

**WARREN COUNTY BOARD OF SUPERVISORS**

**COMMITTEE: HEALTH SERVICES**

**DATE: MARCH 16, 2015**

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**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS SOKOL  
CONOVER  
MCDEVITT  
WESTCOTT

**COMMITTEE MEMBER ABSENT:**

SUPERVISOR FRASIER

**OTHERS PRESENT:**

LLOYD COTÉ, ADMINISTRATOR OF WESTMOUNT HEALTH FACILITY  
BETSY HENKEL, COMPTROLLER OF WESTMOUNT HEALTH FACILITY  
REPRESENTING THE CENTERS FOR HEALTH CARE:  
KENNETH ROZENBERG, CHIEF EXECUTIVE OFFICER  
MORDY EISENBERG, VICE PRESIDENT OF CLINICAL OPERATIONS  
KATY O'CONNOR, VICE PRESIDENT OF CLINICAL REIMBURSEMENT AND  
THERAPY SERVICES  
AMIR ABRAMCHIK, CHIEF OPERATING OFFICER  
JEFFREY SICKLICK, DIRECTOR OF OPERATIONS  
KEVIN B. GERAGHTY, CHAIRMAN OF THE BOARD  
PAUL DUSEK, COUNTY ADMINISTRATOR  
JOANN MCKINSTRY, ASSISTANT TO THE COUNTY ADMINISTRATOR  
MARTIN AUFFREDOU, COUNTY ATTORNEY  
JOAN SADY, CLERK OF THE BOARD  
FRANK E. THOMAS, BUDGET OFFICER  
SUPERVISORS BEATY  
BROCK  
GIRARD  
KENNY  
MERLINO  
MONROE  
SIMPSON  
STROUGH  
TAYLOR  
VANSELOW  
WOOD  
GRETCHEN STEFFAN, COUNTY HUMAN RESOURCES DIRECTOR  
MICHAEL SWAN, COUNTY TREASURER  
DON LEHMAN, *THE POST STAR*  
THOM RANDALL, *ADIRONDACK JOURNAL*  
DAVID CEDARSTROM, *THE CHRONICLE*  
CHARLENE DIRESTA, SR. LEGISLATIVE OFFICE SPECIALIST  
FOR ALL OTHERS PRESENT, PLEASE SEE ATTACHED SIGN-IN SHEETS

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Mr. Sokol called the meeting of the Health Services Committee to order at 11:00 a.m.

Motion was made by Mr. Conover, seconded by Mr. McDevitt and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Lloyd Coté, Administrator of Westmount Health Facility, who distributed copies of the agenda to the Committee members; *a copy of the agenda is on file with the minutes*. Mr. Coté said the first item on the agenda pertained to the vacant position of Comptroller and he asked Gretchen Steffan, County Human Resources Director, to present the request.

Ms. Steffan informed that Betsy Henkel, Comptroller for Westmount Health Facility, had accepted and officially assumed the position of Fiscal Manager for the Department of Public Works (DPW) and she requested ratification of the actions of the Administrator of Westmount Health Facility in hiring a temporary fiscal support employee to work 20-40 hours per week at a rate of \$24 per hour (approximately \$50,000 per year) for a duration of 3 to 6 months, with no benefits, effective March 17, 2015 and terminating upon the sale of Westmount Health Facility with Ms. Henkel to continue to offer fiscal support services, after hours for up to 20 hours per week at time and a half for an undetermined period of time, likely 3 to 6 months, at an approximate cost of \$8,000 for 3 months. She projected the expense for this temporary position to be approximately \$6,000 for the first 3 months plus statutory taxes. She explained Ms. Henkel would continue to handle the complex financials of Westmount Health Facility and would delegate and train the temporary fiscal support employee. She advised they would return to the Committee at the end of the 3 month period to address any further fiscal support needs of Westmount Health Facility.

Motion was made by Mr. McDevitt and seconded by Mr. Conover to ratify the actions of the Administrator of Westmount Health Facility as outlined above.

Mr. Conover asked if the Human Resources Department recommended this approach to filling the vacancy and Ms. Steffan replied affirmatively noting the candidate selected to fill the temporary fiscal support position was a retired Chief Financial Officer (CFO). Mr. McDevitt thanked Ms. Henkel on behalf of the Board of Supervisors for her many years of service, efforts and dedication to Westmount Health Facility working in a very complicated and difficult position. Mr. Westcott echoed Mr. McDevitt's comments and stated that Ms. Henkel had done a great job. He asked if the rate of \$24 per hour for the fiscal support position was standard for this type of position and how that rate had been determined. Ms. Steffan explained the rate had been benchmarked with a salary survey and it was also the rate paid to a temporary accountant as a result of a leave earlier this year. Mr. Sokol thanked Ms. Henkel noting he had been on the Health Services Committee since 2006 and had worked with Ms. Henkel through several budget processes during which she had been amazing. Mr. Beaty also thanked Ms. Henkel particularly for saving \$300,000 in expenses this past year for Westmount Health Facility most of which was sustainable going forward.

Mr. Sokol called the question and the motion was carried unanimously to ratify the actions of the Administrator of Westmount Health Facility in hiring a temporary fiscal support employee to work 20-40 hours per week at a rate of \$24 per hour for a duration of 3 to 6 months, with no benefits, effective March 17, 2015 and terminating upon the sale of Westmount Health Facility with the prior Comptroller to continue to offer fiscal support services after hours for up to 20 hours per week at time and a half for an undetermined period of time. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the March 20, 2015 Board meeting.*

Ms. Henkel requested a contract with P&NP Computer Services, Inc. in the amount of \$5,880 for the annual software support agreement commencing April 1, 2015 and terminating March 31, 2016. Mr. Conover asked if the \$5,880 represented the total cost of the contract and Ms. Henkel replied affirmatively. She noted this software covered the billing and clinical computer needs of the Facility and she recommended the contract be for an entire year due to the uncertainty of the transfer date. She explained the bills ran two to three months behind and there would be additional re-billing, adjustment billing and pending billing coming through once the transfer was completed.

Motion was made by Mr. Conover, seconded by Mr. Westcott and carried unanimously to authorize the contract with P&NP Computer Services, Inc. as outlined above. *A copy of the resolution request*

*form is on file with the minutes and the necessary resolution was authorized for the March 20, 2015 Board meeting.*

Mr. Coté requested to amend Resolution No. 113 of 2014, which authorized an incentive compensation program to per diem RN's (Registered Nurses), LPN's (Licensed Practical Nurses) and CNA's (Certified Nursing Assistants) at Westmount Health Facility, in order to include an incentive compensation program to per diem Activities, Laundry, Housekeeping and Dietary Services employees at one and one-half times their hourly rate of pay for time worked in excess of 8 hours per day, retroactive to the original date of adoption. He explained Resolution No. 113 of 2014 had only authorized the incentive program for nursing staff. He expressed this resolution only pertained to per diem employees because full time employees automatically received this benefit. He noted this was a relatively small amount of money for these additional per diem employees and averaged about \$50 per month. He said he had discussed the matter with Martin Auffredou, County Attorney, and Paul Dusek, County Administrator, both of whom had recommended that he bring the request to the Committee. He requested that the amendment be retroactive because the Facility had been paying all per diem employees this incentive since the adoption of Resolution No. 113 of 2014.

Motion was made by Mr. Westcott, seconded by Mr. Conover and carried unanimously to amend Resolution No. 113 of 2014 as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the March 20, 2015 Board meeting.*

Ms. Henkel requested a transfer of funds totaling \$85,111 between various codes to make adjustments as needed to the salary account codes. She noted the second page of the request reflected transfers for Fiscal Services to allocate the necessary funds to cover the salary of the previously approved temporary fiscal support employee.

Motion was made by Mr. Westcott, seconded by Mr. McDevitt and carried unanimously to approve the request for a transfer of funds as outlined above. *A copy of the Request for Transfer of Funds form is on file with the minutes.*

Mr. Coté requested to amend Resolution No. 471 of 2012, which authorized an agreement with Medical Staffing Network Healthcare, LLC d/b/a Medical Staffing Network to provide emergency temporary nursing and certified nurses aide coverage at Westmount Health Facility, in order to change the name of the vendor to Cross Country Staffing and to amend the fee schedule as attached to the resolution request form, effective March 29, 2015. He noted this contract had been in place since 2012 and this was the first requested increase to the rates. He added the increase was nominal with the weekday rate remaining almost the same and an approximate \$1 increase to the weekend rate.

Motion was made by Mr. McDevitt, seconded by Mr. Westcott and carried unanimously to amend Resolution No. 471 of 2012 as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the March 20, 2015 Board meeting.*

Pertaining to Westmount Health Facility staffing levels, Mr. Coté advised they needed part-time and full time LPN's, particularly on the 3:00 p.m. to 11:00 p.m. shift. He added there was a vacant Nurse Manager position on the 7:00 a.m. to 3:00 p.m. shift, as well. He commented the Facility continued to advertise and recruit for the vacant positions; however, he continued, there was a shortage of available nurses and all nursing homes were having the same issue. Mr. Sokol commented the staff of Westmount Health Facility had been great through this whole process and the management staff had done a wonderful job of maintaining morale and unity among the existing staff for which he thanked them.

Mr. Coté mentioned the last item on the agenda for discussion was a payment of a retirement invoice and he requested Michael Swan, County Treasurer, to explain. Mr. Swan explained that Westmount Health Facility had received an invoice in the amount of \$600,000 from the New York State Retirement System and the necessary cash flow was not available. He said a loan of up to \$1.4 million to assist with the cash flow issues of Westmount had been approved at the March 11, 2015 Finance Committee meeting until IGT (Inter-Governmental Transfer) funding was received or the Facility was sold.

Mr. Sokol advised the next item on the agenda pertained to a presentation from Centers Health Care (formerly known as Centers for Specialty Care) to address misinformation. He said the Board of Supervisors had completed their due diligence in vetting this company for almost three years and had voted overwhelmingly in favor of the contract with Centers Health Care (CHC) for the sale of Westmount Health Facility. He noted there had been several questions and comments and in the essence of timeliness he asked that everyone focus on the issue at hand as the meeting progressed. Following the presentation, he continued, he would ask for questions and comments from the Health Services Committee members, other Supervisors and members of the public.

