are no project costs associated with this application. The applicant has demonstrated the capability to proceed in a financially feasible manner and approval is recommended. Key drivers to attaining the year one and year three financial projections are realization of the incremental volume and revenue from Maimonides service enhancements and capital projects, achieving the projected clinical program growth from investments at NYCH and timely recovery to pre-pandemic volume levels for both organizations.

BFA Attachment C, Maimonides Medical Center's certified financial statements for years 2018 and 2019 shows the organization maintained positive working capital, a positive net asset position and had positive excess revenues over expenses of \$73,579,000 in 2018 and \$17,945,000 in 2019.

BFA Attachment D, Maimonides Medical Center's November 30, 2020 internal financial statements shows the organization maintained a positive working capital and positive net asset position. The \$15,906,577 deficiency of revenue over expenses for this time period includes approximately \$215M of federal stimulus program revenue and approximately \$33.7M of net operating loss from the M2 Medical Community Practice, P.C. (M2PC), which was partially offset by a federal Payroll Protection Plan loan of approximately \$6.7M. The applicant has an operations recovery plan in progress to return to pre-COVID financial performance and is on target year to date to achieve a positive monthly run rate by the fourth quarter of 2021. Despite the financial impact of the pandemic, MMC has demonstrated an ability to maintain a stable cash position to make this investment to NYCH with 133 days cash on hand as of November 2020 Internal Financial Statements.

BFA Attachment E, The New York Community Hospital of Brooklyn, Inc. certified financial statements for years 2018 and 2019 shows the organization maintained positive working capital, a positive net asset position and experienced a net operating loss of \$5,503,653 and \$3,744,149, respectively.

BFA Attachment F, The New York Community Hospital of Brooklyn, Inc October 31, 2020 internal financial statements shows the facility maintained positive working capital and a positive net asset position. The organization experienced a net operating loss of \$15,770,000 during this time period that was largely due to a decline in volume and revenue from the pandemic, This loss was offset by federal stimulus program revenue of \$15,977,000 and net of an unrealized loss of \$531,000 resulted in an adjusted operating loss of \$324,000 through October 31, 2020. NYCH has implemented an expense reduction plan to address part of this gap and, through the affiliation, will work with Maimonides to normalize and grow clinical service volume and revenue. NYCH leadership also reports a balance of approximately \$25M in remaining federal stimulus funds to help address the pandemic related revenue loss and expenses.

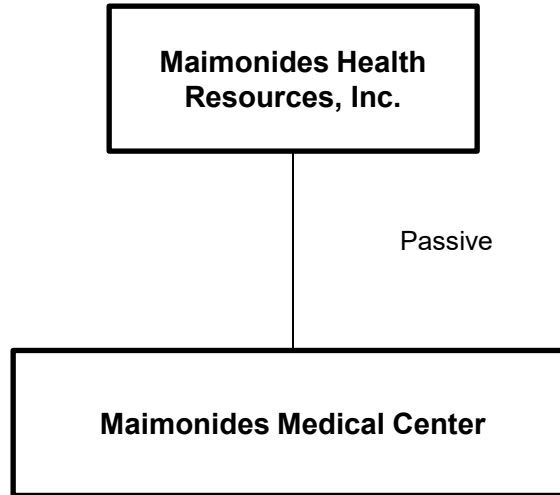
Attachments

BFA Attachment A	Maimonides Medical Center – Current Organizational Chart
BFA Attachment B	Maimonides Medical Center – Post Closing Organizational Chart
BFA Attachment C	Maimonides Medical Center – 2018 and 2019 Certified Financial Statements
BFA Attachment D	Maimonides Medical Center – November 30, 2020 Internal Financial Statements
BFA Attachment E	The New York Community Hospital of Brooklyn, Inc - 2018 and 2019 Certified Financial Statements
BFA Attachment F	The New York Community Hospital of Brooklyn, Inc – October 31, 2020 internal financial statements

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Maimonides Medical Center

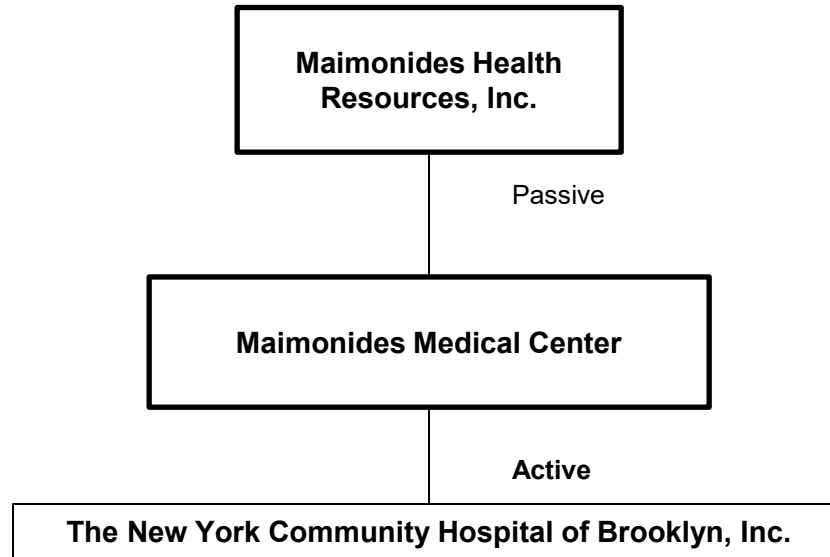
Current





Maimonides Medical Center

As of Effective Date of the Affiliation



Maimonides Medical Center

Consolidated Statements of Financial Position
(In Thousands)

	December 31	
	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 28,093	\$ 31,214
Short-term investments	50,185	79,365
Total cash, cash equivalents and short-term investments	<u>78,278</u>	110,579
Assets limited as to use, current portion:		
Board designated	288,178	141,336
DSRIP funds	121,106	99,494
Receivables for patient care, net	186,838	169,044
Due from affiliates, net, current portion	26,249	18,526
Supplies	13,549	11,915
Estimated insurance claims receivable, current portion	31,428	34,083
Other current assets	57,597	58,240
Total current assets	<u>803,223</u>	643,217
Assets limited as to use, less current portion:		
Sinking funds	15,233	14,531
Right-of-use assets – operating leases	108,953	–
Due from affiliates, net, less current portion	–	156
Property, plant and equipment, net	326,289	309,256
Equity in captive insurance program	36,061	173,505
Estimated insurance claims receivable, less current portion	178,092	193,135
Other assets	36,001	28,719
Total assets	<u><u>\$ 1,503,852</u></u>	<u><u>\$ 1,362,519</u></u>

	December 31	
	2019	2018
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 105,515	\$ 91,183
Construction payable	8,128	8,702
Accrued salaries and related liabilities	91,564	93,643
Current portion of long-term debt and finance lease obligations	25,765	39,848
Line of credit borrowings	25,516	25,516
Estimated insurance claims liabilities, current portion	31,428	34,083
Operating lease liabilities, current portion	20,867	–
Other current liabilities	140,632	108,885
Total current liabilities	<u>449,415</u>	<u>401,860</u>
Long-term debt and finance lease obligations, less current portion	224,377	199,491
Accrued pension and postretirement benefits	101,575	89,139
Other noncurrent liabilities	40,145	72,347
Professional liabilities	36,382	35,514
Operating lease liabilities, less current portion	86,200	–
Estimated insurance claims liabilities, less current portion	178,092	193,135
Total liabilities	<u>1,116,186</u>	<u>991,486</u>
Commitments and contingencies		
Net assets:		
Net assets without donor restrictions	365,397	350,155
Net assets with donor restrictions	22,269	20,878
Total net assets	<u>387,666</u>	<u>371,033</u>
Total liabilities and net assets	<u>\$ 1,503,852</u>	<u>\$ 1,362,519</u>

See accompanying notes.

