

Minutes of Meeting
Health Services Council
Project Review Committee-II

DATE: 4 March 2004

TIME: 3:00 PM

LOCATION: Health Policy Forum

ATTENDANCE:

Committee II: Present: Victoria Almeida, David I. Koh, Daniel F. McKinnon (Chair), Robert J. Quigley (Vice Chair), DC, Larry Ross, Reverend David Shire

Not Present: Darren Corrente, James Daley, Rosemary Booth Gallogly, Wallace Gernt, Maria R. Gil, Catherine E. Graziano, Thomas J. Izzo, Denise Panichas

Other Members: Present: Robert L. Bernstein

Staff: Valentina D. Adamova, Michael K. Dexter, John X. Donahue

Public: (see attached)

1. Call to Order and Approval of Minutes

The meeting was called to order at 3:05 PM. The minutes of 15 January 2004 PRC-II meeting were approved as submitted. Staff noted that conflict of interest forms are available to any member who may have a conflict.

2. General Order of Business

The first item on the agenda was the application of Odyssey HealthCare Operating B, LP for initial licensure of an Outpatient Hospice Care Facility in Warwick.

Reverend Shire stated for the record that he is recusing himself with respect to the application of Odyssey HealthCare Operating B, LP for initial licensure of an Outpatient Hospice Care Facility in Warwick.

Ms. DeBlasio, legal counsel to the applicant, introduced Michelle Harris, Kathy Ventre and Anthony D'Antonio. Ms. Harris stated that Odyssey demonstrated its track record through its 65 Medicare certified facilities, as well as character, competence, and financial solvency. She noted that a local registered nurse has been hired as an administrator and that Odyssey signed a 5-year lease for the proposed facility. She said that Odyssey has never opened an office and then closed it and is committed to providing good service. Dr. Quigley inquired if the applicant has decided to pursue accreditation.

Ms. DeBlasio stated that the proposed facility would seek CHAP accreditation as soon as it is licensed. Dr. Quigley requested that the applicant report its accreditation progress to the Health Department. Ms. DeBlasio stated that the applicant would periodically report, and that it would take time to go through the process of accreditation.

Dr. Quigley asked how the money is donated to the organization. Ms. Harris stated that all contributions go to a non-profit organization called Odyssey Foundation, which funds other non-profit organizations. She noted that Odyssey HealthCare defines charity care as care to patients who do not have funds to pay for themselves. She stated that charity care is paid for out of corporate funds. She said that Odyssey has another fund called 'Special Needs', for people who are indigent and may need to pay utilities, burial expenses, and other items not considered charity care. She reiterated that any funds received go automatically into the non-profit Odyssey Foundation that funds hospice specific programs. Dr. Quigley inquired how donations are funneled back to the people of the State of Rhode Island. Ms. Harris stated that Odyssey doesn't solicit or campaign for funds. Ms. DeBlasio stated the nature of the contribution depends on how it is given, if it is restrictive then it will go for that specific purpose, but most donations are given without a specific request as long as they benefit someone. Ms. DeBlasio noted that all foundations have to meet IRS guidelines, and those funds are supervised and dispersals are made by people who have the fiduciary responsibility.

Mr. Ross inquired if donors are provided information to understand where donations go. Ms. Harris replied that the information is provided and Odyssey does not collect funds from the community and the foundation was established to protect the donated funds. She noted that donations are a very small part, and are used to promote the hospice benefit. Ms. DeBlasio stated that Odyssey HealthCare, Inc. is a publicly held company so all of its records are open to the public's scrutiny including its sources of revenue. To the question if donations are tax deductible, the applicant replied yes. Mr. Koh asked what was Odyssey's definition of charity care. Ms. Harris stated that Odyssey does not turn away any patient who cannot pay. She noted that approximately 2% of patients cannot pay and that's what Odyssey considers to be charity care. She stated that its unclear how much charity care is going to be provided because patient's needs vary by length of stay and types of services needed. She stated that a patient is admitted to the service when they meet the Medicare hospice requirements regardless of ability to pay or funding source. Dr. Quigley requested that the applicant include charity care information in the progress reports.

A motion was made, seconded and passed by a vote of five in favor, none opposed and one recusal (5-0-1), to recommend that the application be approved to go before the full council.

The next items on the agenda were the applications of ARA-East

Providence Dialysis, LLC and ARA-Johnston Dialysis LLC for initial licensures of an Outpatient Kidney Treatment Centers in East Providence and Johnston. Staff summarized the applications.

Victoria Almeida stated for the record that she is recusing herself with respect to the applications of ARA-East Providence Dialysis, LLC and ARA-Johnston Dialysis, LLC for initial licensures of an Outpatient Kidney Treatment Centers in East Providence and Johnston.

Ms. Rocha, legal counsel to the applicant, introduced Dr. Chazan from Nephrology Associates, and Mr. Carlucci, Mr. Ford and Mr. Whiting from American Renal Associates (“ARA”). Ms. Rocha stated that ARA operates three centers in Providence, Pawtucket and Tiverton and invited the Members to tour the facilities. She stated that the proposed facility in East Providence would be located in a building owned by Dr. Chazan and currently occupied by Fresenius Medical Center. She noted that Fresenius is going to relocate and open a new site by April 30th. She said that 90% of patients at the site are clients of Nephrology Associates and it is expected that they would continue to be dialyzed at that site. She stated that ARA would like a seamless transition to prevent inconvenience to the patients and requested that the Committee act as quickly as possible to approve this application to ensure continuity of care. Mr. Ross stated, to clarify, that that the current dialysis station would be moving to another site and the intent then is to establish the East Providence station there. Dr. Quigley inquired who would be the Medical Director. Dr. Chazan

stated that his associate would be the Medical Director and he would be the General Manager. Staff noted that the application cannot go before the Health Service Council on 30 March 2004 prior to the expiration of the comment period on 3 April 2004. To accommodate the patients and ensure continuity of service the committee decided to move the next Health Services Council meeting to Tuesday, 6 April 2003.

A motion was made, seconded and passed by a vote of five in favor, none opposed and one recusal (5-0-1), to recommend that the application of ARA-East Providence Dialysis LLC be approved to go before the full council on 6 April 2004 subject to the comment period which ends on 3 April 2004.

Ms. Rocha stated that the proposed facility Johnston is similar to the proposed facility in East Providence.

A motion was made, seconded and passed by a vote of five in favor, none opposed and one recusal (5-0-1), to recommend that the application of ARA-Johnston Dialysis LLC be approved to go before the full council on 6 April 2004 subject to the comment period which ends on 3 April 2004.

There being no further business the meeting was adjourned at 3:40 PM.

Respectfully submitted,

Valentina D. Adamova