Kenneth Rozenberg, Chief Executive Officer (CEO) of CHC, introduced himself and other representatives from CHC, as follows:

- ▶ Mordy Eisenberg, Vice President of Clinical Operations;
- ▶ Katy O'Connor, Vice President of Clinical Reimbursement and Therapy Services;
- ▶ Jeffrey Sicklick, Director of Operations; and
- ▶ Amir Abramchik, Chief Operating Officer.

Mr. Rozenberg thanked the Committee for inviting him and his colleagues to this meeting to make a presentation. He expressed that he did not have any issues with fielding questions relevant to the topics discussed during the presentation as opposed to after. Mr. Sokol requested that members of the public wishing to speak please state their name for the record and limit their questions and comments to 3 to 5 minutes. Mr. Rozenberg commented this had been a long process and when he initially started seeing a lot of discussion pertaining to the sale, he had assumed there was a referendum on whether or not Warren County should be in the business of operating a nursing home. He said it became apparent that the referendum by the people trying to obtain 2,000 signatures was more about getting him and CHC out of Warren County. He quoted a letter to the editor from the March 15, 2015 edition of *The Post Star*, as follows:

*County Administrator Paul Dusek continues to paint a false picture of those of us who are collecting signatures to get the issue of whom we sell Westmount to onto the ballot this fall. First, we agree the County is not managing it correctly, and if we find the right buyer, it should be sold. We do not agree it should be sold to two newly created LLC's generated by Centers Health Care out of the Bronx that recently purchased the Washington and Essex County homes and whose Medicare Compare ratings have since dropped to a single star, the lowest rating possible.*

Mr. Rozenberg said he felt the issue was not the sale of Westmount but was more about selling the facility to CHC and in particular to him. He stated he was 48 years old and his grandfather had immigrated from Argentina so he spoke fluent Spanish. He mentioned his grandfather sold carpets out of his vehicle and worked long hard days. He commented his father had opened a furniture store in a rough neighborhood of Brooklyn where it had been necessary to carry a handgun for protection. He said his father had retired at age 45 due to a heart condition caused by the stress of his business. Mr. Rozenberg informed he had achieved a Bachelor's Degree in Psychology and a Master's Degree in Health Care Administration; he added he had recently been asked to guest lecture at

Columbia University. He informed at age 21 he had served as an auxiliary police officer in New York City and he had been and continued to be a volunteer EMT (Emergency Medical Technician) and Paramedic for the last 25 years. Mr. Rozenberg apprised he had responded to the terrorist attacks of September 11, 2001; he said he had arrived on the scene as the towers of the World's Trade Center were coming down and had barely escaped with his life. He mentioned he had been included in the video movie entitled "102 Minutes that Changed America". He stated he was not a bad guy and he had an innate desire to help people but he was also a businessman. He informed the New York State Department of Health (NYSDOH) thought of him as a good guy and were aware that he provided good care. He added the Federal Government was aware that he provided good care, as did the local communities of Fulton, Washington, Steuben, Ontario and Essex Counties where CHC had purchased nursing homes. He said the residents, patients and family members of the facilities knew that CHC provided good care and the 9,000 employees of CHC knew that he took good care of them as they provided good care. Mr. Rozenberg stated there was only one group in this Country that felt he and CHC did not provide good care and that group lived in Warren County. He said he was here today to defend himself and this was the first time he had to do so in over 20 years. He thanked the Board members of Warren County who had faith in CHC for selecting them as the buyers of Westmount Health Facility. He mentioned the public might be unaware but there had been several meetings and questions before the County selected CHC as the buyer.

Mr. Rozenberg provided a power point presentation to the Committee members; *a copy of the Power Point Presentation is on file with the minutes*. He said the nursing home industry was very complicated and was one of the most highly regulated industries in America. He mentioned there were four parts to CHC: the long term care division which included the nursing homes, hospice, sub-acute care, HIV care, assisted living care and programs; the transportation division which included 180 ambulances; the community care division which included home care, dialysis, medical equipment and urgent care; and the payer division which included an insurance company with a Medicare plan and a managed long term care plan. He displayed a map of the locations of CHC facilities in New York State and New Jersey to the Committee members. He noted some of the facilities were owned by CHC and others were offered consultant services. Mr. Rozenberg provided a brief explanation of the process involved in a NYSDOH survey of nursing homes. He stated that even good nursing homes received deficiencies during a NYSDOH survey. He commented it was not a matter of receiving a deficiency but rather the plan of correction for those deficiencies. He noted deficiencies were given for minor issues, such as omitting a signature from the paperwork. He displayed data on the most recent annual surveys for CHC facilities which ranged from no deficiencies found to 11 deficiencies. He displayed data on the most recent annual surveys for Westmount Health Facility which ranged from 2 to 10 deficiencies. He commented the result of these surveys did not mean that either CHC or Westmount Health Facility were doing a bad job and he pointed out in both cases the deficiencies cited were minor. He mentioned that when a mistake was made it was important to learn from it.

Mr. Rozenberg apprised the success of a nursing home was directly related to the staff that worked there. He thanked the staff from various CHC facilities who had taken the time to attend this meeting. He stated when CHC bought a new facility, they encouraged the existing employees to continue their employment. He said the existing staff were already familiar with the residents and their families. If CHC purchased Westmount Health Facility, he expressed, the rates of pay and benefits for the employees would be comparable to other private sector facilities in the region. He acknowledged that CHC could not offer the same benefits package as Warren County but they would be comparable to other area nursing homes. He explained that if the sale of Westmount Health Facility continued and the CHC was able to proceed with the application to the NYSDOH they would begin to survey area nursing homes to determine what the comparable rates of pay and benefits

would be. Mr. Rozenberg agreed with Mr. Coté's earlier statement that staffing shortages were an industry-wide problem. He said there were not enough nursing professionals and he read statistics from the Power Point Presentation which indicated that on average 13% of long term care workers reported they had recently entered the field and 21% reported they were leaving. He reported there were 262 CNA's and 268 LPN's working in Warren County which he said was not sufficient for the County. He stated the NYSDOH understood there were staffing issues in the rural counties. He informed CHC offered free CNA training and in Fulton and Washington Counties, they had constructed housing for employees; he noted CHC also offered sign-on and retention bonuses. He commented the competitors for employees in this area were McDonald's, Walmart and Six Flags and he pointed out that when companies like McDonald's, Walmart and Six Flags increased their employees pay rates they did so by also increasing their prices. He noted it was difficult for nursing homes to raise their fees because they were locked into the Medicaid reimbursement rate which was decreasing and this made it difficult to compete with these other businesses for employees.

Sherry Traver, Washington County resident, asked if there was a reason why long time employees of nursing facilities were no longer employed after those facilities were purchased by CHC. She said CHC brought in other employees and the existing employees who wanted to return to the facilities were not allowed to do so. Mr. Rozenberg asked if there was a staff member from Fulton Center present who would be willing to answer the question. Stacia Stock, introduced herself as a 30 year employee of Fulton Center where she had worked since age 19. She said she lived in Fulton County for 50 years and had 22 family members who had at some point resided in Fulton Center and 2 family members who currently resided there. When CHC took over the facility, she continued, the employees were not forced out and were in fact encouraged to stay. She said the facility had a couple of dozen employees who had worked there for over 30 years. She apprised that she was very happy working at Fulton Center, as were the other employees who had decided to continue their employment. She acknowledged it had been a tough transition but a lot of the changes had been positive. Mr. Rozenberg stated CHC wanted all of the employees to continue their employment. He acknowledged there may be a few employees whose employment history was not favorable but 95% to 99% of the employees would be asked to continue employment. He said there had been employees in the past who had chosen not to continue employment with the facility because they wanted to retain their County benefits; however, he added, the majority of the employees decided to stay.

Mr. Beaty thanked the representatives from CHC for coming to the meeting. Pertaining to the Fulton Center, he cited, there were 210 employees on the date of purchase which immediately decreased to 170 employees and within one year there were only 40 of the original employees remaining at the facility. He noted consistency with the elderly was important and he was pleased to see that some of the long term employees had remained. He stated he was aware that the Valley View Nursing Home in Goshen was debating about the potential purchaser of their facility and had used Fulton Center as an example and he found it disconcerting that only 40 of the original employees remained. Ms. O'Connor explained that typically when CHC purchased a nursing home there was a lot of ancillary staff. She said CHC centralized their billing and finance so a lot of those staff members were offered other positions or were laid off. With Fulton County, she continued, CHC had not anticipated the number of employees that would choose not to continue employment. She stated CHC could not complete with the benefits and retirement packages offered by Counties.

Mr. Rozenberg explained that any nursing home operated in a fiscally sustainable fashion should have a 1 to 1 ratio, meaning if you had a 500 bed nursing home there should be 500 full time equivalent employees. He noted there were 176 beds at Fulton Center and with 210 employees, Fulton County was losing money on the operation of the facility. He expressed that more employees

did not translate into better care. He mentioned that Fulton Center was the first County facility purchased by CHC and they had learned a lot during the process, such as how to work with the CSEA (Civil Service Employees Association). He said they had been unaware of the CSEA rules which gave employees the right to accept another position within the County to maintain their benefits and retirement package. He stated that since then, when CHC purchased a new County facility, they did not lay off any employees because they were aware that some would be lost through attrition or because they returned to County employment. Mr. Beaty said his information had been obtained from the CSEA representative in Fulton County who stated on the day of purchase there were 210 employees which was immediately reduced to 170. He commented on the day of purchase 40 employees were laid off and Mr. Rozenberg replied that was true. Mr. Beaty said many other Fulton County employees had left their jobs because they did not know what to expect from employment with CHC. He added he had been informed that the retained employees salaries did not change but new hires were brought in at a reduced salary. He noted employees had lost their pension plans after the purchase and health insurance premiums were more than doubled. He reiterated that today only 40 of the original employees remained which the informant noted was an indication that employees would quit in a city where there were no jobs to be found rather than work for CHC. A brief discussion ensued.