Maimonides Medical Center

Consolidated Statements of Operations and Changes in Net Assets (In Thousands)

	Year Ended December 31	
	2019	2018
Medical Center operating revenue:		
Net patient service revenue	\$ 1,206,398	\$ 1,123,632
Other revenue	87,348	125,223
Net assets released from restrictions	687	967
Total Medical Center operating revenue	<u>1,294,433</u>	<u>1,249,822</u>
Medical Center operating expenses:		
Salaries and wages	650,574	624,360
Employee benefits	181,975	171,900
Supplies and other expenses	387,442	362,649
Depreciation and amortization	49,974	48,963
Interest and amortization of deferred financing costs	7,695	7,873
Total Medical Center operating expenses	<u>1,277,660</u>	<u>1,215,745</u>
Medical Center excess of operating revenue over operating expenses before other items	16,773	34,077
M2 Medical Community Practice, P.C.:		
Operating revenue	64,752	52,367
Operating expenses	(89,125)	(67,695)
Net M2 Medical Community Practice, P.C. activities	<u>(24,373)</u>	<u>(15,328)</u>
Gain on sale of buildings and land, net	-	61,029
Change in captive insurance program interest rate shortfall	-	8,345
Change in equity in captive insurance program	28,236	(12,534)
Other nonoperating losses	(7,192)	(2,010)
Excess of revenue over expenses before net change in unrealized gains and losses on investments and change in fair value of interest rate swap agreements	13,444	73,579
Net change in unrealized gains and losses on investments and change in fair value of interest rate swap agreements	<u>4,501</u>	<u>(827)</u>
Excess of revenue over expenses	17,945	72,752
Change in accrued pension and postretirement benefits liabilities to be recognized in future periods	(11,026)	1,738
Net assets released from restrictions used for capital asset acquisitions	8,323	392
Increase in net assets without donor restrictions	<u>15,242</u>	<u>74,882</u>
Net assets with donor restrictions:		
Restricted contributions, grants and other receipts	10,401	4,343
Net assets released from restrictions for:		
Operating expenses	(687)	(967)
Capital asset acquisitions	(8,323)	(392)
Increase in net assets with donor restrictions	<u>1,391</u>	<u>2,984</u>
Increase in net assets	16,633	77,866
Net assets at beginning of year	371,033	293,167
Net assets at end of year	<u>\$ 387,666</u>	<u>\$ 371,033</u>

See accompanying notes.



Maimonides Medical Center
Consolidated Statements of Financial Position

	November	Audited		November	Audited
	2020	December		2020	December
	(In Thousands)			(In Thousands)	
Assets			Liabilities and net assets		
Current assets:			Current liabilities:		
Cash & cash equivalents	\$ 209,826	\$ 28,093	Accounts payable and accrued expenses	\$ 125,346	\$ 105,515
Short-term investments	39,796	50,185	Construction payable	5,514	8,128
Total cash, cash equivalents and short-term investments	<u>249,622</u>	<u>78,278</u>	Accrued salaries and related liabilities	105,964	91,564
Assets limited as to use, current portion:			Current portion of long-term debt and capital lease obligations	20,978	25,765
Board designated	280,126	288,178	Line of credit and short-term loan borrowings	25,516	25,516
DSRIP	64,429	121,106	Lease liability, current portion	28,519	20,867
Collateral	29,034	-	Estimated insurance claims liabilities, current portion	31,428	31,428
Receivables for patient care, net of allowance for doubtful accounts	143,401	186,838	Other current liabilities	112,331	140,632
Due from affiliates, net, current portion	39,271	26,249	Total current liabilities	<u>455,596</u>	<u>449,415</u>
Supplies	15,464	13,549	Long-term debt and capital lease obligations, less current portion	394,855	224,377
Estimated insurance claims receivable, current portion	31,428	31,428	Accrued pension and post retirement benefits	99,738	101,575
Other current assets	39,924	57,597	Other noncurrent liabilities	150,311	40,145
Total current assets	<u>892,699</u>	<u>803,223</u>	Professional liabilities	46,415	36,382
Assets limited as to use, less current portion:			Estimated insurance claims liabilities, less current portion	178,092	178,092
Sinking funds	22,970	15,233	Lease liability, less current portion	70,681	86,200
Bond Funds	139,254	-	Total liabilities	<u>1,395,688</u>	<u>1,116,186</u>
Right-of-use asset, less current portion	100,486	108,953	Net assets		
Property, plant and equipment, net	355,775	326,289	Net assets without donor restrictions	349,491	365,397
Equity in captive insurance program	36,061	36,061	Net assets with donor restrictions	21,146	22,269
Estimated insurance claims receivable, less current portion	178,092	178,092	Total net assets	<u>370,637</u>	<u>387,666</u>
Other assets	40,988	36,001	Total liabilities and net assets	<u>\$ 1,766,325</u>	<u>\$ 1,503,852</u>
Total assets	<u>\$ 1,766,325</u>	<u>\$ 1,503,852</u>			



