

**MINUTES OF THE MEETING
HEALTH SERVICES COUNCIL**

DATE: 30 January 2007 TIME: 2:30 PM

LOCATION: Health Policy Forum

ATTENDANCE:

Council: Present: Victoria Almeida, Esq. (Vice Chair), Edward F. Almon, Joseph V. Centofanti, M.D., Raymond C. Coia, Esq., Wallace Gernt, Sen. Catherine E. Graziano, R.N, PhD, John Keimig, Amy Lapierre, Denise Panichas, Robert J. Quigley, DC, (Chair), Robert Ricci, Larry Ross, Reverend David Shire (Secretary)

Not Present: Rosemary Booth Gallogly, Maria R. Gil

Excused Absence: John W. Flynn, Robert S.L. Kinder, M.D., Robert Whiteside

Staff: Valentina Adamova, Michael K. Dexter, Joseph G. Miller, Esq., Jessica Chaput (Intern)

Public: (Attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms, Time Extension for the Minutes Availability and Establishment of the Nominating Committee of the Health Services Council.

The meeting was called to order at 2:35 PM. Minutes of the 12 December 2006 meeting of the Health Services Council were approved as submitted. 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 twelve in favor and none opposed (12-0) 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, Centofanti, Coia, Gernt, Graziano, Lapierre, Panichas, Quigley, Ricci, Ross, Shire. The Chairman appointed the members who would serve on the Nominating Committee of the Health Services Council as: Edward F. Almon, Catherine E. Graziano, Larry Ross, with Mr. Ross being appointed as Chair of the Nominating Committee.

2. General Order of Business

The first item on the agenda was Addendum II to the Report of the Health Services Council on the Application of Rhode Island Hospital to construct a new building and replace Davol Emergency

Department. Staff summarized committee deliberations on this matter.

Discussion ensued regarding the impact of the cost overrun on the originally approved debt level for the project. The applicant stated that this does not increase debt. Ms. Panichas wanted to get more information on Rhode Island Hospital's facility master plan. Staff requested that an executive summary of the master plan be provided. The applicant agreed and noted that the master plan is mostly concerned with land use issues and would not necessarily address CON projects in the future.

A motion was made, seconded and passed by a vote of thirteen in favor, none opposed (13-0) to recommend that the application be approved. Those members voting in favor of the motion were: Almeida, Almon, Centofanti, Coia, Gernt, Graziano, Keimig, Lapierre, Panichas, Quigley, Ricci, Ross, Shire.

The next item on the agenda was the Report of the Committee of the Health Services on the application of PSPIB, RRR and CPL (South County Nursing) LLC for a Change in Effective Control of South County Nursing and Subacute Center, Inc. in North Kingstown and PSPIB, RRR and CPL (Heatherwood) LLC for a Change in Effective Control of Heatherwood Nursing and Subacute Center, Inc. in Newport. Staff summarized committee deliberations on this matter.

Staff noted that

Mr. Zubiago, legal counsel to the applicant, summarized the proposed acquisition and discussed the proposed owner PSPIB, a Canadian Investment Fund. Per regulatory requirement, the applicant provided the proposed unencumbered line of credit agreement of \$1,000,000 in place by RRR for each facility to satisfy the 30-day working capital requirement. The applicant noted that the proposal is financed 20% with equity and that \$9 million of the debt is HUD mortgage. Staff noted that the unencumbered line of credit will be incorporated into implementation.

A motion was made, seconded and passed by a vote of thirteen in favor, none opposed (13-0) to recommend that the application be approved. Those members voting in favor of the motion were: Almeida, Almon, Centofanti, Coia, Gernt, Graziano, Keimig, Lapierre, Panichas, Quigley, Ricci, Ross, Shire.

The next item on the agenda was the Report of the Committee of the Health Services on the application of DSI Renal, Inc. and DSI Holding Company, Inc. [Diversified Specialty Institutes, Inc. and Centre Partners IV, LLC] for change in effective control of two kidney dialysis facilities: BMA Providence at 40 Hemingway Drive in East Providence and BMA North Providence at 1635 Mineral Spring Avenue in North Providence. Staff summarized committee deliberations on this matter.

Staff noted that it handed out applicant's policies and procedures for dealing with disruptive patients.

To a question regarding charity care, the applicant stated that charity care is provided to those up to 100% of Federal Poverty Level. The applicant noted that partial charity care is available on a case-by-case basis. The applicant further noted that they would provide services to all patients without discrimination, including payment source and ability to pay.

A motion was made, seconded and passed by a vote of thirteen in favor, none opposed (13-0) to recommend that the application be approved. Those members voting in favor of the motion were: Almeida, Almon, Centofanti, Coia, Gernt, Graziano, Keimig, Lapierre, Panichas, Quigley, Ricci, Ross, Shire

3. Adjournment

There being no further business the meeting was adjourned at 3:15 PM.

Respectfully submitted,

Valentina D. Adamova