Ms. Stock explained when CHC purchased the facility in Fulton County, Mr. Rozenberg had provided a presentation to the employees to explain that they would remain at their current salaries. She said employees started running scared and decided to quit and seek other employment. She noted if the employees were able to retire or find another job, they did so. She informed that in the last 6 months, 50% of the new employees at Fulton Center were those who originally had quit due to fear. Ms. Stock advised there had been no decrease in her salary and after 3 years, employees who had left were returning. She expressed that at the time of the sale a lot of employees were angry at the County and not CHC. Mr. Rozenberg explained CHC tried to keep the salaries of existing employees the same but new hires were paid at a lower rate. He added the amount being paid to the existing employees was fiscally unsustainable so a second tier of salary rates was established. Mr. Beaty asked if the benefits package was also 2 tiered or if it was the same for all employees. Mr. Abramchik responded that at times in certain facilities the health care contributions remained the same but at other times the contribution had increased. He said they generally tried to keep the vacation, personal and sick time benefits the same for the existing employees. He commented it was really a matter of negotiations with each individual facility.

Mr. Rozenberg explained that normally CHC discussed these matters with the existing staff 3 to 4 months before the purchase of a facility. Mr. Beaty apprised the largest part of any benefits package was the health insurance and he asked if it had been accurate when the CSEA representative from Fulton County reported that family coverage had increased from \$470 per month to \$980 per month following the sale of the facility and Mr. Abramchik replied the information sounded accurate. Mr. Rozenberg responded they had reviewed the health insurance benefits in Fulton County and realized that many employees did not have family coverage, so they tried to increase the single coverage as little as possible and had to increase the family coverage a little more in order to make ends meet. He explained the Fulton County nursing home had been losing \$3 million to \$4 million per year and he informed that when CHC purchased a new facility they had to increase revenue and decrease expenses. Mr. Abramchik commented that in some Counties, CHC had kept the cost of family coverage the same for the existing employees. Mr. Rozenberg stated they tried to take care of the existing employees as much as possible.

Mr. Westcott thanked the representatives of CHC for coming to the meeting and he said those Supervisors who had not been involved in the negotiations and detailed conversations were just

learning this information. He commented this was the first time that those Supervisors had a direct one on one conversation with the representatives from CHC and he appreciated their patience with the questions. He expressed he had obtained information on Fulton Center from the Center for Governmental Research (CGR) and he asked if CHC was familiar with this organization; Mr. Rozenberg replied CGR had interviewed CHC for the information included in their study. Mr. Westcott stated that CGR was a well respected organization which was asked on a regular basis to give presentations to NYSAC (New York State Association of Counties) and had recently presented a document on nursing homes. He said a report from CGR had recently been received which indicated that Fulton County had undergone an RFP (Request for Proposals) process just as Warren County was doing. He said the report included a comment that according to some accounts the process of selling the home was made more difficult by a lack of transparency on the part of some County officials. He said this information made it all the more important that through this process questions and concerns be addressed. He asked if Fulton Center had been purchased by CHC in April of 2012 and Mr. Rozenberg replied affirmatively. Mr. Rozenberg reiterated that Fulton Center had been CHC's first purchase of a County facility and there had been many other County homes purchased since then where the transition had gone smoother based on the knowledge gained through the purchase of Fulton Center. According to the report, Mr. Westcott said, shortly into the transition staff members began to feel that promises were not being kept and Mr. Rozenberg replied there were staff members of Fulton Center present who could answer any questions. He said he had been unaware of their intention to attend this meeting but he appreciated their time.

Ms. Stock asked if the report pertained to promises from the County or CHC. Mr. Westcott read from the CGR report, as follows:

*Shortly into the transition, staff began to feel that promises weren't being kept. The lower overall number of staff meant that everyone had to do more work, a change Centers maintains was justified. The former County home administrator acknowledged that as a County home, Fulton probably had more nurses than needed but the changes were difficult for staff to adjust to. Also, benefit cuts took place and employees had to pay for more of their health insurance and new retirement plans were introduced.*

Mr. Rozenberg acknowledged that everything Mr. Westcott just read was accurate and CHC was proud of their actions. He said Fulton County nursing home had too many staff members and the former County home administrator had agreed with this fact. Mr. Westcott indicated the report alluded to promises which were not kept and Mr. Rozenberg responded that CHC had not broken any promises and he could not speak for Fulton County.

Ms. Stock explained one of the reasons the remaining staff had more work to do was because of the staff members who chose to leave on their own accord due to fear. She said the transition was a process and although she had not been happy through the entire process, she was devoted to the County and the residents of the facility. She apprised that she stayed through the transition and was currently very happy with her employment at Fulton Center. She noted that some staff members were more than happy to accept unemployment benefits and since then many staff members had returned to their previous positions. Mr. Westcott read an excerpt from the same CGR report, as follows:

*Centers began admitting different types of residents to keep the home full. Under County management, the home was often not full with as many as 30 beds empty. Centers began targeting not only short term rehabilitation patients but also bringing in residents from out of the area, some of whom had more severe behavioral or mental health issues than staff was used to seeing.*

Mr. Westcott asked if this statement was accurate and Mr. Rozenberg responded that when CHC took over the nursing home there were 40 empty beds out of 176 total beds. Mr. Rozenberg said this scenario was not sustainable so they brought in as many patients as they could from the area. He commented no patients were brought in that the staff were unable to handle and the census of the facility was stabilized and operating at 90% occupancy. He acknowledged that some patients had behavior or mental health issues but that was what the nursing home was there for. He stated the Power Point Presentation would explain the types of health issues CHC was prepared to handle which other facilities might not be. He expressed if CHC purchased Westmount Health Facility, they would elevate the level of clinical services offered. Mr. Westcott continued to read another excerpt from the CGR report, as follows:

*The changes in the resident population drawing more from outside the area including New York City has changed the climate of the home for the worst according to some.*

Mr. Westcott asked if this was a by product of the fact that there were not enough local residents to fill the beds at the facility and Mr. Rozenberg responded the facility needed to be stabilized. Mr. Rozenberg informed the CHC currently had an excellent relationship with the local hospitals, in Albany and the surrounding areas, and now local patients were being referred to the Fulton Center. He said the facility had never accepted a patient that was above the skill level of the staff to handle. Just as the staff had been afraid of the changes, Ms. Stock said, so had the residents of the facility. She commented local families had been placing residents into nearby nursing homes and avoiding Fulton Center. She mentioned she currently worked with the admissions department and Fulton County residents were starting to return to Fulton Center. She said the nursing home was getting back to that "hometown feel" and she acknowledged it had taken some time to get there. She apprised staff who had decided to leave the facility had spread negative comments about Fulton Center to the community. She acknowledged the types of patients currently admitted were more severe than under County ownership; however, she continued, CHC educated their staff on how to handle these types of patients. Fulton Center, she advised, had been a public nursing home for a long time and members of the public were angered by the sale of the facility. She said it had taken some time to show the community that the nursing home would be positive under the operation of CHC. Mr. Westcott continued to read one last excerpt from the CGR report, as follows:

*There are also concerns about the quality of care. In 2007, Fulton was in the 51<sup>st</sup> percentile in the national health insight rankings. This fell to 40<sup>th</sup> by 2011 and dropped to the 2<sup>nd</sup> percentile in 2012.*

Mr. Westcott noted CHC had purchased Fulton Center in 2012 and he said it would be beneficial to look at the national health insight rankings since 2012. Mr. Rozenberg stated the care had been lacking at Fulton Center under County management not because of the staff but due to the fact that the County did not have the resources to properly educate them on how to take care of the residents. He said clinically it had been rough in the beginning and CHC had to complete a lot of training. He added the most recent survey had gone well and the nursing home would continue to improve. Mr. Westcott explained the reason that questions were being asked about Fulton Center was because County officials had toured the facility. Mr. Rozenberg expressed it was easy to take a good facility and make it a little bit better but it was much harder to take a facility like Fulton County nursing home and make it what it was today. He said CHC was very proud and the staff had been a major part of the improvements.

Doug Herschleb, asked about the current staffing levels of Westmount Health Facility and he questioned the projected staffing levels under CHC management. Mr. Coté responded there 5 CNA's to each 40 residents on the day shift, 5 to 40 in the evenings and 2 to 40 at night. He said there were 2 LPN's to each 40 residents on the day shift, 2 to 40 in the evenings and 1 to 40 at night. He commented there was an RN Nurse Manager on days, Monday through Friday and an RN Supervisor

for off shifts. Mr. Rozenberg asked if the CNA ratio during the day shift was 1 to 8 and Mr. Coté replied affirmatively. Mr. Rozenberg said CHC facilities generally operated with a CNA ratio between 1 to 6 and going up to 1 to 10 depending on the level of care taking place within the facility. He asked the current Case Mix Index (CMI) for Westmount Health Facility and Mr. Coté replied it was 1.01. Mr. Rozenberg pointed out the State average CMI was 1.04 which meant Westmount was currently providing care below the level of the State average. He indicated the information was not being captured correctly and he commented that based on the CMI score Westmount was currently over staffed. He said when CHC took over Westmount's operation the CMI number would increase because the information would be captured correctly.

Mrs. Traver asked about the possibility of a CNA ratio of 1 to 22 and Mr. Rozenberg replied that would not happen in a nursing home and was more likely to happen in an adult home or shelter. Mrs. Traver said she was referring to Washington Center for Rehabilitation which was owned by CHC and Mr. Rozenberg replied it was not possible. Mrs. Traver stated some employees of Washington Center did not bother to show up to work on the weekends requiring one employee to care for 22 residents. She said her husband had been a resident of Washington Center when he was rehabilitating from a broken back. She stated she had seen a lot during that time and she reported agency nurses would come in to replace staff who did not come to work and after a couple of hours the agency nurses would decide to leave. She asked if CHC went back to the facilities they purchased to see how things were progressing and Mr. Rozenberg replied of course they did. Mr. Rozenberg stated it was CHC's business to run good facilities and he was unsure how the 1 to 22 ratio had occurred. He advised CHC scheduled more staff than were necessary because they expected some staff members would call out sick. He indicated Washington Center had recently been acquired by CHC and they had constructed houses on the property for staff who were committed to the facility. He acknowledged it was possible for a facility to be under staffed but he said it was not standard. He apologized if that low ratio of staff occurred but he indicated CHC did not staff to that low level. A woman who introduced herself as the Administrator of Washington Center said she had been present on the weekend in question. She advised the staff had been scheduled appropriately but some staff members called out sick. She advised one unit had 2 CNA's for the day shift. She explained she had come into work and had called in some of the Nurse Managers to handle the staffing situation. She said she could not do anything to prevent staff members from calling out sick but when they did so she called in additional staff. Mrs. Travers submitted a letter to be placed on record; *a copy of the letter is on file with the minutes.* A brief discussion ensued.

