

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

DATE: 24 May 2005

TIME: 3:00 PM

LOCATION: Health Policy Forum

ATTENDANCE:

Committee I: Present: Victoria Almeida, Esq, (Vice Chair), Edward F. Almon, John W. Flynn, Robert J. Quigley, DC, (Chair), Robert Ricci,

Not Present: Robert L. Bernstein, Joseph V. Centofanti, MD, John Keimig, Robert S.L. Kinder, MD, Robert Whiteside, John Young

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

Public: (see attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and Time Extension for the Minutes Availability

The meeting was called to order at 3:00 PM. The minutes of the 11

and 18 January 2005 meetings of the Project Review Committee- were approved as submitted. Staff noted that conflict of interest forms are available to any member who may have a conflict. The Chairman stated that due to the Open Meetings Act the minutes of the meetings have to be available to the public by the next meeting date or within thirty-five days, which ever is sooner. The Chairman noted that the next meeting might not occur within thirty-five days or the minutes might not be available by the next meeting. He further noted that there is an allowable exception whereby the availability of the minutes may, by a majority vote, be extended. A motion was made, seconded and passed by five in favor and none opposed (5-0) that the availability of the minutes for this meeting be extended beyond the time frame provided for under the Open Meetings Act. Those members voting in favor were: Almeida, Almon, Flynn, Quigley, Ricci.

2. General Order of Business

The first item on the agenda was the application Health Resources of Warwick, Inc. d/b/a Kent Regency Center [Genesis HealthCare Corporation] for a certificate of need for life safety improvements, interior renovations, new furniture and furnishings, exterior courtyard enhancements and new construction. Staff stated that the applicant was before the Health Services Council on 29 March 2005 to request an approval of an expeditious review for its application. The Health Services Council recommended that the application, when filed, be

accepted for an expeditious review, and its recommendation was accepted by the Director of Health. Staff noted that an expeditious review has a twenty day comment period when practicable. The capital cost of the proposal is \$4,997,847, which is proposed to be financed with 100% equity, and the first full year operating cost of the proposal is \$307,000. Staff noted that the applicant is represented by Mr. Licht.

Mr. Licht, with Tillinghast Licht, LLP and legal counsel to the applicant, introduced his partner Susan DeBlasio. Ms. DeBlasio introduced Tom Farnan, Director of Reimbursement, Ray Mead, Project Manager, Mary Tess Crotty, Vice President of Quality Improvement, and Bruce Freeman, Vice President of Operations. Mr. Mead handed out architectural schematics of the proposal. He stated that the proposed addition would increase the current building size by 11%. There will be new parking area and easier building access. The building addition will include a covered pick-up and drop-off area, and a new reception area. The renovated areas will include administration area, physical and occupation therapy area, and courtyard. Additionally, the renovation in the short stay unit, E wing, will include new floors, ceilings, walls, lighting, and new electrical and nurse call systems. C and D wings renovations' will include new floors, walls, ceilings, furniture, wall paper, electrical and nurse call systems, and sprinkler system and a fire alarm system. There will also be a new employee lounge. A and B long term care wings will also be renovated. A facility assessment was conducted in December

of 2004. The facility was originally built in mid 1960s and there have been no major renovations since. This project will update the entire building to the current codes.

To a question regarding the new call system, Mr. Mead stated that information about a patient will come up on the nurses' station and all of the nurses will wear pagers through which they will be notified.

To a question regarding the number of parking spaces to be added to the facility, the applicant stated that it will be 20 spaces. The applicant was asked to revise that information in the application.

Mr. Flynn stated that this expeditious review was driven by life safety issues, to which Mr. Mead stated that he did not have the exact figure of what that comprised of the total project cost. Ms. DeBlasio stated that there will be heating panels replaced and it wouldn't make sense to do this project in stages and to disturb the residents.

To a question regarding the change from Medicaid to Medicare patients, the applicant stated that Medicare patients are qualified for Medicaid and vice versa and though there will be a small decrease in Medicaid, the self-pay census will go up by 3 residents. The applicant stated that there won't be any significant changes with referral sources but there will be a small change in the payor sources.

To the question regarding the short stay cardiac program with Rhode

Island and Miriam Hospital, the applicant stated that they are working on the program and the renovations are part of that, including specific designs that hospitals need for cardiac short-stay program. The applicant stated that the hospitals have asked the applicant to update the facility to participate in this dedicated program. There would be an increase of \$4 for the Medicaid rate because of the renovations.

The applicant stated that there are about 200 nursing homes owned by the corporate parent, Genesis HealthCare Corporation. There are 3 facilities in Rhode Island with about 300 beds.

To the question of the increase in revenue by \$612,000 as a result of this proposal, the applicant stated that it would be based on the increase in private pay and Medicare census, along with a \$4 a day increase in Medicaid rate.

To the question of how staff for therapy services would be acquired, the applicant stated that they would purchase services, from a company they own, for the facility. The Chairman requested that the applicant identify how much staff the applicant proposed to purchase for the facility in order to provide therapy services.

To the question of why there is no one identified for the position of the Medical Director, the applicant stated that the Medical Director is an employee of Kent County Hospital. The Chairman requested that

the applicant identify the cost of the Medical Director and how many hours the Medical Director will spend at the facility.

The Chairman asked if the applicant would accept a condition of approval that it would not refuse patients based on their ability to pay. The applicant stated that the facility does incur bad debt related to patients that are not covered from the beginning of their stay because the paperwork was late.

The applicant discussed the culture change aspect related to the proposal. Ms. Crotty stated that this project focuses on creating a more patient centered environment, in terms of healing and comfort through the structural changes. She stated that there would be an intention of elimination of the institutional feel and creation of more walking paths and access of amenities. This project would benefit the employees as well through an expanded break room and office space.

The Chairman stated that the applicant will receive additional questions from staff. Staff stated that a letter was sent to John Young, Associate Director, Rhode Island Department of Human Services, regarding a cost impact statement. Staff requested that the applicant verify that their proposed architect is certified by the Department of Health.

The Chairman inquired if there has been any changes on the deficiency status of any other facilities, to which the applicant replied

no.

There being no further business the meeting was adjourned at 3:55 PM.

Respectfully submitted,

Valentina D. Adamova