

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

**DATE: 8 May 2007**

**TIME: 2:30 PM**

**LOCATION: Health Policy Forum**

**ATTENDANCE:**

**Committee I: Present: Victoria Almeida, Esq., (Vice Chair), Edward F. Almon, John Flynn, John Keimig, Robert Kinder, M.D., Amy Lapierre, Thomas M. Madden, Esq., Robert Quigely (Chair)**

**Not Present: Joseph Centofanti, M.D., Robert Ricci, Robert Whiteside**

**Other Members: Present: Larry Ross**

**Staff: Valentina D. Adamova, Michael K. Dexter, Joseph G. Miller, Esq., Donald C. Williams**

**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 2:40 PM. The Chairman noted the conflict of interest forms are available to any member who may have a conflict. Minutes of the 24 April 2007 Project Review Committee-meeting were approved. 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 eight in favor and none opposed (8-0) 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, Keimig, Kinder, Lapierre, Madden, Quigley.**

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

**The first item on the agenda was the application of Bradley Hospital for a Certificate of Need for new construction of a two story addition on the west side of the existing Laufer Building to accommodate the hospital's 60 licensed inpatient acute care beds and expansion of outpatient programs. Staff distributed written advisories received from Department of Mental Health, Retardation and Hospital and the Division of Family Health and comments received from Washington County Coalition for Children. Staff noted that Dr. Hollinshead from Family Health will make a presentation to the Committee at the next meeting of 15 May 2007.**

**Mr. Wall, President of Bradley Hospital, reviewed the applicant's responses to follow up questions. He noted that at any point there are about 300-500 patients utilizing outpatient services. With regards to questions about 'wrap around' services, he stated that Bradley is collaborating with Hasboro and Gateway to create services at Rhode Island Hospital in order to avoid hospitalization by providing crisis intervention.**

**Mr. Madden noted concern over the cost per bed. Mr. Wall distributed a handout comparing Bradley's costs to other projects in the country.**

**Mr. Ross noted concerns over the contingency costs which represented 20% of construction costs. He requested that additional information be provided from the architects about what constitutes that amount.**

**Mr. Wall noted that Bradley Hospital's pediatric partial hospitalization program was recognized in article in Newsweek magazine in 2006.**

**Mr. Flynn noted DCYF's report that 80% of DCFY's budget goes towards services for children. Mr. Wall noted that providers need to be reimbursed for therapeutic home services. He noted that the proposal would include 60 private bed rooms but would allow the hospital to flex up to 72 beds by doubling up. He presented data**

regarding the number of border days and noted that there are dips in the summer months. He stated the proposal would increase the number of beds dedicated to adolescents by 8, and the number of borders should decline.

There was discussion regarding the low levels of charity care provided by Bradley. Mr. Wall stated that patients without insurance who cannot get coverage by Rite Care would fill out a free care application.

Mr. Wall noted that Bradley would be publishing a 'Comprehensive Child Mental Health Services Guide' which would be provided to the Committee.

Mr. Ross noted his concern regarding the 7% interest rate, and that capitalized interest did not include income earned. The applicant stated that they would review the data provided.

The next item on the agenda was the application of FC-Gen Investment, LLC for a change in effective control of Grand Islander Center, Kent Regency Center and Grandview Center (each presently wholly-owned subsidiaries of Genesis Healthcare Corporation).

Mr. Goulet, legal counsel to the applicant, introduced representatives of the applicant. Mr. Sertich, with Formation Capital, described the

**stock acquisition. He noted that changes would occur at the investor and Board level. He noted that the total acquisition price is approximately \$1.8 billion with \$400 million in cash equity and the rest in debt.**

**The Chairman requested that information regarding the value of the facilities be provided. He further requested that some type of an allocation of the purchase price be made. The applicant noted that each facility will be appraised**

**Staff requested that the applicant identify any renovations plans with regards to Grandview facility and the applicant stated that more information would be provided. Staff noted the issue of commitment.**

**The Chairman noted that the concern of the Committee is with the patients and employees of these facilities.**

**The applicant noted that it will be in compliance with Section 5.8 of the nursing facility rules and regulations with unencumbered lines of credit as follows: \$970,000 Grand Islander Center, \$1,200,000 Kent Regency Center, and \$950,000 Grandview Center.**

**Staff noted that the comment period for this application expires on 14 June 2007 and that the closing date for the transaction is scheduled for 1 July 2007.**

**There being no further business the meeting was adjourned at 4:45 PM.**

**Respectfully submitted,**

**Valentina D. Adamova**