Carolyn Brown, Washington County resident, said her husband had been a resident of Fulton Center this past fall after he fell from the roof. She indicated her husband had been sent to the Fulton Center for Rehabilitation from Glens Falls Hospital. She said she was sure that CHC was trying to rectify the deficiencies of Fulton Center but the care her husband had received was horrible and she had been happy when she was able to transfer him to Fort Hudson Nursing Home. She commented that Fulton Center was dirty and there was blood and feces all over the curtains in her husband's room. She mentioned her husband had Alzheimer's and one day they went there and had been unable to find him; she added they had walked right by her husband and had not recognized him because he was dirty and disheveled. She said the State had found many deficiencies at Fulton Center during the last visit a few weeks prior. Mr. Rozenberg acknowledged there had been many deficiencies when CHC first purchased Fulton Center. He apologized for Mrs. Brown's experience and said it showed that CHC had more work to do to turn the facility around. Mrs. Brown indicated her husband had been left in a wheelchair when he should have been in therapy. She said she asked the therapist what was being done for therapy and was informed they were teaching him to use the

wheelchair. She explained her husband was supposed to be in therapy to get his leg strength back but had returned from the facility with congestive heart failure. Mr. Rosenberg apprised there was still work to be done to improve Fulton Center.

Terry McCabe, Town of Queensbury resident, said she had a letter from Irene Weizenhofer, Queensbury resident, in regards to the poor care received by her mother, Mary Alice Fulston, at Fulton Center and the outstanding care her mother was currently receiving at Westmount Health Facility. Mrs. McCabe read the letter for the record; *a copy of the letter is on file with the minutes.* Kelly Boudreau, a new employee of Fulton Center, said she was born in Gloversville and raised in Johnstown and her whole family was from the area. She indicated she had heard many stories pertaining to when the facility which was formerly known as the infirmary and had shared those stories with the staff. She stated her mother had been ill for several years and had been a resident of many area facilities. She commented she had recently toured Fulton Center and had been pleased with what she saw so she placed her mother there. She mentioned she had previously been a CNA and knew these were hard positions to fill, as were nursing positions. She said all of the facilities her mother had resided in had staffing issues and in the last facility where her mother resided she had taken a fall. She stated she had seen improvements made at Fulton Center since her mother was admitted. She advised Ms. Stock was a wonderful employee who had involved all of the family members in the progress of their mother. She stated the staff at Fulton Center were caring and took great care of her mother. She said she was happy her mother resided at Fulton Center and she reported that her mother's condition had improved since she was admitted.

Returning to the Power Point Presentation, Mr. Eisenberg said he would address the quality reports and measures which had been discussed. He explained CMI was an indicator of the clinical complexity and resource needs of an individual who was cared for in a skilled nursing home facility. He reiterated that the State average CMI was 1.04 and this score represented the average clinical profile of a nursing home resident in New York State. He reported a past CMI for Westmount Health Facility as .83 which at the time was below average and he was glad the current CMI of 1.01 was closer to the State average. With either of those two CMI scores, he continued, it painted a picture of residents in the facility that did not require the same level of care as the average New York State nursing home resident. He informed that every County facility which CHC had transitioned had a CMI of below 1.0 with many cases of a CMI below .9. He said these numbers were more in line with the care provided to residents of an assisted living facility as opposed to a nursing home. Mr. Eisenberg informed the average CMI for CHC nursing homes was 1.2 to 1.42 which indicated a very high level of complexity and clinical needs. If CHC started consulting a Westmount Health Facility today, he continued, they would provide the education to the staff on the appropriate clinical information capture of the care being rendered. He said without making any staffing or operational changes the CMI score of Westmount Health Facility would increase to reflect the true clinical picture of the residents. He added the quality scores would likely decline by virtue of proper documentation even though the actual quality of care in the facility would be the same. Mr. Rozenberg stated it was important to understand that they were discussing making changes only in documentation which would increase the CMI and the reimbursement rate resulting in a decreased quality score.

Mr. Eisenberg apprised CHC had started consulting at Steuben Center for Rehabilitation and Healthcare approximately 1 year before the purchase of the facility. He displayed a graph for the Committee members of the CMI and quality scores of Steuben Center which showed an increased CMI score and a decreased quality score following the aggressive training and education of staff regarding documentation procedures. Mr. Westcott asked if the implication was that the County facilities purchased by CHC had been documenting incorrectly and Mr. Rozenberg replied affirmatively. Mr. Beaty asked if this meant Mr. Coté did not know how to properly document and

Mr. Rozenberg asked Mr. Coté if he was an expert in CMI. Mr. Coté replied he was not an expert; however, he noted, the CMI of Westmount Health Facility had been .87 when he assumed his position as Administrator two years prior and it was currently a 1.01. Mr. Rozenberg asked how the CMI score had been increased and Mr. Coté replied the current MDS (minimum data set) Coordinator was well informed and the facility had not been capturing everything that they should have been. Mr. Coté indicated that Westmount Health Facility did not have a high acuity population. Mr. Rozenberg asked why the facility did not have a high acuity population and Mr. Coté replied they did not have a strong rehabilitation program but they took excellent care of the residents that were admitted. Mr. Coté stated the facility was doing an adequate job of capturing all of the information that they should be. Mr. Rozenberg opined that if the acuity of the patients was not very high and the current CMI was accurate then Westmount Health Facility was not operating as a nursing home but rather an adult home or assisted living facility. He said CHC would increase the CMI to at least 1.2 because Mr. Coté was operating a nursing home and did not have the infrastructure and resources to train staff the way that CHC did. He said CHC spent millions of dollars per year to educate their staff on how to document appropriately. Mr. Rozenberg asked who was in charge of CMI at Westmount and Mr. Coté replied he was. Mr. Rozenberg said he asked that question in many facilities and received different answers from different employees; he added that at the end of the day no one was actually in charge of CMI. He explained in CHC facilities there was a higherarchy and everyone knew who was in charge and those people were held accountable to their responsibilities. He stated if a facility was not capturing information correctly, they were losing money. He commended Mr. Coté for increasing the CMI score from .87 to 1.01 but it was still not where it was supposed to be. Mr. Westcott said Mr. Coté had done a great job of increasing the CMI score but he noted the quality ratings for Westmount had not declined. Mr. Eisenberg responded they would need to look at the individual measures to see what was actually being coded in order to answer the question. A brief discussion ensued.

Mr. Beaty asked if CMI was mostly self reporting and Ms. O'Connor replied in the negative. Mr. Eisenberg explained self reporting was not a questionnaire at the end of the year indicating information, such as the number of wounds treated in the facility. He said it was data that was gleaned from thousands of assessments performed throughout the year by many different staff members. Mr. Beaty said according to medicare.gov which was used by the NYSDOH, 2 of the 3 columns were self reported and they were in the process of changing the system because nursing homes had a tendency to report that they did well. He recalled CHC had indicated that bonuses were given to employees for self reporting but he did not feel these reports gave an accurate reflection of the quality measures or staffing reports which were both self reported columns. One of the quality measures, Mr. Eisenberg informed, was for residents that reported pain; he said the staff needed to ask the residents if they were in pain and properly document the dispensing of pain medications. He explained this was a self reported measure which counted as a quality measure. He expressed a high number of residents experiencing pain did not indicate a low quality of care but it did indicate proper documentation by staff, as well as that staff were anticipating the needs of their patients and treating them accordingly.

Ms. O'Connor said it was important to not confuse quality measures with quality of care. She explained there was a Federal Medicare manual for which the definition was determined and followed for everyone. She said the assessments were completed based on these guidelines and Medicare clearly stated that the worst picture of the patient was to be provided. She advised the MDS Coordinator would provide an assessment of the patient based on information obtained from the patient and the nurses regarding the care provided. She stated when discussing the ADL (Activities of Daily Living) this included activities, such as dressing, eating, transferring, etc. and it was necessary to get a higher score. She explained if it took one employee to transfer a patient it would

be one score; however, if twice within a 7 day period it took two employees to transfer the patient, the score would be increased. She advised if a patient had a fever one day, it was included in the assessment because for that one day, the patient required a higher level of care. She said the assessments were complicated and it was difficult to review them at face value. She explained the quality measures would look worse when the CMI was increased because the full picture would be reported. Pertaining to clinical depression, Ms. O'Connor advised this was referred to as mood distressed and although it looked bad on paper, the nurses could not treat what they did not know. She said mood distressed was the most under treated and under diagnosed condition which was the most treatable and was one of the biggest contributors to morbidity in the elderly. According to Medicare, she continued, 40% of the population of a nursing home should be captured as mood distressed and CHC facilities reported 30% to 40% of patients with this condition.

Mr. Herschleb asked if Westmount's CMI was increased to 1.2 would the staffing ratio continue to be 1 to 10 and Ms. O'Connor replied staffing levels were based on the acuity of care for the residents. She explained a clinical expert would teach nurses how to take care of tracheotomy patients, IV (intravenous) patients, etc. She said Westmount would be opening their doors to a population of the County that had been unable to reside there in the past. She explained the training would begin on day one and would be continually reinforced. She added the experts who completed the training would be in the building on a weekly basis. Upon the purchase of Westmount, Mr. Rozenberg explained, no staffing changes would be made for 90 days, Mr. Coté would be offered a position and after 90 days they would inform Mr. Coté of what his budget for staffing should be. He said Mr. Coté would discuss the staffing with the Director of Nursing (DON) and if he requested additional staffing, CHC would ask for an explanation and if additional staff was warranted the request would be approved. A brief discussion ensued pertaining to self reported data sets.