**Maimonides Medical Center
Consolidated Statement of Operations
For the Eleven Months Ended November 30, 2020**

<u>Description</u>	<u>Month</u>			<u>Year-to-Date</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Inpatient Service Revenue	72,502,682	61,169,432	(11,333,250)	775,740,341	693,422,989	(82,317,352)
Outpatient Revenue (Incl. Faculty Practice)	34,423,050	28,121,357	(6,301,693)	386,185,617	287,713,735	(98,471,882)
Net Patient Service Revenue	106,925,732	89,290,789	(17,634,943)	1,161,925,958	981,136,724	(180,789,234)
Other Operating Revenues	4,846,119	2,715,576	(2,130,543)	56,501,039	71,587,036	15,085,997
Stimulus Program Revenue	-	16,983,423	16,983,423	-	214,768,980	214,768,980
Total Operating Revenue	111,771,851	108,989,788	(2,782,063)	1,218,426,997	1,267,492,740	49,065,743
Operating Expenses						
Salaries	53,911,124	53,552,516	358,608	584,390,130	629,637,480	(45,247,350)
Supplies & Expenses	30,089,276	30,199,575	(110,299)	334,238,653	349,642,148	(15,403,495)
Employee Benefits	15,339,283	15,151,775	187,508	173,400,826	169,912,366	3,488,460
Depreciation	4,548,873	4,648,873	(100,000)	50,037,598	50,937,598	(900,000)
Interest	780,271	627,014	153,257	8,267,136	6,863,107	1,404,029
Insurance	4,777,672	4,810,035	(32,363)	52,554,398	52,836,207	(281,809)
Total Operating Expenses	109,446,499	108,989,788	456,711	1,202,888,741	1,259,828,906	(56,940,165)
Medical Center Net Profit (Loss)	2,325,352	(0)	(2,325,352)	15,538,256	7,663,834	(7,874,422)
M2PC Loss from Operation	(1,856,121)	(2,291,792)	(435,671)	(16,975,837)	(33,762,516)	(16,786,679)
M2PC Stimulus Program and Payroll Protection Plan	-	-	-	-	6,761,907	6,761,907
Total Operating Profit (Loss) before Other Items	469,231	(2,291,792)	(2,761,023)	(1,437,581)	(19,336,775)	(17,899,194)
Unrealized Gains (Losses) on Investments		320,310			3,563,611	
Change in Fair Value of Interest Rate Swap Agreements		47,332			(133,413)	
Excess (Deficiency) of Revenue Over Expenses		(1,924,150)			(15,906,577)	

The New York Community Hospital of Brooklyn, Inc.
Balance Sheets
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,087,638	2,758,983
Investments	8,418,913	16,581,345
Certificate of deposit	-	300,000
Patient accounts receivable (net of allowance for doubtful accounts of \$22,400,000 in 2018)	14,924,818	14,452,453
Inventory	1,832,846	1,070,854
Other current assets	801,381	599,491
Estimated amounts due from third-party payors	4,698,056	3,685,295
Assets limited as to use - current	1,730,000	1,730,000
Total current assets	34,493,652	41,178,421
Noncurrent Assets		
Assets limited as to use	12,423,857	13,516,101
Property and equipment, net	19,898,087	19,373,631
Insurance recovery receivable	175,000	175,000
Total assets	\$ 66,990,596	\$ 74,243,153
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	9,131,205	7,522,233
Accrued compensation and related costs	4,609,244	6,116,027
Estimated malpractice costs	1,730,000	1,730,000
Estimated amounts due to third-party payors	4,056,035	6,174,642
Total current liabilities	19,526,484	21,542,902
Long-Term Liabilities		
Accrued pension costs	7,133,756	5,326,939
Estimated malpractice costs	13,757,500	15,569,996
Total liabilities	40,417,740	42,439,837
Net Assets, Without Donor Restrictions	26,572,856	31,803,316
Total liabilities and net assets	\$ 66,990,596	\$ 74,243,153

The New York Community Hospital of Brooklyn, Inc.
Statements of Operations and Changes in Net Assets
Years Ended December 31, 2019 and 2018

	2019	2018
Revenues and Gains Without Donor Restrictions		
Patient service revenues (net of contractual discounts and allowances)	\$ -	\$ 106,331,690
Provision for bad debt	-	(2,550,000)
	102,841,174	103,781,690
Patient services revenues (less provision for bad debt for 2018)		
Other operating revenues	1,120,000	1,189,131
	103,961,174	104,970,821
Expenses		
Salaries and wages	54,327,440	52,715,947
Employee benefits	20,563,339	19,753,228
Professional fees, supplies and other expenses	31,653,965	32,831,230
Depreciation and amortization	2,950,170	3,043,913
	109,494,914	108,344,318
Total operating expenses		
Operating Loss	(5,533,740)	(3,373,497)
Other Income (Expense)		
Investment return - trading securities	2,049,304	(736,730)
Investment return - other	-	(1,181,500)
Net periodic pension costs	(259,713)	(211,926)
	1,789,591	(2,130,156)
Total nonoperating income		
Excess of Expenses Over Revenues	(3,744,149)	(5,503,653)
Change in defined benefit pension plan gains and losses	(1,486,311)	1,203,906
Decrease in Net Assets Without Donor Restrictions	(5,230,460)	(4,299,747)
Net Assets, Beginning of Year	31,803,316	36,103,063
Net Assets, End of Year	\$ 26,572,856	\$ 31,803,316



THE NEW YORK COMMUNITY HOSPITAL OF BROOKLYN, INC.
BALANCE SHEET
10/31/2020

Project 211023
BFA Attachment F

ASSETS	<u>10/31/2020</u>	<u>Audited 12/31/2019</u>	LIABILITIES AND NET ASSETS	<u>10/31/2020</u>	<u>Audited 12/31/2019</u>
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and Cash Equivalents	1,674,259	\$ 2,087,638	Accounts Payable and Accrued Expenses	6,992,669	\$ 9,131,205
Short Term Investments	10,424,067	8,418,913	Accrued Salaries and Related Liabilities	6,097,675	4,609,244
Patient Accounts Receivable - Gross	33,689,388	41,306,774	Current Portion of Est Self-Insured Professional Liab.	1,498,950	1,730,000
Patient Accounts Receivable - Allowance	(19,636,572)	(26,381,956)	Due to 3rd Party	4,198,815	4,056,030
Inventories	1,814,208	1,832,846	Other Current Liabilities:		
Prepaid Expenses and Other Current Assets	960,971	801,381	Medicare Advance	22,533,209	-
Due from Third Party Reimbursement Payors- current	3,265,234	4,698,051	HHS CARES	17,988,969	-
Assets Limited To Use:					
Malpractice	1,498,950	1,730,000			
Medicare Advance	22,533,209	-			
HHS- CARES	17,988,969	-			
TOTAL CURRENT ASSETS	74,212,685	34,493,647	TOTAL CURRENT LIABILITIES	59,310,287	19,526,479
NONCURRENT ASSETS			NONCURRENT LIABILITIES		
Assets Limited To Use:			HHS Stimulus- Deferred Revenue	12,000,000	-
HHS- CARES	12,000,000	-	Accrued Pension Liability	7,043,217	7,133,756
Malpractice	13,742,935	12,423,857	Portion of Est Self-Insured Professional Liability	14,989,503	13,757,500
Property, Plant, and Equipment - Net	18,417,844	19,898,087			
Property, Plant, and Equipment - COVID	1,043,164	-			
Insurance Recovery Receivable	175,000	175,000			
TOTAL NONCURRENT ASSETS	45,378,942	32,496,944	TOTAL NONCURRENT LIABILITIES	34,032,721	20,891,256
TOTAL ASSETS	<u>\$ 119,591,627</u>	<u>\$ 66,990,591</u>	NET ASSETS	26,248,619	26,572,856
			TOTAL LIABILITIES AND NET ASSETS	<u>\$ 119,591,627</u>	<u>\$ 66,990,591</u>



The New York Community Hospital of Brooklyn, Inc.

