

**Minutes of Meeting
Health Services Council
Project Review Committee-II**

DATE: 2 December 2004

TIME: 3:00 PM

LOCATION: Beck Conference Room

ATTENDANCE:

Committee II: Present: Victoria Almeida (Vice Chair), Raymond C. Coia, Maria R. Gil, Catherine E. Graziano, Denise Panichas, Robert J. Quigley, DC, (Chair), Reverend David Shire

Not Present: James Daley, Rosemary Booth Gallogly, Wallace Gernt, Larry Ross

Staff: Valentina D. Adamova, Michael K. Dexter, Joseph G. Miller

Public: (see attached)

1. Call to Order and Approval of Minutes

The meeting was called to order at 3:05 PM. Minutes of the 4 November 2004 Project Review Committee - 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 Chairman stated that based on the Committee's concerns he wrote a letter to Don Williams, Associate Director of Health Services Regulation regarding home health agency issues. This letter was distributed to the Committee members. Staff stated that the letter will be mailed to all the Health Services Council members. Staff noted that due to miscommunication the agenda for today's meeting was revised and the revised agenda has been distributed and as a result the application of Chelsea Enterprises, Inc. d/b/a Comfort Keepers for initial licensure of a Home Care Provider Agency at 155 Main Street in South Kingstown will be reviewed at the next Project Review Committee – II meeting.

The first item on the agenda was the application for change in effective control of Home Care Services of Rhode Island, Inc. located at 68 Cumberland Street in Woonsocket. Staff stated that an advisory from the Office of Facilities Regulation was distributed out to the Committee members regarding the application of Home Care Services of Rhode Island, Inc. Staff noted that the advisory states in summary that the applicant was placed on probation in 2000 and was relieved

in 17 September 2001 and since that time two surveys were conducted which found the applicant to be in compliance with Rules and Regulations and since 2003 there were a series of complaints but no deficiencies were cited as a result of the investigations.

The Chairman requested that the applicant address the Committee regarding the proposal. Mr. Ward, administrator, stated that he and his wife opened the facility in 1997. He noted that his wife is the sole owner and he is the administrator. He stated that in 2001 they relocated to Florida and his wife is no longer involved in the business while he travels to Rhode Island at least five days a month. With regards to the problems identified in the advisory, he stated that this occurred when he still resided in Rhode Island and since he hired a new Director of Nurses, Mr. Nagel, the facility has been deficiency free and was accredited by the Department of Human Services last year.

Mr. Ward stated that for past three years he has been the administrator while living in Florida. He stated that with today's technology he is always available, communicates daily and can fly in when he is needed. He handed out copies of 'Amendment to Statement of Responsibility: Administrator' and CV for Mr. Nagel. He stated that in the event he is not available the back up for the administrator would be the Director of Nurses.

The Chairman requested that the applicant provide a schematic of the

facility.

Ms. Almeida inquired as to the nature of the deficiency that resulted in probation. Mr. Ward stated that it had to do with paper work, and not with patient care, such as keeping reports, and keeping track of the in-services. Ms. Almeida noted that insufficiency in the administrative process can sometimes result in patients' deficiency of care. Mr. Ward stated that the facility has been deficiency free for last three years.

Mr. Nagel stated that he acts as the administrator when Mr. Ward is not available and his CV indicates that he ran a bigger agency in Massachusetts and since he started working the facility has been deficiency free.

Rev. Shire stated that the income statement that for the period from January 1, 2004 to August 31, 2004 shows that Net Income is a loss of \$49,770.34. Mr. Ward stated that what could have happened was that the facility has a 3-week billing cycle, which could have crossed into another month. He also stated that school department during summer time does not pay on time and the VA pays slowly. Rev. Shire requested that the applicant discuss the loan to shareholders. Mr. Ward noted that he is not an accountant but that there was a previous business, Advantage Home Care, which has an outstanding line of credit, which will be taken off. He stated that the company doesn't exist anymore. He stated that there is a \$25,000 loan that will be paid

back. He stated that he would address these issues with his accountant.

The Chairman stated that the applicant will need to provide more information regarding the facility's financial situation. Mr. Ward stated that he would have his accountant prepare a written statement. Mr. Miller recommended that the accountant be present to address those issues.

The Chairman requested that the accountant also provide year to date financial information for 2004. Mr. Ward stated that in January the accountant will have that information.

Staff asked if the 'Amendment to Statement of Responsibility: Administrator' is on-file with the licensing division of the Department of Health. Mr. Ward replied that it is not but it is part of the facility's policies and procedures. Staff stated that not all of the responsibilities can be delegated to a RN in the case when the administrator is not a RN and noted that the licensure division will be made aware of this amendment.

Staff inquired as to who staffs the branch office in Warwick. Mr. Ward stated that there is one permanent person and the rest are field staff and that Mr. Nagel goes to both offices. He stated that the Warwick office is small and just opened in June 1, 2004. Staff noted that the administrator is generally in Florida, through a policy the

responsibility of the administrator has been transferred on a needed basis to the Director of Nurses, and the Director of Nurses is overseeing the main office and the branch office. Mr. Ward stated that he is the administrator when he is in Florida and there is nothing in the regulations against that. He stated that he is in charge of the office everyday and the policy amendment is for situations when he is on vacation, not for when he is in Florida. Staff clarified that just because something may meet regulations does not mean that it is acceptable to the Committee and meet its criteria.

Staff stated that there was a gift of shares that was executed effective 31 August 2004, which gifted stock from Ms. Nancy Ward to Mr. Ward. Mr. Ward stated he didn't know the correct procedure. Staff stated that Mr. Ward owns something that hasn't been approved by the Department to own and needs to reverse this to become in compliance. Mr. Miller, legal counsel to the Department, stated that while this was done inadvertently it must be corrected. Mr. Ward agreed to reverse the gift of stock.

The Chairman requested that the applicant provide job descriptions for the administrator, Medical Director, Director of Nursing, and case manager. Staff noted that the applicant will received a list of follow up questions based on Committee's concerns.

Mr. Miller stated that Mr. Ward needs to discuss with staff at the Office of Facilities Regulation the policy amendment. He read into the

record provision 12.24 of the Rules and Regulations for Licensing Home Nursing Care Providers and Home Care Providers: in the event that a non-nurse is appointed administrator of the home nursing care provider or home care provider agency, the nursing service shall be under the direction of a registered nurse who is licensed in this state and who shall be responsible to the administrator for the management of professional services, the standards of practice, and other related professional aspects of patient care services. He stated that the administrator is still the person ultimately responsible. He noted that the Rules and Regulations also state that the administrator or the designee will report in writing all changes in ownership or management to the Department of Health but the gifting of stock was done without notice. Mr. Ward stated that the amendment was only for instances when he would be away on vacation.

Ms. Graziano requested that the applicant address with his accountant why the finances show little change in income from the month of July to August of 2004. The Chairman stated that the applicant needs to consult with his attorney and accountant.

Staff stated that Table I of the application shows high amount of charity care provision. Mr. Ward stated that charity care is over 1% of revenue and that the table would be corrected. Staff noted that the applicant will receive questions and that the next meeting would be scheduled in January of 2005.

Discussion ensued among Committee members regarding staffing issues at the Office of Health Systems Development. It was decided that this issue would be brought to the attention of the Health Services Council (“HSC”) and would be included as an item on the agenda at the next HSC meeting. The Committee requested that a senior member of the Department be present at the next HSC meeting to answer their questions.

There being no further business the meeting was adjourned at 4:05 PM.

Respectfully submitted,

Valentina D. Adamova