Pertaining to ADL coding, Mr. Eisenberg reported that among patients living in a facility for more than 12 months, 85.6% would require some degree of assistance with 4 or 5 ADL's. He said after training was provided in a newly acquired facility there would be a change in the CMI scores and the ADL coding. Mr. Eisenberg informed the CMS (Center for Medicare and Medicaid Services) 5 star quality measure ratings had recently been changed resulting in 30% of facilities across the Country receiving lower ratings than they had previously. He added this did not change the quality of care in the building, it only meant that CMS had raised the standards. He quoted the CMS website, as follows:

*Many nursing homes would see a lower quality measure rating as a result of these changes even though the underlying quality measure data may not have changed. Because of these changes, it is not appropriate to compare facilities quality measure ratings that appear in February with those that appear in earlier months.*

Mr. Eisenberg informed the healthinsights.gov and the CMS 5 star quality measure ratings were not the same measures but more importantly a low score on some measures meant the problems were identified and not that care was poor. Lower scores, he continued, did not mean the problems were not treated properly. He expressed that every pain medication administration needed to be documented properly as a report of pain which stayed on the quality measure as a high incidence of report of pain. He apprised an increase in those numbers meant the nurses were doing a good job of identifying and treating pain. He stated CHC accepted many patients who might otherwise not have been admitted due to complex medical needs which also decreased the scores. He explained a wound vac was a complex piece of equipment for a very sick patient with a gaping wound that was not healing traditionally. He said if a patient requiring a wound vac was admitted it would count towards the quality measure score but did not equate towards poor care because the patient was being helped.

Mr. Eisenberg displayed a list of more complex medical issues, such as wound vacs, IV care, HIV care, dialysis, neurobehavior, etc, and Mr. Rozenberg asked Mr. Coté if there was anything on the list that Westmount was currently able to handle; Mr. Coté replied Westmount could handle wound vac patients. Mr. Rozenberg explained neurobehavior patients were those with a history of homicide, suicide and sexual predators. He said there would never be any neurobehavior patients at Westmount Health Facility because there were only 4 facilities in New York State that accepted these patient who were housed in locked wards. He added the CNA's who handled these patients were "take down specialists" trained to tackle the patients if they became violent, within certain guidelines. He commented the same people who trained the staff to handle these patients also had the knowledge to train staff on all of the other complex medical issues listed. Mr. Eisenberg said if a resident was in a facility and developed pneumonia, traditionally across the Country, those facilities would send the resident back to the hospital; however, he continued, pneumonia was one of the complex medical issues that CHC staff members were trained to handle.

Mr. Westcott said he was sure CHC was very saddened by the death which occurred at University Center. *The New York Times*, he continued, wrote an article about the incident and he felt an obligation to mention it. He acknowledged bad things happened and it was not possible to control every situation. The part of the article he wanted to discuss, he said, did not pertain to the death which occurred or how it occurred which he commented was tragic and unfortunate. He explained the portion of the article he wanted to discuss had to do with the use of psychotropic drugs and he quoted the article, as follows:

*When there is not enough staff it puts enormous pressure on the staff that are there and rallies the facility as a potential to become a hotbed of neglect if not abuse. The owner has a reputation of coming into facilities and reducing staff. The most alarming State statistic is that 45% of the home's residents were placed on psychotropic drugs there for the first time, more than double the national average. This is a marker of poor care.*

Ms. O'Connor acknowledged the situation was awful; however, she disagreed that the percentage of patients on psychotropic drugs at University Center was a marker of poor care and she said it was actually a marker of care. She stated even though patients were receiving these drugs for the first time, this was not an indication that the drugs were not needed by these patients in the past. Overall, she continued, CHC had decreased antipsychotic drug administration by 30%. She said they obtained the full clinical picture of the patients and treated them accordingly. Mr. Rozenberg expressed that *The New York Times* article had been unfair; he explained a longstanding employee of University Center got into a tussle with a resident and the resident died because he had fallen during the skirmish. He noted the employee had worked at the facility for 14 years and he stated University Center was a 46 bed facility and was one of the most stable nursing homes in New York State. He said he had not changed the staffing of University Center since it was purchased in 2001. He explained the employee had "snapped" and the resident died as a result. He acknowledged this was a tragic situation and he pointed out the employee was arrested by police and charged by the Attorney General. He said CHC had done nothing wrong and could only be vindicated by the NYSDOH. Mr. Eisenberg read an excerpt from a letter from the NYSDOH, as follows:

*At the conclusion of this investigation it was determined that there was sufficient evidence to refer the case to our Division of Legal Affairs for additional action with the accused individual. In addition, there has been no culpability attached to the facility in this case.*

Mr. Rozenberg reiterated the facility had done nothing wrong, it was a tragic situation where an employee had "snapped" and caused the death of a resident. As a facility, he stated, they stood by their care. With regard to *The New York Times* article, Mr. Eisenberg informed there were quite a few facts which were completely wrong or were irrelevant. He stated the expert who had been cited in the article had a website which was not open to the industry. He informed CHC had been called

the day before the article was published and had been given a list of questions which made it apparent the piece would be written regarding nursing homes in general and therefore the questions were not answered. He explained the author of the article had indicated that CHC had purchased a 500 bed nursing home and had laid off 500 employees following the closing. He said it defied logic to buy a nursing home and lay off 500 employees. What actually happened, he continued, was that at midnight on the date of the closing, 500 employees were laid off by the previous owner of the nursing home and were re-hired by CHC. He said the reporter had quoted this as a fact which was made to look as if CHC reduced staffing at the nursing home. Mr. Eisenberg stated the reporter had also quoted the *Staten Island Advance* claiming that CHC had laid off 55 of the 60 nurses in the building. He explained they had made some changes to the staffing awhile after the purchase of the facility. He indicated that RN's had been replaced by LPN's because the functions being completed did not require RN's and could be completed by LPN's. He apprised the article had indicated the reason the employee had snapped and caused the death of a resident was directly related to under staffing which he said was a little farfetched.

Mr. Beaty asked for clarification purposes if it was considered a good thing to receive a poor quality measure rating and to have twice the national average of residents on psychotropic drugs. Ms. O'Connor asked where it was indicated that twice the national average of residents in the facility were on psychotropic drugs and Mr. Eisenberg recalled Mr. Westcott had quoted that statistic from *The New York Times* article. Mr. Beaty asked if the quote was correct and Mr. Eisenberg replied he was unsure but it did not sound correct. Mr. Eisenberg said he was aware of a challenge from the American Health Care Association for nursing homes to reduce antipsychotic drug use and CHC had stepped up to this challenge and reduced the use by about 30%. Based on the amount of misinformation contained in the article, he continued, he would have a hard time believing any of the numbers included. Mr. Beaty asked if it was CHC's determination that the article was incorrect and Mr. Rozenberg responded the article had been written by a political correspondent not by a health care correspondent. Mr. Rozenberg explained this same correspondent had issues with the NYSDOH and had highlighted the Medicare score issue resulting in a revised scoring system. Mr. Beaty asked if they knew what the national average was for prescribing psychotropic drugs and Mr. Eisenberg replied in the negative. Mr. Eisenberg said that answer would differ depending upon where the information was obtained from. He stated one of the biggest challenges in this industry was that there was not a straight metric for any of these measures. He apprised CHC compared their facilities to each other and had software which printed the local, State and national averages and the facilities were challenged to beat those statistics. A brief discussion ensued.

Travis Whitehead, Town of Queensbury resident, said that according to medicaid.gov reports the New York State average for antipsychotic drug administration as 17.8% and the same website reported University Center to be at 50.4%. He added this was 280% above the national average and was the worst of all the facilities owned by CHC. He stated according to the healthinsight.org ratings for University Center, there was a large decrease one year before the death of the resident and he opined a large part of the reason was the increase in the administration of antipsychotic drugs. Mr. Whitehead recalled that Mr. Coté had indicated a CMI of 1.01 and a CNA ratio of 1 to 8 which CHC had said should be 1 to 10 and he stated that making this staffing change would increase the burden on staff by 25%. He agreed there was no one better at decreasing costs and increasing the CMI score and Medicare reimbursement rate than CHC.

Mr. Whitehead questioned why Mr. Abramchik was paying such a high rate of rent for Ontario Center to CHC. He commented that Mr. Rozenberg had indicated he did not own Ontario Center nor Suffolk Center but they were owned by Mr. Abramchik. He referred to a NYSDOH document dated in 2013 which indicated that Mr. Rozenberg's name was listed as the owner of the land for Ontario Center

as part of Ontario Land Associates, LLC. He asked if this was true and Mr. Rozenberg replied affirmatively. Mr. Whitehead stated the document listed the owners of Ontario Land Associates, LLC as Darryl Haggler at 50% and Kenneth Rozenberg at 50% and it also detailed the lease arrangement between Ontario Land Associates, LLC and Mr. Abramchik. According to the NYSDOH document, Mr. Whitehead continued, Ontario Land Associates, LLC paid \$1 million for the land and leased the property to Mr. Abramchik at a cost of \$400,000 per year. He said that in 2½ years the full initial cost of the land would be recovered and after that point there would be a \$400,000 per year profit. He expressed that CHC doubled the contributions to health insurance for their employees and lowered their wages in order to reduce expenses and at the same time received \$400,000 in profit from the lease of the land beneath the facility. Mr. Rozenberg questioned how his real estate transactions were relevant to the conversation and he commented they had already discussed the wage scale for CHC. He stated he did not own Suffolk Center nor did he own Ontario Center but he did own the land upon which it was located. He added Mr. Abramchik had an obligation to make the lease payments on the land regardless of whether or not Ontario Center was successful. He reiterated that none of this was relevant to the conversation today. Mr. Whitehead stated it was relevant because CHC was indicating how important it was to reduce costs yet Mr. Rozenberg was charging Mr. Abramchik a high lease rate for Ontario Center land which could be used to pay the employees better wages. Mr. Whitehead stated that Messrs. Haggler and Rozenberg received a very large return on their investment on the land beneath Ontario Center and he added Mr. Haggler had a similar arrangement on the land beneath Corning Center. He commented there were about 12 similar arrangements between the land associates and operations associates for the facilities purchased. He asked if Mendel Haggler at the Bronx Center was the brother of Darryl Haggler and Mr. Rozenberg once again questioned the relevance of these questions to the purchase of Westmount Health Facility. Mr. Whitehead responded the press release had indicated that any questions could be asked and Mr. Rozenberg countered these questions were not relevant to the discussion on Westmount Health Facility.

