

Minutes of Meeting  
Health Services Council  
Project Review Committee-II

DATE: 29 November 2007 TIME: 2:30 PM

LOCATION: Conference Room C  
Department of Administration

ATTENDANCE:

Committee-II: Present: Victoria Almeida, Esq. (Vice Chair), Wallace Gernt, Sen. Catherine E. Graziano, RN, Ph.D., Robert Hamel, R.N., Denise Panichas, Robert J. Quigley, DC, (Chair), Reverend David Shire (Secretary)

Not Present: Raymond C. Coia, Esq., Rosemary Booth Gallogly, Maria Gil, Larry Ross

Excused Absences: Gary J. Gaube

Staff: Valentina D. Adamova, Michael K. Dexter, Chrystele Lauture (Intern), Joseph G. Miller, Esq.

Public: (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 2:35 PM. The Chairman noted that conflict of interest forms are available to any member who may have a conflict. The Chairman requested a motion for the extension of time for the availability of minutes pursuant to the Open Meetings Act. A motion was made, seconded and passed by a vote of seven in favor and none opposed (7-0) that the availability of minutes for this meeting be extended beyond the time frame and provided for under the Open Meetings Act. Those members voting in favor were: Almeida, Gernt, Graziano, Hamel, Panichas, Quigley, Shire.

2. General Order of Business

The first item on the agenda was the presentation by Raymond Rusin, Chief, Office of Facilities Regulation, regarding the certification inspections. He stated that the Office of Facilities Regulation is responsible for state licensing and is the designated state survey agency for Medicare and Medicaid. He noted certification is voluntary. He stated that licensure comes first and then certification can be requested. He stated that because federal money is not sufficient to cover the scope of work, CMS has put out a four tier list of workload priorities. Initial certification is listed in tier four. He stated that the workload for 2008 does not include any initial certification for Medicare and Medicaid because there will be no reimbursement. He stated that nursing homes, unlike other entities, are not eligible for accreditation to bypass the certification process. He noted that an applicant can petition CMS for additional funding to the state so that a certification could occur.

Mr. Roush, principal of Radius Ninety-Nine Operating, LLC, stated that he had discussions with the regional CMS office. He stated that he was encouraged to proceed with the application and was told that there are mechanisms in place to request certification. He stated that because this is an already licensed

building it would not be onerous to certify it and that the applicant has a good compliance record. Mr. Roush stated that it is many months before the facility would operate; there is plenty of lead-time to resolve this issue and perform initial certification.

The next item on the agenda was the application of **Radius Ninety-Nine Operating, LLC** for a change in effective control of Hillside Health Center, a 165-bed nursing home, located at 99 Hillside Avenue in Providence.

Ms. Almeida noted for the record that she is recusing herself with regards to this application.

Mr. Zubiago, legal counsel to the applicant, reviewed the responses to follow up questions. To staff's question, Mr. Zubiago stated that Sims, the equity contributor, has no issues with the certification situation. Staff asked the applicant to explain Class B Trigger event and demonstrate the applicant's commitment to this nursing facility. The applicant responded that the Class B member is an affiliate of Sims. Sims has an ownership interest in this investment and Class B Trigger event would provide Sims with certain rights. Mr. Gernt asked the applicant if Sims and the bank are aware of the issues about certification that the applicant is facing. The applicant stated that they will provide written documentation from SIMS and the bank stating that they are aware of the issue and will go forward.

A motion was made, seconded and passed by a vote of six in favor, none opposed, and one recusal (6-0-1) to recommend that the application be approved subject to the conditions of approval. Those members voting in favor of the motion were: Gernt, Graziano, Hamel, Panichas, Quigley, Shire. Those members recusing were: Almeida.

The next item on the agenda was the application of **EPOCH on Blackstone Boulevard, LLC, Epoch Senior Living, LLC and EPOCH Holdings, LLC** for a change in effective control of EPOCH Senior Healthcare on Blackstone Boulevard a 55-bed nursing facility at 353 Blackstone Boulevard in Providence.

Discussion ensued regarding the master lease and impact of default in other states on the facilities in Rhode Island. In order to provide a level of protection for the Rhode Island facilities, the Committee recommended and the applicant agreed to enter into a two-year \$500,000 escrow agreement with the state agency to be used to avert an event of default or a catastrophic event of default at any of the Epoch facilities in Rhode Island and Massachusetts.

A motion was made, seconded and passed by a vote of five in favor and none opposed (5-0) to recommend that the application be approved subject to the conditions of approval. Those members voting in favor were: Gernt, Graziano, Panichas, Quigley, Shire.

There being no further business the meeting was adjourned at 4:33 PM.

Respectfully submitted,

Valentina D. Adamova, MBA  
Health Economics Specialist