

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

**DATE: 31 January 2008**

**TIME: 2:30 PM**

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

**ATTENDANCE:**

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

**Not Present: Rosemary Booth Gallogly**

**Excused Absence: Wallace Gernt, Robert Hamel**

**Staff: Valentina Adamova, Loreen Angel, Michael K. Dexter, Robert Marshall, PhD, 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 2:39 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 six in favor and none opposed (6-0) that the availability of minutes for this meeting be extended beyond the time frame as provided for under the Open Meetings Act. Those members voting in favor were: Almeida, Coia, Gaube, Graziano, Quigley, Shire.**

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

**The first item on the agenda were the applications of Radiation Therapy Investments, LLC [majority owner Vestar Capital Partners V, LP] for a change in effective control of Radiation Therapy Services, Inc. and its affiliates South County Radiation Therapy, LLC, Southern New England Regional Cancer Center, LLC and Roger Williams Radiation Therapy, LLC.**

**Staff summarized the application and noted that the applicant responded to follow up questions. Mr. Zubiago, legal counsel to the applicant, reviewed the responses. In response to a staff question regarding Vestar control over the Boards of Managers of the three**

facilities and whether Vestar could change the Boards, the applicant responded that Vestar alone does not have control. The clauses in the agreements regarding establishment of the Boards in each of the three facilities are different. The applicant represented that the Boards would remain the same, as would management of the three facilities. Staff inquired if RTSI previously received the 15-20% return on investment, which is being projected. The applicant responded that this was an expectation but not a guarantee.

Rev. Shire asked about the handling of patients who lacked insurance or the ability to pay. The applicant responded that they intend to expand the SNERCC outreach policy to apply to the other two facilities. Ms. Panichas asked if the applicant would extend the charity care reporting requirement to patients receiving cancer chemotherapy, surgery, as well as radiation therapy. The applicant agreed, provided the associated hospitals agree to participate. The applicant stated that they would report back at the next meeting.

Mr. Gaube noted for the record that he is recusing himself with regards to the application of Radiation Therapy Investments, LLC.

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 with the conditions of approval. Those members voting in favor were: Almeida, Coia, Graziano, Panichas, Quigley, Shire. Gaube recused.

The next item on the agenda were the applications of Symbol Acquisition Corp. [majority owners Crestview Symbion Holdings, LLC, and Northwestern Mutual Life] for a change in effective control of Symbion, Inc. and its affiliate Bayside Endoscopy Center, LLC, (“Bayside”) which operates a free standing ambulatory surgical center facility in Providence and a freestanding ambulatory surgical center facility in East Greenwich.

Mr. Zubiago, legal counsel to the applicant, introduced the representatives of the applicant and gave an overview of the project. He explained that the acquisition has already occurred. He noted that Bayside received a CON in 2004 permitting it to establish the East Greenwich facility. Mr. Zubiago noted that the applicant has entered into a divestiture agreement with the Department, which would require the applicant to sell the Rhode Island facilities if it doesn’t receive approval.

The Chair asked if there were any problems at the new facility in East Greenwich. The applicant responded that it is fully accredited by JCAHO, with no substantial problems. Rev. Shire requested compliance forms from the other states where facilities were located. The Chair asked about “virtual colonoscopy”. The applicant responded the he was not aware of any currently being done in Symbion facilities and that virtual colonoscopy required a second

**procedure if polyps were found.**

**Ms. Panichas requested charity care reporting for the Providence facility. The applicant agreed to provide the data. The Chair noted that the applicant will receive follow up questions.**

**The next item on the agenda was the application of CarePoint Partners, LLC for a change in effective control of Clinical IV Networks Holding, LLC and its subsidiary Clinical IV Network, LLC a Home Nursing Care Provider Agency at 15 Hazel St. in Pawtucket.**

**Staff noted that the proposal is an acquisition by a private equity firm. Ms. Rocha, legal counsel to the applicant, introduced representatives of the applicant. The applicant handed out and reviewed the organization chart and explained that this was a management-led, equity backed acquisition. The transaction closed on 31 December 2007. The Rhode Island based agency provides IV (intravenous) services, pharmacy support, prescription medications, billing and other administrative services to people treated with IV therapy at home (not in nursing homes or other facilities) under the orders and supervision of a physician. Staffing includes 2 full time RNs and 18 other RNs working on a per diem basis.**

**Rev. Shire asked about the referral system. The applicant responded that referrals come from hospitals, physicians and clinics or inquiries**

by families and patients themselves. The service visits and assesses the situations and then teaches the patient (or family) to manage IV therapy at home with RN oversight. Staff assists by monitoring the situation and reports back to the physician. Sen. Graziano asked about the pharmacy processes involved. The applicant responded that almost all of the IV medications are compounded by the company's pharmacists. Services cost about \$50 per nursing visit (range \$50-\$80) with IV medications ranging from just a few dollars to thousands for the most expensive drugs. The applicant stated that the company has the ability to expand services to more clients, but that not all government or commercial insurance plans cover home infusion therapy the same. Ms. Panichas asked about charity care. The applicant responded that the service is statewide and provides about 2% charity care—but that many charity care services go unreported or undocumented. Staff noted that home nursing care providers have a 1% uncompensated care standard.

Staff asked for clarification of the Helen Reid party named in the Stock and Membership Interest Purchase Agreement. The applicant replied that University Surgical Associates, Inc. (USA) was previously required to divest the for-profit pharmacy aspect of its operation; this became the Helen Reid component of the operation. Staff requested that the applicant re-label the organization chart handout to clearly identify all the parties and their relationships to the proposed CEC. Staff asked the applicant's legal counsel whether this transaction was subject to a review by the Attorney General. Ms.

**Rocha replied that it was not.**

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

**Respectfully submitted,**

**Robert Marshall, PhD.**