Mr. Westcott opined the relevance of Mr. Whitehead's questions was in how Warren County was structuring the deal with CHC for the purchase of Westmount Health Facility. He said there were two contracts involved in this purchase both of which he had reviewed. He recalled that during the February 20, 2015 Board meeting he had asked who the owner of Westmount Health Facility would be and the answer had been Mr. Rozenberg; Mr. Rozenberg countered he would own the majority share of the facility or the theoretical beds. Mr. Westcott indicated that Mr. Rozenberg's name did not appear in the contract and Mr. Rozenberg replied it was officially being purchased as an LLC. Mr. Westcott said one contract was with Warren Operations Associates, LLC and Isador Freidenberg was named; Mr. Rozenberg informed that Mr. Freidenberg was the attorney. Mr. Westcott said it was \$800,000 for the purchase of the facility and \$1.5 million for the purchase of the land by Warren Land Associates, LLC. Mr. Westcott asked if Mr. Rozenberg would be an owner of the land beneath Westmount and Mr. Rozenberg replied in the negative. Mr. Rozenberg explained the NYSDOH did not care who owned the land beneath a facility, they only cared who owned the facility and took care of the residents. Mr. Westcott said that as a Warren County Supervisor he cared about who owned the land and the facility. He added they were just trying to understand who they were selling the facility to and who would be coming into their community. He questioned what the lease terms for the land would be going forward and he acknowledged this might be none of his business. He advised that Mr. Whitehead's point had been in the case of Ontario Center, the real estate was where the real money was in the deal; he said \$400,000 per year was being paid by the facility's owners to the real estate owners which was cash flow being pulled from the operation of the nursing home having a major impact on the residents and employees. He commented they wanted a better understanding of the arrangement as it related to Westmount. Mr. Rozenberg explained the way Westmount would be structured would be no different than Washington Center and Fulton Center. He added the situation with Ontario Center was different and did not apply to the purchase of

Westmount. He mentioned the role of the NYSDOH was to ensure that the care provided was appropriate and good. He said he understood the concern pertaining to cash flow and he indicated CHC was a well capitalized company and cash flow would never be an issue in the facility. He stated CHC did not have cash flow issues in a 500 bed facility and would not have them in an 80 bed facility. He said if it was necessary for the facility to lose money for the first 2 to 3 years in order for CHC to get it on track, they were prepared for that scenario.

Mr. Whitehead reiterated his question regarding the relationship between Mendel and Daryl Haggler and Mr. Rozenberg responded he did not understand how this was relevant. Mr. Whitehead said it was relevant because they were also brothers to Judge Schlomo Haggler and Mr. Rozenberg again questioned the relevance. Mr. Rozenberg opined Mr. Whitehead was asking questions meant to cast doubt upon a company that had been in business for over 20 years. Mr. Whitehead quoted the press release, as follows: *Bring your questions, there is nothing we won't answer to set the record straight.* He said these 3 brothers all lived in Manhattan and Judge Haggler happened to be an extremely close associate of former Assembly Speaker Sheldon Silver. Mr. Rozenberg apprised that Mr. Whitehead had besmirched his name for the last two months and what he was doing was wrong. He asserted he would not answer any of these questions; he said he did not come here to answer these types of questions, he came to answer real questions pertaining to the purchase of Westmount Health Facility.

Mr. McDevitt thanked the representatives from CHC for coming to the meeting. He said the more he learned about the nursing home business the less he wanted to know. He stated he had recently learned about the lack of staffing requirements for nursing homes and the fact that this Country highly regulated child care facilities but not nursing homes. He apprised that Mr. Auffredou had been in contact with Michael Heeran, Director of Nursing Home Licensure and Certification for the NYSDOH, who had commented, as follows: *the Department does not regulate or oversee real property interests of nursing homes, therefore we are unable to comment on the current landowner for the facility.* Mr. McDevitt recalled there had been an hour long discussion on the possibility of showing a video at the February 20, 2015 Board meeting but the conversation mostly pertained to the question of who owned Suffolk Center. He said they had asked if Mr. Rozenberg owned the Suffolk Center and Mr. Eisenberg had replied in the negative. Mr. McDevitt stated the distinction had been made between real property and the operating end of the business. He opined the ability to derive revenue from the land beneath a facility and the facility itself was not endless. He said if all of the revenue was contributed towards the operation of the facility the ability to hire staff and meet expenses were greatly enhanced. He strongly disagreed with the NYSDOH's position that they regulated the operations but did not regulate the real property. Mr. Rozenberg explained that if you looked at the transactions of nursing home sales over the last 3 to 5 years, 98% of them would most likely have the same land and operations separation. He said it was just a function of who the person was that would own the real estate and invest the money to buy the land. He added it was no different than buying an apartment building and collecting rent from the tenants. Mr. McDevitt stated no one was suggesting this practice was illegal, in fact he acknowledged it was legal; however, he continued, he disagreed with taking the most vulnerable population of society and erasing from the equation money which could contribute to a higher quality of care for them. Mr. Abramchik interjected the NYSDOH did not regulate the purchase or ownership of the real property but they did regulate the amount of rent which could be charged.

Pertaining to Suffolk Center, Mr. Rozenberg explained Mr. Eisenberg was a clinical person who oversaw the clinical operations of CHC facilities. He said Mr. Eisenberg had been asked if he (Mr. Rozenberg) owned Suffolk Center and had replied in the negative because the building was the clinical entity. He stated if the question was if he owned the real estate beneath the building the

answer was yes; however, he continued, he had nothing to do with the clinical operations of Suffolk Center. He expressed that Paul Konstam was the majority owner of Suffolk Center and CHC offered consulting services to Mr. Konstam. He explained when Mr. Konstam purchased Suffolk Center he did not have sufficient funds to purchase the building and the land and had asked him for assistance. He said he had purchased the land and in return received lease fees. He expressed that Mr. Konstam operated the facility as he saw fit and CHC did back office billing, marketing and some clinical support consulting. Mr. Rozenberg asserted he did not and never had owned Suffolk Center and he was not responsible for the care provided within the facility. Mr. McDevitt said he understood the explanation and wished it had been made clear at the previous meeting. Mr. Rozenberg commented if Suffolk Center had not been the subject of a news report the matter would not have arisen.

Christopher Lynch, Warren County resident, mentioned that anyone who had made a positive comment about CHC during this meeting had been a paid employee and not a patient or family member. He opined that relying on a self reporting system was disingenuous. He disagreed with the comment that more employees did not equate to better care. He said his father-in-law was in a skilled nursing facility and he believed that more employees did equate to better care. He questioned the comparison of the employees of businesses like Walmart to the professional staff of a nursing home. He indicated he had read a newspaper article where it was mentioned that CHC had committed to continue operation of Westmount for a 5 year period and he asked why 5 years; Mr. Rozenberg replied the 5 year guaranteed continued operation of the facility was requested by Warren County. Mr. Lynch referred to a House of Representatives Report from February of 2013 which indicated the average compensation for Medicare and Medicaid in New York State was twice the national average and he asked if this was a valid report and should the citizens of Warren County be concerned with anyone working with millions of dollars in Medicare/Medicaid. Mr. Rozenberg responded the NYSDOH had been extremely selective as to the operators of nursing homes and they thought highly of CHC. He indicated that every application submitted by CHC had been approved and when Hurricane Sandy occurred, the Commissioner of Health called him to request that he admit 500 additional residents from the flood zone. In answer to the question if Medicare/Medicaid was twice the national average in New York State, Mr. Rozenberg replied that everything was more expensive in New York.

According to the Cornell Baker Real Estate Study on Nursing Homes, Mr. Lynch said the value of a nursing home was \$5 to \$12 million depending on the services provided and he asked if CHC would have bid on Westmount Health Facility if it had been sold in an open auction. He also asked how much the cogeneration plant had figured into the proposal submitted by CHC for the purchase of Westmount. Mr. Rozenberg stated the cogeneration plant was a process which would end in a few years and it did not really factor into their proposal. Mr. Lynch recalled the plan for making Westmount Health Facility profitable included reducing costs by decreasing staff and their salaries and benefits and he asked how this would benefit the residents. He questioned why the County could not take the same actions to make Westmount profitable and he opined that providing health care to the elderly was a function of local government. Mr. Rozenberg stated the healthcare environment was changing in New York State as far as Medicaid was concerned; he reported that as of February 1<sup>st</sup> all new long term care patients were required to join a managed long term care plan. He opined in the next 3 to 5 years they would be billing Medicaid very little and he said it would be necessary for nursing homes to be strong enough to negotiate with the managed long term care insurance companies. He indicated that single facilities had a hard time negotiating because they had no power. Part of the appeal of purchasing Westmount, he continued was that CHC already owned other east coast facilities, such as Washington Center, Essex Center, etc. which enhanced their ability to negotiate with the managed long term care companies.

John Salvador, Warren County resident, informed his wife had been a resident of a neighboring nursing home for the last 3½ years. He said the occupancy rate of the nursing home was posted on the doors and for the last three months there had been a 10% to 15% vacancy. He asked the effect that empty beds would have on CHC's ability to pay employees and finance their debt. Mr. Rozenberg stated a single stand alone facility could not survive easily and CHC had relationships with the hospitals across New York State due to their size. He said they did not anticipate the current vacancy rates would continue and he predicted within 60 days of the transfer of Westmount Health Facility they would be at full occupancy. Mr. Salvador said he had been intrigued by the land/facility arrangement explained for one of their nursing homes. He stated there was a petition circulating that had the potential to delay the sale of Westmount. He asked if CHC would be interested in an arrangement with Warren County whereby they retained the ownership of the land and CHC leased the facility from the County. Mr. Rosenberg asked if he was willing to accept an offer like that would it provide a sense of comfort that he was a quality provider and Mr. Salvador replied affirmatively.

