

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

DATE: 20 September 2007

TIME: 2:30 PM

**LOCATION: Conference Room C
Department of Administration**

ATTENDANCE:

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

Not Present: Rosemary Booth Gallogly, Maria Gil

Excused Absences: Gary J. Gaube

Staff: Valentina 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 eight in favor and none opposed (8-0) 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, Coia, Gernt, Graziano, Hamel, Panichas, Quigley, Shire

2. General Order of Business

Ms. Almeida noted for the record that she is recusing herself with regards to the application of ASC Acquisition, LLC for change in effective control of Wayland Square Surgicare a freestanding ambulatory surgery center at 17 Seekonk Street in Providence and Blackstone Valley Surgicare, a freestanding ambulatory surgery center at 1526 Atwood Avenue in Johnston.

The first item on the agenda was the application of ASC Acquisition, LLC for change in effective control of Wayland Square Surgicare a freestanding ambulatory surgery center at 17 Seekonk Street in Providence and Blackstone Valley Surgicare, a freestanding ambulatory surgery center at 1526 Atwood Avenue in Johnston.

The applicant reviewed responses to follow-up questions. With regards to the status of approval from other states, the applicant noted that Connecticut has recently approved the transaction while Illinois has yet to approve this transaction. The applicant noted their commitment to charity care.

Mr. Gernt noted his concern regarding the acquisition because it is a venture capital operation and there are no contracts with the employees. The applicant stated that there is a very low chance of selling to another venture capital firm. There is an importance of having local people involved because of the continuity of care. Mr. Gernt stated that he would feel more comfortable if there was some response from the company in terms of continuity.

Ms. Panichas raised concern on the continuity of care. She stated that it is more of a public policy issue on healthcare than of staff's concern. She stated that everyone has to be held to the same set of rules so that everything is consistent.

Rev. Shire asked on behalf of the Committee that there be a continuation of reporting on free care..

The Committee requested that the applicant address the concerns regarding commitment to the local teams at the next meeting.

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.

The applicant summarized the proposal and stated that the proposed change in effective control is from legal investors to the management team. Nationwide Health Properties would own all the real estate after the transaction. The non-real estate assets of EPOCH after the transaction will be moved into to the new company. Mr. Gerber, President, would have majority ownership interest in the company.

Mr. Gerber noted that there will be no staffing changes. To a question, Mr. Gerber responded that there is a priority admission and transfer agreement between Laurelmead and Beechwood. Ms. Panichas noted that EPOCH is a community minded facility.

The applicant stated that there is working capital that is being contributed from the old company to the new company. All of the working capital, assets and current liabilities will be transferred over to the new company. From day one the new company will have significant assets of about \$20 million, excluding real estate.

Rev. Shire asked the applicant about culture change. The applicant

stated that they are a rehab sub-acute facility and are in the culture change process.

Staff noted that the applicant needs to demonstrate availability of sufficient resources to operate the nursing facility at licensed capacity for thirty days. Staff noted that they would review whether the proposed arrangement with GE meets the requirement. Staff stated that they will ask the applicant to clarify how equity contribution is calculated and infused. The applicant noted that the terms with GE have been amended and would provide a letter to that effect.

Ms. Panichas asked about charity care.

There being no further business the meeting was adjourned at 4:07 pm.

Respectfully submitted,

Valentina D. Adamova, MBA