Income Statement

10/31/2020

(In Thousands)

	Month to Date				Year to Date			
	Oct Actual	Oct Budget	Fav/ (Unfav)	Prior Year Actual	YTD Actual	YTD Budget	Fav/ (Unfav)	Prior Year Actual
Operating Revenues:								
Net Inpatient Revenue	7,297	6,923	374	7,088	70,010	68,137	1,873	68,336
Net Outpatient Revenue	1,746	2,126	(380)	2,219	14,187	20,924	(6,737)	18,865
Provision for Bad Debts	(212)	(212)	-	(212)	(4,784)	(2,120)	(2,664)	(2,120)
Net Patient Service Revenue Less Provision for Bad Debts	8,831	8,837	(6)	9,095	79,413	86,941	(7,527)	85,081
Faculty Practice	208	218	(10)	261	2,076	2,095	(18)	2,492
Other Operating Revenue	381	132	249	42	1,404	1,349	54	941
Total Operating Revenues	9,420	9,187	233	9,398	82,894	90,385	(7,491)	88,514
Operating Expenses:								
Payroll & Fringe Benefits								
Payroll	4,936	4,630	(306)	4,534	46,847	45,558	(1,288)	44,935
Fringe Benefits	1,799	1,822	23	1,714	17,262	17,928	666	17,664
Total Payroll & Fringe Benefits	6,735	6,453	(282)	6,248	64,109	63,486	(623)	62,599
Other Expenses	3,618	2,599	(1,018)	2,502	30,317	25,772	(4,545)	26,840
Insurance	80	167	87	327	754	1,671	917	2,048
Depreciation	246	246	0	244	2,456	2,456	0	2,452
Leases Expenses	123	117	(7)	104	1,028	1,165	137	1,139
Total Operating Expenses	10,801	9,581	(1,220)	9,425	98,664	94,550	(4,113)	95,078
Net Operating Income / (Loss)	(1,382)	(395)	(987)	(27)	(15,770)	(4,165)	(11,605)	(6,564)
US HHS Stimulus- COVID grant	1,253	-	1,253	-	15,977	-	15,977	-
Unrealized Gain/(Loss)	374	-	374	70	(531)	-	(531)	1,326
Adjusted Operating Income / (Loss)	245	(395)	640	43	(324)	(4,165)	3,841	(5,238)



Project # 201038-E
St. Joseph's Health at Home

Program: Certified Home Health Agency
Purpose: Establishment

County: Onondaga
Acknowledged: February 5, 2020

Executive Summary

Description

St. Joseph's Health at Home (St. Joseph's) requests to become the operator and Trinity Home Health Services and Trinity Health request approval to become the co-operators and active parents of St. Joseph's Hospital Health Center CHHA (the CHHA), an existing Article 36 Certified Home Health Agency located at 7246 Janus Park Drive, Liverpool (Onondaga County), which is currently operated by St. Joseph's Hospital Health Center (SJHHC).

The CHHA is licensed to provide nursing, home health aide, medical social services, medical supplies equipment and appliances, nutritional, occupational therapy, speech language pathology, respiratory therapy, and physical therapy services in Cayuga, Cortland, Lewis, Madison, Oneida, Onondaga, and Oswego counties.

SJHHC is part of Trinity Health (Trinity) an Indiana not-for-profit corporation that runs a national health care system with health care operations in 22 states. Trinity is in the process of consolidating all its home care entities under the umbrella of Trinity Home Health Services (THHS), a wholly-owned Michigan not-for-profit corporation, to achieve administrative and financial efficiencies.

Accordingly, SJHHC seeks to transfer its ownership of the CHHA to St. Joseph's. St. Joseph's is a to-be-formed New York not-for-profit corporation whose sole purpose will be to establish and operate a certified home health agency pursuant to Article 36 of the PHL. St. Joseph's sole member will be THHS, and St. Joseph and THHS will have mirror boards. As

set forth in its certificate of incorporation and bylaws, St. Joseph's grants certain powers and authorities to THHS (as its member) and Trinity Health (as its grandparent). These powers and authorities are presented in BFA Attachment F.

OPCHSM Recommendation

Contingent Approval

Need Summary

This request represents a change in control without impact to the daily operations of the CHHA.

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 project costs associated with this application. The projected budget (in '000s) is as follows:

Table with 4 columns: Category, Current, Year One, Year Three. Rows: Revenues, Expenses, Gain.

THHS indicated that it will cover any operating losses incurred by St. Joseph's to the extent the entity is unable to cover such losses through its CHHA operations.

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 applicant's executed Certificate of Incorporation, acceptable to the Department. [CSL]
2. Submission of a photocopy of an executed Restated Certificate of Incorporation of St. Joseph's Hospital Health 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

April 8, 2021

Need and Program Analysis

Proposal

St. Joseph's Health at Home, a proposed not-for-profit corporation, requests approval to become the new operator of St. Joseph's Hospital Health Center CHHA, a Certified Home Health Agency, under Article 36 of the Public Health Law.

Currently, St. Joseph's Hospital Health Center CHHA is operated by St. Joseph's Hospital Health Center, an Article 28 hospital which is part of the Trinity Health Care System ("Trinity"), which operates healthcare facilities in 22 states. Please see Programmatic Attachment A – New York State Facilities and Programmatic Attachment B – Out-of-State Facilities for further details regarding Trinity's ownership affiliations.

In order to achieve administrative and financial efficiencies, Trinity is currently in the process of consolidating all of their home care entities under the umbrella of Trinity Home Health Services d/b/a Trinity Health at Home, a not-for-profit corporation formed in Michigan with the authority to do business in New York State. Trinity Home Health operates eleven Certified Home Health Agencies in nine states. The sole member of Trinity Home Health Services is Trinity Health, a not-for-profit corporation formed in Indiana with authority to do business in New York State.

In accordance with Trinity's consolidation efforts, St. Joseph's Hospital Health Center seeks to transfer their ownership of St. Joseph's Hospital Health Center CHHA to St. Joseph's Health at Home. The sole member of St. Joseph's Health at Home is Trinity Home Health Services, with Trinity Health as a grandparent.

The Board of Directors of St. Joseph's Health at Home will mirror the Board of Directors of Trinity Home Health Services. Trinity has adopted this structure, in which Trinity Home Health Services is the sole member of the local home care subsidiary and the Board of Directors of the local home care subsidiary mirrors the Board of Directors of Trinity Home Health Services, for all its Medicare certified home health agencies operated nationally. This structure has enabled Trinity to appoint experienced and knowledgeable industry leaders to the Board of Directors of Trinity Home Health Services and its local home care subsidiaries and to focus on improving quality, implementing financial and operational best practices, and achieving economical efficiencies. This approach has helped to achieve fiscal stability for financially challenged home care agencies within the Trinity system and to improve operations and quality, resulting in high CMS Star Ratings.