Returning to the Power Point Presentation, Mr. Rozenberg displayed the facilities for which he was the majority owner, as well as the facilities for which CHC consulted. Mr. Westcott said part of the confusion relating to the ownership of Suffolk Center was because reports listed on nursinghomerating.org indicated Mr. Rozenberg was a Director/Officer of the facility. Mr. Rozenberg stated CHC were consultants for Suffolk Center and as such they completed the billing for the facility. He said at some point the website decided that since he was completing the billing he should be listed as an officer. He indicated this was not the correct definition of a Director/Officer and they were working to get this information corrected. He reported the original paperwork was an 855A, Change of Medicare Ownership, which was filled out incorrectly. He acknowledged there were some places which showed him as a 22% owner of the facility and Mr. Konstam as a 100% owner and there were other places which listed him as a Director. He said this was being corrected because he was not an owner. A brief discussion ensued.

Mr. Rosenberg reviewed four facilities purchased by CHC which had been discussed and he noted Richmond Center was the facility with the Neuro/Psych Unit which had been purchased a couple of years prior out of a bankruptcy. He said the Judge in the bankruptcy case had selected CHC to be the buyer of the facility. He explained that 4 days after the closing the facility had been hit with multiple and serious Immediate Jeopardy (IJ) citations. He commented the NYSDOH had acknowledged that CHC was not at fault for these citations. Three years after the purchase of the Richmond Center, he continued, the facility had received a perfect score on their survey. A few weeks after the purchase of Fulton Center, Mr. Rozenberg reported, multiple harm levels had been cited and two years later the NYSDOH survey found 6 minor deficiencies. He informed Washington Center had been in Special Focus when it was County operated and the last NYSDOH survey for that facility had been very good. He informed the Indian River Nursing Home had been in Special Focus at the time of purchase and the NYSDOH was counting on CHC to remove it from that classification. He commented there were 3 nursing homes in New York State which were currently in Special Focus with the risk of closing and if the facilities did not come out of the Special Focus in 1½ to 2 years the NYSDOH would shut them down.

Mr. McDevitt thanked Mr. Rosenberg for his candor and explained the issue of the sale of Westmount Health Facility was very important for a couple of reasons. He pointed out there had been a purchase of a trash plant about 20 years prior which had cost Warren and Washington Counties an estimated \$100 million. He said 8 or 9 years ago Warren County had entered into an agreement with Siemens Building Technologies for which most people agreed there was difficulty in understanding the contract. He said the purchase agreement had been structured but within the State law was the possibility of a referendum. He commented this was democracy at work and it provided people with

the opportunity to make a decision regarding this most precious resource. He asked Mr. Rosenberg what he thought of the referendum process. Mr. Dusek suggested clarification needed to be made by the County Attorney to explain what exactly was up for referendum.

Mr. Auffredou explained what was up for referendum was that the County had exercised an opportunity through the RFP to achieve certain objectives through the sale of Westmount Health Facility; he informed that County Law Section 215(6) provided that if the County sold or leased property it had to be accomplished through public advertisement and sold to the highest bidder. The County felt, he continued, this process would be too restrictive and in order to achieve certain results they decided to enact a local law to supercede County Law Section 215(6) so they could utilize the RFP process. He explained the local law did not approve or disapprove of the contract and the permissive referendum was the directed question of whether the RFP process was appropriate for the County to employ and not whether the contract was good or bad. The contract for the sale of Westmount Health Facility, he continued, was contingent on the adoption of the local law.

Mr. McDevitt asked the result of the sale if people voted no on the referendum and Mr. Auffredou explained it would essentially be the people saying they did not want the County to supercede County Law Section 215(6) and the process would start at the beginning through a public advertisement and sale to the highest bidder. Mr. Rozenberg questioned if the County should be in the business of operating a nursing home. He said if the County continued to provide good care under a good administrator and they could sustain the loses of the facility there was no reason why they could not continue to operate the facility; however, he continued, changes in the industry might cause the County to lose more money than they were able to sustain. He said the question was if the County wanted to sell the facility to CHC or to someone else and he hoped that after the presentation today everyone agreed that CHC were good health care providers. A brief discussion ensued.

Mr. Monroe asked the impact on the Medicaid rate if they determined the amount of the lease was not fair market value and Mr. Rosenberg said they would not approve the deal. In answer to a question from a member of the public who asked if CHC would submit a bid if the referendum was successful and required sale be to the highest bidder, Mr. Rozenberg said he did not know and could not commit to the concept at this time. He stated this process had been tough and ongoing for 2½ years during which time CHC had purchased 5 other nursing homes. A member of the public said she only cared about the residents and she requested a promise that they would receive the highest level of care; Mr. Rozenberg replied CHC cared about the residents, as well and he stated he would be amenable to establishing a community committee to meet once a month and share concerns about the facility. Mr. Sokol recalled that at the February 20, 2015 Board meeting, Ms. Seeber had requested a similar promise and Ms. O'Connor had made the promise that the highest level of care would be given to the residents of Westmount Health Facility; Mr. Rozenberg reiterated that promise.

Sandy Simpson, Warren County resident, stated she had worked as an RN since 1966 and for most of those years she had been a Community Mental Health Nurse providing mental health services to nursing and adult homes. She said her mother had been a resident of Indian River Nursing Home for several years and she had visited as often as she could. She stated she felt as if her mother received good care in that facility. Mrs. Simpson advised she had asked her mother if she could be relocated closer to her to allow more visitations; however, she continued, her mother had indicated that Indian River Nursing Home was peaceful and safe and she liked being there. Mrs. Simpson stated that every nursing home had its problems regardless of who the owner was because the employees were people and people had problems. She said she hoped the process would be

concluded soon and she hoped everyone would stay involved because there were people who did not have family members. She suggested the possibility of an adopt-a-resident program. She commented that members of the public needed to stay involved, not just on the holidays but on a regular basis.

Mr. Rozenberg stated that CHC made sure their staff were happy because if the staff were happy they would ensure the happiness of the residents. He said activities, such as a 5K race, were planned to keep the staff happy and the morale high. He mentioned health care was a hard job and he acknowledged people sometimes had bad days and the hope was that they did not affect the residents. He informed the NYSDOH was acutely aware of the delays with the purchase of Westmount Health Facility and he had requested that they place CHC's application for the facility on hold until further guidance was received from Warren County. He explained CHC had spent a lot of money on legal fees pertaining to this purchase and the cost of submitting the application to the NYSDOH was \$20,000. He stated if the results of the referendum were that the County would proceed with the sale of the facility, he would call the NYSDOH and ask them to accept the application.

Sarah Hussa, Warren County resident, said her mother-in-law had been a resident of Westmount Health Facility for about 3½ years. She apprised this whole process seemed to be caught up in a sentimental attachment to Westmount which had always been a lovely, well regarded facility. She said she felt there was a misconception that voting against the referendum would result in Westmount Health Facility not being sold. She commented it seemed as if operating a nursing home was too complicated for a County to do efficiently. She advised there had been really good questions pertaining to where the process would go if the referendum was successful. She said she had no doubts that CHC were sincere in their desire to provide good care but she was unsure if the County and the residents of the facility would come out ahead on this deal.

Mr. Auffredou informed that if there were a sufficient amount of signatures on the petition to have the issue go to referendum, a special election would be scheduled. If the process was voted down, he continued, the contingency in the contracts would fail and therefore the contracts for both the land and the facility would fail. At that point in time, he explained, the Board of Supervisors would need to consider their options as to how to proceed. Mr. Dusek said it was important to keep in mind that the RFP had garnered 4 proposals for the purchase of Westmount Health Facility. He noted the RFP and all the documents related to the RFP process were available on the County website for public viewing. He pointed out the highest proposal had never materialized and the second highest proposal had been from CHC. If the referendum was successful, the County would lose about \$1 million in 2015 due to the finances for the facility and a higher amount would be lost in 2016. If the RFP process was voted down by the taxpayers, he continued, the only other option was to place Westmount Health Facility up for public auction and he questioned how much would be garnered and who would be willing to purchase it at that time. He stated the possible outcomes were difficult to project and the consequences could be serious for Warren County and the residents of the nursing home. He expressed the County had completed their due diligence with regard to interviewing the proposers and had made a good arrangement that would ensure the continued operation of the nursing home.

Mr. Whitehead said the County had been losing money on the facility and there would be no difference in continuing to lose money. He informed Westmount Health Facility would be getting more IGT funds and economies had been put in place to ensure that less money would be lost going forward. He disagreed that the only option for the County if the referendum was successful would be to hold a public auction; he said the County could initiate the same RFP process to find a proper

buyer for the facility. He commented the proposal from Fort Hudson Nursing Home had been rejected and there were other not-for-profit organizations in the area that would be interested. He apprised Westmount Health Facility used to have a 2 star rating which had been increased to a 3 star rating under the leadership of Mr. Coté. At the same time, he continued, the Essex and Washington County nursing homes had decreased to a 1 star rating. Mr. Whitehead mentioned that Mr. Dusek had indicated there would be a loss of \$1 million this year and he pointed out that \$450,000 of that loss was attributed to the cogeneration plant. He mentioned that the County should stop payments to Siemens Building Technologies for the cogeneration plant but even if they did not, the payments would cease anyway in 2017. He said there were only 2 years left on the cogeneration contract and by the time the County restarted this process it would not be an issue to a potential buyer.

Michael McCabe, Town of Queensbury resident, thanked CHC for their presentation which he said was well done. He stated he had no doubts that CHC could do a good job operating the nursing home but he felt the idea was being portrayed that this sale needed to be pushed along quickly in order to stop the loss of money. He apprised the employees of Westmount Health Facility were local residents and the money paid for their salaries was coming back into the community by these locals who shopped in the area. He opined all of the money that was being paid to them for their salaries was not a loss because it was expended within the County. He added the vendors who supplied Westmount Health Facility were also local so that money was also coming back to Warren County. He expressed the losses were not as great as they were being portrayed because the money was being re-circulated. He stated he did not see any reason why the residents of Warren County should not be solicited for their opinion on how this process should proceed.

