

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

**DATE: 15 February 2007**

**TIME: 2:30 PM**

**LOCATION: Health Policy Forum**

**ATTENDANCE:**

**Committee I: Present: Victoria Almeida, Esq., (Vice Chair), Raymond C. Coia, Catherine Graziano, Denise Panichas, Robert J. Quigley, DC, (Chair), Larry Ross, Reverend David Shire**

**Not Present: Rosemary Booth Gallogly**

**Excused Absence: Wallace Gernt, Maria Gil**

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

**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 2:50 PM. The Chairman noted that conflict of interest forms are available to any member who may have a conflict. Mr. Coia noted a correction to the attendance for the 26 October 2006 Project Review Committee-II minutes. Minutes of the 26 October 2006 Project Review Committee-II were approved as amended. 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 six in favor and none opposed (6-0) 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, Coia, Graziano, Quigley, Ross, Shire.**

## **2. General Order of Business**

**The first item on the agenda was the application of Tockwotton Home for a Certificate of Need to replace an existing 42-bed nursing home located at 75 East Street in Providence by constructing a 52-bed replacement facility at Waterfront Drive in East Providence.**

**Virginia Burke, legal counsel to the applicant, made a presentation to the Committee. She noted that one of the main reasons for this application is that Tockwotton has been consistently losing money**

because of their set-up that consists of 21 rooms on 2 floors. To relocate and rebuild is the best option. The third floor of the proposed facility will be the skilled nursing facility. The proposal would add 10-beds which the applicant expects to fill as people are currently turned down for admission due to lack of space.

Ms. Burke noted that the new facility's operations will involve the culture change model. The facility will have single-bed rooms that will increase the quality of life. The new facility will have kitchens and living rooms, with patients being able to wake up and eat when they choose. It will be a more patient-centric culture.

To the question regarding increase in the private-pay patients and decrease in the Medicaid patients, the applicant responded that they are not decreasing the number of Medicaid days but are increasing the number of self-pay days.

Staff asked the applicant how they plan to increase the number of their self-pay patients. The applicant responded that they currently turn down 10-12 patients a month and these are typically self-pay patients.

Staff asked the applicant about fair-market reimbursement for Medicaid, saying that they are capped off at a cost of \$70,000/bed, however the project will increase the cost to \$200,000/bed. The applicant responded that they will have money from the sale of the

existing building and overall they will have a higher revenue/capital than they have today. Staff further noted that the cost of this project is roughly \$40 million and wanted to know whether the applicant expects to fill the assisted-living part. The applicant stated that there is a substantial lack of assisted-living special care units in Rhode Island, and that the assisted living revenue will be necessary to make the project affordable.

To the question regarding special needs patients, the applicant responded that the Alzheimer's patients will be located on the second floor and it will also be fully self-contained due to the new set-up. A question was raised about the applicant's previous zoning issues. The applicant responded that they have resolved all of their issues. To the question regarding the proposed \$30 million tax-exempt debt financing, the applicant stated that they have been meeting with different bond underwriters who are interested.

Staff requested that the applicant delineate all of the proposed culture changes in writing. The Chairman noted that the applicant would receive follow-up questions.

The next item on the agenda were the applications of Wayland Square Surgicare Acquisition L.P. [Wayland Square Surgicare, Inc. and Surgery Center Holding Corporation] for a change in effective control of Wayland Square Surgicare a freestanding ambulatory surgery

**center at 17 Seekonk Street in Providence and Blackstone Valley Surgicare Acquisition L.P. [Blackstone Valley Surgicare, Inc. and Surgery Center Holding Corporation] for a change in effective control of Blackstone Valley Surgicare, a freestanding ambulatory center at 1526 Atwood Avenue in Johnston.**

**Ms. Almeida noted for the record her recusal from each of the applications.**

**Patricia Rocha, legal counsel to the applicant, stated that the proposal is to change the form of the entities to a partnership. The reason is to remain competitive in the market place and because of double-taxation at the corporate level. If approved, the physicians will be able to obtain ownership-interest.**

**Staff requested data with regards to volumes at both facilities. Staff asked the applicant about their charity care policy and the \$100,000 settlement. The applicant stated that they maintain the agreement and adhere to this settlement. The applicant has entered into a contract with the Free Clinic of Rhode Island to provide up to five free procedures per month. Charity care data was requested for Blackstone facility.**

**A member of the Committee asked the applicant regarding the charity care obligations of the doctors and to provide an answer in writing.**

**The Chairman asked the applicant if they would be willing to provide help in the case of a disaster. The applicant responded that as a part of their accreditation, they would be in any supported role that the community would want them.**

**It was requested that the applicant bring physicians to the next meeting.**

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

**Respectfully submitted,**

**Valentina D. Adamova**