The Board of Directors of Trinity Home Health Services has 12 members, including Arthur Henkel, a New York State Resident, who also chairs the Board of Director's Finance Committee. The Executive Director of St. Joseph's Health at Home will report directly to the Chief Operating Officer of Trinity Home Health Services, who reports directly to the President and Chief Executive Office of Trinity Home Health Services, ensuring a direct line of communication within the management structure..

To address local issues, the Board of Directors of St. Joseph's Health at Home will have a Performance Improvement/Professional Advisory Committee that reports quarterly to the Quality Committee of the Board of Directors of Trinity Home Health Services. The Quality Committee provides direction and education to agencies, implements survey and accreditation readiness activities, identifies quality assurance initiatives, and standardizes approaches to improving home care performance.

The Performance Improvement/Professional Advisory Committee of St. Joseph's Health at Home will focus on specific performance improvement initiatives for St. Joseph's Health at Home, to achieve regulatory and quality compliance, single digit hospitalization rates and a CMS 4 Star rating or higher. The St. Joseph's Health at Home's Performance Improvement/Professional Advisory Committee reports to the Board Quality Committee quarterly and will have 14 local members, consisting of representatives

from St. Joseph's Hospital Health Center and one community representative. This body will oversee the implementation of St. Joseph's Quality Assurance and Performance Improvement Plan and Indicators and serves to connect the local agency to the broader Trinity Home Health Service's organization.

The applicant states being part of Trinity Home Health Services will allow St. Joseph's Health at Home to better serve the local community because this structure allows focus to occur solely on home care operations, quality improvement initiatives and improved financial performance,

There will be no changes to the services provided or counties served as a result of this project. In addition, St. Joseph's Health at Home will employ all of the St. Joseph's Hospital Health Center employees who currently staff the CHHA program.

Character and Competence Review

St. Joseph's Health at Home and Trinity Home Health Services have identical boards. The membership is as follows:

John A. Capasso, NHA – Board Member
Executive Vice President, Continuing Care, Trinity Health

Affiliations

- Catholic Health System of Buffalo

Thomas A. Cornwell, MD

Medical Director, Physician, Northwestern Medicine HomeCare Physicians (IL)
CEO, Home Centered Care Institute (IL)

Affiliation

- Trinity Home Health Services

Joanne Handy, RN

Self- Employed, Health Care Consultant

Affiliations

- Trinity Health at Home
- Trinity Senior Communities
- Trinity PACE
- Covia Group (CCRC, CA)

Arthur J. Henkel – Board Member

Retired

Affiliations

- Trinity Continuing Care Services
- Trinity Health PACE
- Trinity Home Health Services

William L. Minnix

Retired

LeJon Poole

Program Director, Campbell University

Affiliation

- Trinity Health

Anna Marie Tag, NHA (MA) – Board Member

Affiliations

- McAuley Hall Health Care Center (SNF, NJ) (2013- 2019)
- De La Salle Hall (SNF, NJ) (2015 – 2019)
- Trinity Health Continuing Care (2018 – 2019)

Marjorie E. Tapia, RN (NJ)– Board Member

Director of Health and Aging Services, The Religious Teachers Filippini

Affiliations

- Mercy Center Nursing Unit (SNF, PA)
- Trinity Health Continuing Care

Antonia M. Villarruel, Ph.D, RN – Board Member

Director, WHO Collaborating Center for Nursing and Midwifery Leadership

Margaret Bond Simon Dean of Nursing, School of Nursing, University of Pennsylvania

Waybon D. Wells – Board Member

Economic Justice Alliance of MI

Affiliations

- Trinity Continuing Care
- St. Joseph’s Mercy Oakland (Hospital)

Mark K. McPherson – President/CEO, Treasurer

Chief Financial Officer, National Health Ministries

Affiliations

- Trinity Health at Home (Treasurer/Secretary)
- Trinity Health Senior Communities (Treasurer/Secretary)
- Trinity Health PACE (Treasurer/Secretary)

Beverly Jones- Board Member

Retired

Mandi Murray, Esq., RN – Secretary

Vice President and Managing Counsel, Provider Operations, Trinity Health System

General Counsel, National Ministry, Trinity Health System

The Board of Directors of Trinity Health is as follows:

Kevin P. Barnett – Board Member

Senior Investigator, Public Health Institute

Affiliation

- Trinity Health Corporation

James D. Bentley, PhD – Chair

Retired

Affiliations

- Trinity Health Corporation
- CHE Trinity, Inc. (May 2013 – November 2014)
- Catholic Health East (May 2013 – June 2014)

Joseph R. Betancourt, MD – Board Member

Physician, Vice President, Chief Equity Inclusion Officer, Massachusetts General Hospital

President, Co-Founder, Quality Interactions

Rita D. Brogley – Board Member

Independent Director, Chair of Compensation Committee, Strategic Education, Inc.

Affiliation

- Trinity Health Corporation

Linda M. Falquette, RSM – Board Member

Parish Accountant, St. Aloysius

Affiliation

- Trinity Health

Mary M. Fanning, RSM – Board Member

Retired

Affiliation

- Trinity Health Corporation (March 2017 – Present)
- Mercy Health Services (Hospital, MD) (2015 – 2019)

Barret Hatches, PhD – Board Member

CEO, Chicago Family Health Center

Affiliation

- Trinity Health Corporation

Mary Catherine Karl – Board Member

Retired

Affiliations

- Catholic Health East (2007 – 2014)
- Surgical Safety Institute (2004 – Present)
- Trinity Health Corporation (2013 – Present)

George M. Philip – Board Member

Retired

Michael A. Slubowski – President, CEO

President, CEO, Trinity Health Corporation

Affiliations

- Trinity Health Corporation
- SCL Health (January 2011 – May 2017)

David N. Southwell – Board Member

Retired

Joan Marie Steadman, CSC – Board Member

Affiliation

- Trinity Health Corporation

Roberta L. Waite, RN – Board Member

Professor; Associate Dean for Community-Centered Health & Wellness and Academic Integration, Drexel University

Affiliation

- Trinity Health Corporation

Larry Warren – Board Member

Retired

Cynthia A. Clemence – Interim CFO, Treasurer
Interim CFO and Treasurer, Trinity Health Corporation

Linda S. Ross, Esq. - Executive Vice President, Chief Legal Officer
Executive Vice President, Chief Legal Officer, Trinity Health

The following legal actions were disclosed:

Linda S. Ross was named as a defendant in a lawsuit along with her former law firm and former colleague. The lawsuit was brought by a physician client whose prescribing privileges were suspended. The claim was denied at the circuit court level and the client appealed to the Michigan Court of Appeals where it was also dismissed on March 16, 2017.

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

The Office of the Professions of the State Education Department, the New York State Physician Profile and the Office of Professional Medical Conduct, where appropriate, indicate no issues with the licensure of the health professionals associated with this application. The California Board of Nursing, the Illinois Department of Financial and Professional Regulation, the Pennsylvania Department of State, Bureau of Professional and Occupational Affairs and the Massachusetts Board of Registration in Medicine and the Massachusetts Office of Health and Human Services, the Michigan Department of Licensing and Regulatory Affairs, and the Colorado Department of Regulatory Agencies, indicate no issues with the licensure of the health professionals associated with this application.