John Dennett, Warren County resident, mentioned that his wife was a resident of Westmount Health Facility because she was diagnosed with frontal temporal lobe dementia 14 years ago. He said his wife had been a resident in 7 different care facilities some of which they had to leave because his wife did not qualify for care in the facility. He referred to Westmount Health Facility as "the last mile" and noted that all of the residents of the facility would most likely be there until their death. He commented the majority of the residents of Westmount Health Facility were Warren County residents who had been voters and taxpayers. He said the residents of the facility should have a say in the future of it and he acknowledged many of them were not capable of doing so. Mr. Dennett stated he had been in every nursing home facility in this region and Westmount Health Facility was far and away the best one. He commented the staff of Westmount were the best, most caring of all of the facilities. He pointed out the County had debts and provided services and he felt the most deserving population of the County was the elderly.

Mr. Kenny thanked CHC for the presentation and commented that Mr. Rozenberg was an excellent communicator. He pointed out that CHC had the support of the majority of the Board of Supervisors for their purchase of Westmount Health Facility.

Mr. Conover explained there were 2 means that the County could use to dispose of public property, through the RFP process and through public auction. He noted that sale through public auction automatically went to the highest bidder with no control over who the purchaser would be. He explained the RFP process had been selected because the Board of Supervisors wanted to ensure the continued operations of the facility and look out for the best interests of the existing employees. He noted some employees were near retirement or were heavily vested in the retirement program. In addition, he continued, there had been the matter of the adjacent land and perspective proposers were asked about their interest in same. Out of the RFP process, he mentioned, the County had accepted the proposal submitted by CHC. He informed that within the law the disposition of public property in this manner was subject to permissive referendum which asked members of the public

if it was acceptable for the County to use the RFP process to sell the facility. He added that if a sufficient number of residents voted against the referendum then the County would need to decide what the next step would be.

Mr. Herschleb said he appreciated the Board of Supervisors wanting to sell the facility through the RFP process. He commented that people voted for a number of different reasons and he pointed out some might vote against the referendum because they were not in favor of the sale to CHC, others might want the Board to start the process over again and some might not want the facility sold at all. He said he appreciated the explanation that the referendum was merely for approval of the process but he noted people would vote for or against it for their own reasons. Mr. Conover said that was why he explained the reasons behind selecting the RFP process.

Mr. Whitehead apprised he had a copy of the petition which specifically called for a vote for or against Local Law No. 2 of 2015. He noted the possibility that Local Law No. 3 could be adopted for the same process and could be written identical to Local Law No. 2. He said he hoped the County would take a little more time to identify a new buyer and ensure they were comfortable before going forward with the sale. He stated the County could find a good not-for-profit organization to purchase the facility and he indicated there were many papers that analyzed the outcomes of not-for-profit nursing homes versus for profit nursing homes which detailed they were better for the not-for-profit homes. Mr. Rozenberg countered the statement was false and he informed the NYSDOH commented that not-for-profit versus for profit nursing homes showed no difference in the outcomes.

Skip Stranahan, Warren County resident, asked if the highest bidder to the RFP had backed out or if the County had rejected their offer. He noted the highest bidder had been a local company which would ensure they were well vested in the continued operation of the facility. Mr. Dusek stated the highest bidder had not been a local company, it had been a company from the Buffalo area. He explained that of the 4 proposals received, the County had received presentations from the top 3 proposers; he added the County had requested further information from the proposers and the highest bidder had not responded to this request and eventually stopped contacting the County. Mr. Dusek explained a negotiating team had met with the remaining 2 companies and the Health Services Committee had selected CHC based on their presentation, proposal and all of the information obtained from them. It was important to emphasize, he continued, that when the County began this process they had crafted the RFP to ensure the continued operation of the facility and the protection of the existing employees. He pointed out that CHC had been the second highest bidder and had provided a very good presentation to the Health Services Committee. He stated health care was becoming very complicated and it was becoming very difficult for nursing homes to be operated by County governments. He commented that having one small nursing home would put the County at a serious disadvantage when negotiating with the managed long term care insurance companies. He commented the local company referred to by Mr. Stranahan had been the third highest bidder. Mr. Beaty commented there had been a \$100,000 difference between the two proposals. Mr. Sokol pointed out that Fort Hudson Nursing Home wanted the property to remain off the tax rolls. Mr. Beaty mentioned Fort Hudson Nursing Home did not want to continue the operation of the cogeneration plant.

Mr. Stranahan asked if the County owned a second nursing home in the Town of Warrensburg and Mr. Dusek replied the County owned Countryside Adult Home which was an adult care facility. Mr. Stranahan asked if Countryside Adult Home operated at a loss, as well and Mr. Dusek replied affirmatively. Mr. Stranahan said he had RN's and LPN's in his family and he asked if there would be jobs at Westmount for them. He asked how many RN positions would be available at Westmount under the operation of CHC. Mr. Rozenberg asked how many RN positions there were currently and Mr. Coté commented there were 5 RN's during the day shift and an RN Supervisor 24 hours per day.

Mr. Rosenberg said CHC would staff the facility in a similar manner and he indicated there would probably be a need to add staff at some point because the acuity of care would be increased.

Mr. Stranahan asked if the LLC which owned the land would be different than the LLC that owned the facility and Mr. Rosenberg replied affirmatively. Mr. Stranahan asked if the purpose of an LLC was for limited liability and Mr. Rosenberg explained the real estate needed to be owned by the company and this arrangement was typical in the nursing home industry. Mr. Rosenberg commented the NYSDOH investigated the people who owned the LLC's.

Mr. Whitehead agreed with Mr. Rosenberg's comment that if you made a mistake you wanted to learn from it. He quoted from the minutes of a 2007 meeting regarding the cogeneration plant, as follows:

*Mr. Dusek added that the State was very smart to finance such projects because not only was the project expected to be budget neutral, at the end of a 13 year project the savings reaped by the County would make Westmount Health Facility a much more viable facility. This point should not be lost sight of because it was a fact that nationwide nursing homes were suffering and some private homes were even forced to close because they couldn't handle the costs of operation, he stated. Mr. Dusek noted that in this instance, Warren County had taken advantage of a program that would make the Westmount Health Facility economically viable well into the future, saving County tax dollars and at the same time yielding benefits for years to come.*

Mr. Whitehead remarked how wrong that statement had been since \$450,000 a year had been lost every year since 2007 on the cogeneration plant. Mr. Dusek countered that when opinions were made or projects were entered into, it was based on the best information available at that time. He said at that time, the County had every reason to believe the State would come through on the Medicaid reimbursement payments owed and he noted those payments still had not been received. He pointed out that when the cogeneration project was initiated it was thought that the former Department of Social Services Building would operate off the plant, as well. He said if a person was acting in good faith and making decisions or forming opinions based on the best information available at that time, he did not see anything wrong with that. He stated the County had believed the cogeneration plant would benefit Westmount Health Facility at that time. He noted there were other improvements made to the facility at the same time that the cogeneration plant was constructed. He informed that at that time, the County's engineers had said that only \$65,000 had been lost on this \$3 million project. He opined this project had not been kept in perspective when you considered that \$1 million would be lost on Westmount Health Facility in 2015.

Mr. Dusek stated the County should not hold onto facilities which operated at a loss when the private sector could operate those facilities just as well if not better; he noted the money lost on the operation of Westmount Health Facility could be used to improve the roads of Warren County. He said that he believed CHC had offered the County a good opportunity to bring in a well managed company. He mentioned that when he and Mr. Coté visited facilities owned and operated by CHC it had been evident that this company cared about their employees and residents. He commented that he and Mr. Coté had selected the facilities they wanted to visit and had seen members of management who were familiar with their employees which he said told him a lot. He commented the facilities were clean and the employees were polite. He pointed out that he and Mr. Coté had seen every portion of the facilities they visited and were able to ask the questions they wanted answered. Mr. Coté agreed they had been given free access to the facilities and he acknowledged CHC had been aware of their intended visit but no areas of the facilities had been restricted from them. He said they visited a 500 bed facility where the floors were being rehabilitated following the purchase of the facility by CHC.

Mr. Beaty thanked the representatives again for coming to the meeting and he said the presentation had been helpful and he wished it had happened sooner. He stated the most important part of his job as a Supervisor was ensuring the care of the elderly and he did not apologize for wanting a true vetting of the company. If the citizens of Warren County voted against the referendum, he continued, and they determined they wanted the process to start over again, then it was an example of democracy at its best. He indicated he had previously been a Vice President of Operations in charge of 287 stores and when his employees were aware that he would be visiting they put their best efforts forward. Mr. Dusek commented that CHC had been made aware of their intention to visit but only a short notice had been given.

George Ryan, Warren County resident, thanked the Board of Supervisors for arranging this meeting and allowing CHC to provide a presentation. He said he hoped Mr. Rozenberg and CHC would continue to be interested in the purchase of Westmount Health Facility because he felt they would do well in the operation of the facility.

Mr. Taylor recalled that Mr. Dennett had spoken passionately about Westmount Health Facility and the care that his wife received there. He said the Board of Supervisors were aware that Westmount was a fine facility and they had put forth their best efforts to find a company that would operate the facility in a manner the County would approve of. He stated he supported the petition process but if the referendum was successful he was concerned it would be very difficult to find an interested buyer. Mr. Merlino said it was important to remember that CHC would bring better care and expanded services to Westmount Health Facility. He stated that currently residents of the facility who required these expanded services had to be transported elsewhere or admitted to the hospital to receive the care.

Ms. Stock explained staff members from CHC facilities had attended the meeting to let the public know that they were still employed by their facilities following the purchase by CHC. She advised that before Fulton Center was purchased the Fulton County residents had the same reservations expressed today by Warren County residents. She said there had been changes made but the outcome was positive for the community. She noted employee benefits had changed but she said one of the reasons the County had operated the nursing home at a loss had been the cost of employee benefits. A brief discussion ensued.

Mr. Sokol thanked the representatives from CHC again for attending the meeting and providing the presentation. He said the meeting was being video taped and would be available for viewing on YouTube. He commented if anyone had any questions they could feel free to contact the County who would in turn ask Mr. Rozenberg. He also thanked the County Supervisors, the members of the public, the staff from CHC nursing homes and the media for attending the meeting.

As there was no further business to come before the Health Services Committee, on motion made by Mr. Conover and seconded by Mr. McDevitt, Mr. Sokol adjourned the meeting at 2:44 p.m.

Respectfully submitted,  
Charlene DiResta, Sr. Legislative Office Specialist