The applicant has confirmed that the proposed financial/referral structure has been assessed in light of anti-kickback and self-referral laws, with the consultation of legal counsel, and it is concluded that proceeding with the proposal is appropriate.

Facility Compliance/Enforcement

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers has reviewed the compliance histories of the affiliated Hospitals and Ambulatory Surgery Centers for the time-period 2011 through 2018, and reports as follows:

- An enforcement action was taken against St. Joseph's Hospital Health Center in September 2012, based on a survey completed in August 2010, for an incident relating to a patient's fall. A civil penalty in the amount of \$22,000 was imposed and paid.
- An enforcement action was taken against St. Peter's Hospital in August 2016, based on a survey completed in January 2016, for an Immediate Jeopardy situation in Food and Dietetic Services. A civil penalty in the amount of \$2000 was imposed and paid.

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers reported that the remaining affiliated Hospitals and Ambulatory Surgery Centers have no histories of enforcement action taken.

The NYS Department of Health Division of Nursing Homes and Intermediate Care Facilities/IID has reviewed the compliance histories of the affiliated Nursing Homes for the time-period 2011 to 2018, and reports as follows:

- An enforcement action was taken against Capital Region Geriatric Center, Inc., d/b/a Eddy Village Green (RHCF) in March 2017, based on a survey completed on August 17, 2016, citing a violation in 10 NYCRR 415.12 Quality of Care: Highest Practicable Potential. A state civil penalty in the amount of \$2000 was imposed and paid. In addition, a federal Civil Monetary Penalty of \$3963 was imposed and paid.
- An enforcement action was taken against Iroquois Nursing Home, Inc. (RHCF) in January 2017, based on a survey completed on April 13, 2016, citing Immediate Jeopardy and violations in 10

NYCRR 415.4(b) Staff Treatment of Residents: Free from Mistreatment, Neglect, and Misappropriation of Property; 415.4(b) Staff Treatment of Residents: Policy and Procedure Manual Development Regarding Staff Treatment of Residents; 415.4(b)(1)(i) Abuse: Verbal, Sexual, Physical, Mental, Corporal Punishment, and Involuntary Seclusion; and 415.26 Administration. A state civil penalty in the amount of \$16,000 was imposed and paid. No federal Civil Monetary Penalty was imposed.

- Iroquois Nursing Home, Inc. has an open Civil Monetary Penalty collection in the amount of \$1000 for findings during a CMS Survey (CDC Report) conducted on September 28, 2020.
- Beverwyck, Inc. d/b/a Eddy Village Green at Beverwyck was fined \$2000 pursuant to a Stipulation and Order dated November 23, 2019 for inspection findings on August 21, 2018 for violations of Article 28 of the Public Health Law and 10 NYCRR Part 415. The provider was also fined a Civil Monetary Penalty in the amount of \$6893.
- St. Peter's Nursing and Rehab is currently not in substantial compliance based on a Recertification Survey conducted on October 7, 2020. The Division of Nursing Homes is awaiting a Plan of Corrections.

The NYS Department of Health Division of Nursing Homes and Intermediate Care Facilities/IID reported the remaining affiliated Nursing Homes have no histories of enforcement action taken.

The NYS Department of Health Division of Home and Community Based Services reviewed the compliance histories of the affiliated Certified Home Health Agencies, Licensed Home Care Services Agencies, and Hospice, and reports as follows:

- An enforcement action was taken against McAuley – Seton Home Care Corporation (CHHA) in June 2013, based on a survey completed on September 15, 2011, citing violations in 10 NYCRR 763.11(b) Governing Authority; 763.5(a) Patient Referral, Admission, and Discharge; 763.6(b) Patient Assessment and Plan of Care; 763.6(c) Patient Assessment and Plan of Care; and 763.7(a) Clinical Records. A civil penalty in the amount of \$5500 was imposed and paid.

The NYS Department of Health Division of Home and Community Based Services reported that the remaining affiliated Certified Home Health Agencies, Licensed Home Care Services Agencies, and Hospice have no histories of enforcement action taken.

The NYS Department of Health Division of Adult Care Facilities and Assisted Living Programs reviewed the compliance histories of the affiliated Adult Care Facilities/Assisted Living Programs and Enriched Housing Programs and reports as follows:

- An enforcement action was taken against Hawthorne Ridge, Inc. (ACF) in March 2012, based on an inspection completed on September 14, 2010, citing a violation in 18 NYCRR 486.5(a)(4)(iii) Systemic Endangerment. A civil penalty in the amount of \$1000 was imposed and paid.
- Hawthorne Ridge was fined nine hundred twenty-four dollars pursuant to a stipulation and order dated August 15, 2018 for inspection findings on November 23, 2016 and March 8, 2018. Upon inspection, violations of Article 7 of the Social Services Law, Article 46-B of the Public Health Law and 10 NYCRR 1001.7(k)(5).

The NYS Department of Health Division of Adult Care Facilities and Assisted Living Programs reported that the remaining affiliated Adult Care Facilities/Assisted Living Programs and Enriched Housing Programs have no histories of enforcement action taken.

The NYS Department of Health Office of Health Insurance Programs, Bureau of Managed Long-Term Care, reviewed the compliance histories of the affiliated PACE / LIFE Programs for the time-period 2011 to 2018, and reported that during that time-period, the affiliated PACE / LIFE Programs have all remained in compliance with no histories of enforcement action taken.

The out-of-state compliance information used for this review was taken from Project 181268, which received final approval from the Public Health and Health Planning Council on January 11, 2019.

- The State of Maryland reports that, during the time-period 2011 – 2018, an enforcement action was taken against Holy Cross Rehabilitation and Nursing (Sanctuary at Holy Cross), a nursing home located in Maryland, in September 2016, based on a February 2016 standard survey, citing violations in Quality of Care: Accidents/Hazards/Environment/Supervision. A federal Civil Monetary Penalty of \$74,700 was imposed and paid. The remaining Maryland providers / facilities have no histories of enforcement for the time-period 2011 – 2018, and all providers / facilities are in current compliance.
- The State of Indiana reports that, during the time-period 2011 – 2018, an enforcement action was taken against Sanctuary at Holy Cross, a nursing home located in Indiana, in January 2017, based on a September 2016 standard recertification survey, citing violations in Quality of Care: Necessary Care and Services/Highest Practicable Well-Being. A state civil penalty of \$3000 was imposed and paid. The remaining Indiana providers / facilities have no histories of enforcement for the time-period 2011 – 2018, and all providers / facilities are in current compliance.
- The State of Iowa reports no enforcements, but does report the following three issues for the time-period 2011 - 2018:
 - An Immediate Jeopardy situation was identified at Mercy Medical Center (Hospital) in January 2017, citing violations in the federal Conditions of Participation for 42 CFR 482.12 Governing Body; 42 CFR 482.21 Quality Assessment and Performance Improvement Program; 42 CFR 482.23 Nursing Services; and 42 CFR 482.27 Laboratory Services. However, the Immediate Jeopardy and citations were ultimately not enforced.
 - Condition level non-compliance was identified at Mercy Home Care (CHHA), a deemed Home Health Agency surveyed by an accreditation agency, in June 2016. Per federal requirements, the agency was ultimately prohibited from providing home health aide training and testing for the two-year period from 6/29/2016 through 06/29/2018. No state enforcement was imposed.
 - Ellen Kennedy Assisted Living Center (ALP) had violations cited in September 2016, in Sufficient Staffing and Nursing Reviews. The matter was resolved in November 2016, with no civil penalty enforcement action taken.
- The State of California reports that, during the time-period 2011 – 2018, three separate enforcement actions were taken against Saint Agnes Medical Center, a hospital located in Fresno, California, as follows:
 - Violations based on a survey conducted on January 13, 2012, resulted in a civil penalty of \$50,000 imposed on September 26, 2012. Violations based on a survey conducted on November 17, 2015, resulted in a civil penalty of \$4750 imposed on March 24, 2016. Violations based on a survey conducted on January 11, 2017, resulted in a civil penalty of \$11,250 imposed on February 2, 2017. The State of California reports that none of these enforcement actions involved repetitive violations, and all were resolved as noted above.
- The State of Florida reports that, during the time-period 2011 – 2018, the following enforcement actions were taken:
 - Winter Haven Hospital was assessed an administrative penalty of \$1000 in January 2011 for violations in the areas of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation; an administrative penalty of \$1000 in January 2011 for violations in the area of Emergency Department Services; an administrative penalty of \$1000 in March 2011 for violations in the area of Emergency Department Services; an administrative penalty of \$1000 in August 2012 for violations in the area of Emergency Department Services; and an administrative penalty of \$1000 in October 2013 for violations in the area of Inappropriate Restraints.
 - Mease Dunedin Hospital was assessed an administrative penalty of \$6000 in June 2012 for violations in the areas of Patient Assessment and Emergency Department Services;

- and an administrative penalty of \$320 in August 2013 for nonpayment of Life Safety Code survey fee.
- Morton Plant Hospital was assessed an administrative penalty of \$800 in March 2011 for violations in the areas of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation; an administrative penalty of \$1000 in December 2011 for violations in the area of Nursing Department Policies and Procedures; an administrative penalty of \$1000 in July 2012 for violations in the area of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation; an administrative penalty of \$1000 in April 2013 for violations in the area of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation; and an administrative penalty of \$1000 in July 2013 for violations in the area of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation.
 - Morton Plant North Bay Hospital was assessed an administrative penalty of \$2000 in October 2011 for violations in the areas of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation.
 - St. Anthony's Hospital was assessed an administrative penalty of \$5000 in July 2011 for violations in the areas of MRI Alterations, Renovations, and Installation; an administrative penalty of \$600 in January 2014 for nonpayment of Life Safety Code survey fee; an administrative penalty of \$1000 in March 2015 for violations in the area of Nursing Management Functions; an administrative penalty of \$5500 in April 2016 for a violation in the area of Failure to Notify Florida State Agency for Health Care Administration of Ownership Change in 2014; and an administrative fee of \$471.36, and a reimbursement to the State of \$5553.31, for a total payment of \$6024.67, in September 2017 for recoupment of Medicaid overpayments.
 - St. Joseph's Hospital was assessed an administrative penalty of \$1000 in October 2012 for violations in the area of Discharge Planning; and an administrative penalty of \$21,500 in April 2016 for a violation in the area of Failure to Notify Florida State Agency for Health Care Administration of Ownership Changes in 2014 at St. Joseph's Hospital, St. Joseph's Hospital North, St. Joseph's Hospital South, and St. Joseph's Hospital Behavioral Health Center.
 - Bartow Regional Medical Center was assessed an administrative penalty of \$480 in May 2014 for nonpayment of Life Safety Code survey fee.
 - Holy Cross Hospital was assessed an administrative fee of \$572.59, and a reimbursement to the State of \$11,364.51, for a total payment of \$11,937.10, in April 2013 for recoupment of Medicaid overpayments; was assessed an administrative fee of \$73.84, and a reimbursement to the State of \$86,982.65, for a total payment of \$87,056.49, in October 2015 for recoupment of Medicaid overpayments; and was assessed a reimbursement payment to the State of a total payment of \$97,620.48, in September 2017 for recoupment of Medicaid overpayments.

The applicant has submitted a signed affidavit attesting to out-of-state findings from January 2019 – Present.

- St. Agnes Medical Center was fined \$10,000 on June 15, 2020 by the California Department of Public Health Radiologic Branch for permitting CV techs to perform fluoro duties outside of their scope. The enforcement action is now closed.
- The State of Connecticut Occupational Health and Safety Administration (OSHA) fined Johnson Memorial Hospital a total of \$5,600 in fines for four violations between January 1, 2019 and November 9, 2020. The action is now closed.
- A survey of the Outpatient Dialysis Center of Loyola University Medical Center conducted by the Illinois Department of Public Health on behalf of CMS on October 22, 2020 resulted in Immediate Jeopardy findings related to the performance of the chlorine water testing process. The facility failed to ensure that the testing was performed in accordance with their policy. An Immediate Jeopardy Removal Plan was submitted on October 23, 2020. On November 12, 2020 the facility was resurveyed, it was found that the immediate jeopardy had been removed and the facility had

returned to compliance.

- A complaint survey conducted on August 19, 2020 at MercyOne Siouxland Medical Center by the Kansas City Regional Office on behalf of CMS resulted in Immediate Jeopardy due to failure to adequately supervise patients on suicide precautions. An Immediate Jeopardy Removal Plan was submitted as well as a plan of correction of additional citations. A revisit was conducted on October 19, 2020 and the hospital was found to be in compliance with no further deficiencies identified. On October 23, 2020, CMS notified The Joint Commission that the hospital is restored to Accredited status.
- Mount St. Joseph Nursing Home (ME) was fined a Civil Money Penalty of \$5,000 on June 24, 2020 for findings of non-compliance related to infection control.
- Mercy Health Muskegon (MI) was fined \$7,500 on October 24, 2019 by the Michigan Department of Health and Human Services for failing to meet minimum volume requirements for Mobile MRI. They were fined \$10,500 on December 20, 2019 for failing to meet minimum volume requirements and failing to serve two approved host sites.
- Mercy Health Muskegon (MI) was fined \$150,000 on July 27, 2015 for failing to meet the required volume of 300 cases annually in 2013 and 2014 for Open Heart Surgery Services. They entered into a settlement agreement and the organization is fulfilling the terms.
- Mercy Health Muskegon (MI) was fined \$4,000 on November 12, 2018 for failing to meet all terms and conditions, specifically regarding accreditation for Cardiac Catheterization Services.
- Mercy Health St. Mary's (MI) was fined \$7,500 on November 28, 2017 for failing to meet volume requirements for 3 MRT units.
- Mercy Health St. Mary's (MI) was fined \$71,260 for using a replacement CT scanner before final CON approval.
- The Ohio Department of Health surveyed Mount Carmel West on behalf of CMS. The survey resulted in findings of violations of the Conditions of Participation for pharmaceutical services resulting in Immediate Jeopardy. On February 11, 2019 a resurvey removed the Immediate Jeopardy. An additional survey on March 8, 2019 removed pharmaceutical services Condition Level finding but incurred Physical Environment findings which were resolved on a resurvey on July 3, 2019. The Ohio Board of Pharmacy initiated an investigation of Mount Carmel West's terminal distributor license pertaining to pharmacy policies, policy deficiencies, policy implementation failures and related patient deaths. On October 17, 2019 the Board of Pharmacy issued a Notice of Opportunity for Hearing and Mount Carmel requested a hearing. A settlement agreement was negotiated, and Mount Carmel West was required to pay a fine of \$400,000 as well as \$77,492.73 for investigative costs. Mount Carmel West's operational license was placed on probation for 3 years. During the probation period Mount Carmel must retain a Board of Pharmacy approved consultant to review compliance with the Board of Pharmacy rules and regulations and submit biannual reports regarding compliance.

CMS Star Ratings

CHHA Quality of Patient Care Star Ratings as of February 4, 2021	
CHHA Name	Quality of Care Rating
St. Joseph's Hospital Health Center CHHA	2.5 out of 5 stars
Oswego Health Home Care, LLC	3 out of 5

Conclusion

This is an existing CHHA that has established relationships with hospitals and other health providers in its service area and has an existing patient base. The change in ownership will result in no changes to the services provided or the counties being served by the CHHA. Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a certified home health agency.

Financial Analysis

Financial Analysis

The applicant has provided an executed Medicaid affidavit in which the applicant agrees to be liable and responsible for any Medicaid overpayments made to the agency with respect to the period of time prior to acquiring its interest. As of July 9, 2020, the CHHA had \$30,239.50 in outstanding Medicaid overpayment liabilities.

Operating Budget

The applicant has provided an operating budget, in 2020 dollars, for the first and third year subsequent to the change of operator of the CHHA. The budget is summarized below:

Revenues	Current Year		Year One		Year Three	
	Per Visit	Total	Per Visit	Total	Per Visit	Total
Commercial FFS	\$96.56	\$844,000	\$91.33	\$959,000	\$111.12	\$1,231,000
Medicare FFS	\$166.96	5,975,000	\$140.58	6,280,000	\$157.75	7,435,000
Medicare MC	\$118.18	4,615,000	\$80.81	3,090,000	\$113.10	4,564,000
Medicaid FFS	\$235.33	838,000	\$182.05	872,000	\$167.13	846,000
Medicaid MC	\$123.07	1,286,000	\$117.22	1,232,000	\$167.15	1,855,000
Private Pay	\$118.93	71,000	\$93.33	14,000	\$110.34	16,000
All Other		814,000		572,000		0
Total Revenues		\$14,443,000		\$13,019,000		\$15,947,000
Expenses						
Operating	\$208.70	\$20,490,977	\$194.06	\$21,151,700	\$195.95	\$22,534,776
Total Expenses		\$20,490,977		\$21,151,700		\$22,534,776
Net Income		<u>(\$6,047,977)</u>		<u>(\$8,132,700)</u>		<u>(\$6,587,776)</u>
Visits		98,184		108,998		115,002

The following is noted with respect to the submitted budget:

- As a hospital based CHHA, the financials of the agency are included in the financial statements of Trinity Health, which includes St Joseph's Health and Hospital Center. The Hospital funds losses experienced by individual programs.
- Notwithstanding any agreement, arrangement or understanding between THHS and St. Joseph's Health At Home to the contrary, and subject to the consummation of the proposed ownership transfer, THHS agrees that it will cover any operating losses incurred by St. Joseph's Health at Home to the extent St. Joseph's Health at Home is unable to cover such losses through its CHHA operations.
- Revenues, expenses, and utilization assumptions are based on the historical experience of St. Joseph's Health at Home.
- All Other revenues include intercompany supplies and fees (\$224K) and nonpatient program revenue (\$590K).

- Utilization by payor source is as follows:

<u>Payor</u>	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
Commercial FFS	8.9%	9.6%	9.6%
Medicare FFS	36.5%	41.0%	41.0%
Medicare MC	39.8%	35.1%	35.1%
Medicaid FFS	3.6%	4.4%	4.4%
Medicaid MC	10.6%	9.7%	9.7%
Private Pay	0.6%	0.1%	0.1%
Charity Care	0.0%	0.1%	0.1%
Total	100.0%	100.0%	100.0%

- The applicant's charity care policy is to assess the individual based on income to determine eligibility fee, reduced fees, and/or charity care. Their commitment includes providing uncompensated services to uninsured patients lacking the financial resources to pay.

Capability and Feasibility

There are no project costs associated with this application.

The working capital requirement of \$3,525,283, based on two months of the first year's expenses, will be satisfied by an intercompany (Due to/Due From) DTDF amount from THHS/Trinity for the remainder of the estimated 2 months of expenses for year one of operations. This amount does not reflect a loan but rather a current payable amount due to the parent company. BFA Attachment E is the pro-forma balance sheet as of the first day of operation, which indicates positive net assets of \$502,000 for the operation.

BFA Attachment A is the fiscal year (FY) 2019 certified financial statements of Trinity Health and shows the entity maintained a positive working capital position, net asset position, and had an operating income of \$160,840,000. BFA Attachment B is the FY 2019 Supplemental Condensed Consolidating financial statements of Trinity Home Health Services as of June 30, 2019, which shows it maintained a positive working capital position, a net asset position, and had an operating loss of \$889,000.

Conclusion

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

Attachments

BFA Attachment A	Trinity Health – FY 2019 and 2018 Certified Financial Statements
BFA Attachment B	Trinity Home Health Services – FY 2019 Supplemental Condensed Consolidating financial statements
BFA Attachment C	St. Joseph's Hospital Health Center – Internal Financial Income Statement as of June 30, 2020
BFA Attachment D	Trinity Health - Organizational Chart
BFA Attachment E	St. Joseph's Health at Home - Pro Forma Balance Sheet
BFA Attachment F	Reserved Powers
Programmatic Attachment A	New York State Facilities
Programmatic Attachment B	Out-of-State Facilities
Programmatic Attachment C	Committee Organizational Chart
Programmatic Attachment D	St. Joseph's Home at Health Performance Improvement/Professional Advisory Committee Membership
Programmatic Attachment E	St. Josephs Health at Home QAPI Plan and Indicators 2021 FY