

Minutes of Meeting
Health Services Council
Project Review Committee-II

DATE: 27 May 2010

TIME: 2:30 PM

LOCATION: Conference Room 401

ATTENDANCE:

Name	Present	Absent	Excused
Committee-II			
Victoria Almeida, Esq. (Vice Chair)			X
Raymond C. Coia, Esq.			X
Joseph L. Dowling, MD	X		
Gary J. Gaube			X
Maria R. Gil	X		
Catherine E. Graziano, RN, PhD			X
Robert Hamel, RN	X		
Daniel Orgel, MPA	X		
Denise Panichas	X		
Robert Quigley, DC (Chairman)	X		
Reverend David Shire (Secretary)	X		

Staff: Valentina Adamova, MBA, Michael K. Dexter, MPA, Joseph G. Miller, Esq., Michael Varadian, JD, MBA

Public: (Attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and Extension for the Minutes Availability

The meeting was called to order at 2:30 PM. The Chair noted that conflict of interest forms are available to any member who may have a conflict. A motion was made, seconded and passed by a vote of five in favor and none opposed (5-0) 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: Dowling, Orgel, Panichas, Quigley, Shire.

2. General Order of Business

The first item on the agenda was the application of **Rhode Island Home Care, Inc.** for initial licensure as a Home Nursing Care Provider Agency at 222 Reservoir Avenue in Providence. Staff reviewed the information mailed for this application which included responses to follow up questions, business plan, and the IRS filing for 501(c)(3) exemption.

In response to an inquiry from the Chair, the applicant identified foreign languages in which services can be provided. Staff requested that the applicant identify the positions and relationships to the applicant of those people who speak foreign languages. Ms. Kulik stated that she speaks Spanish, Russian and Polish and, upon questioning, stated that she would go into a client's home to translate and would be available over the phone. She noted that one of the consultants speaks French and a nurse speaks Spanish.

Ms. Kulik discussed availability of charity care services. Rev. Shire asked which grants the applicant has already received. Ms. Kulik stated that a request for \$40,000 has been filed. She noted that for fiscal year 2010 the applicant has identified \$100,000 worth of grants. Rev. Shire noted his concern regarding whether the applicant would get those grants. The Chair noted that it's not very easy to get grants right now and that, there is very little to no money out there. He suggested that the applicant assess this better in consideration of the level of salary the applicant is proposing. He noted that the applicant will be required to provide charity care. The applicant noted that the financial projections in the application did not include fundraising and corporate donations. The Chair inquired as to how the applicant has evaluated the feasibility of getting these grants. The applicant noted that any gaps in grants will be made up for by fundraising, donations, and corporate solicitations. Rev. Shire stated that he makes a lot of donations and questioned as why would he want to make a donation to this organization as opposed to the VNA and Hospice Care. The applicant cited a need for home care services. Rev. Shire stated that this need can also be filled by for-profit home care companies. The applicant cited the diversion of patients to home care services and that there will be plenty of clients. Rev. Shire stated that he needs more information on this issue.

The applicant noted that there is also an educational component to this proposal which will qualify for grants, like the Champlain Foundation that would fund the equipment. Rev. Shire stated that there is very specific criteria for grants and grants don't fund operating budgets. The applicant noted that they would provide electrical stimulation for wound care and the equipment would be covered by grants. Rev. Shire and Mr. Dowling questioned as to how this is research if this is an approved procedure. The Chair requested more information regarding the IRB process.

To the question as to how funds would be treated if the agency closes, the applicant noted that any funds would be donated to another non-profit agency.

Ms. Panichas stated that the therapy treatment proposed isn't identified in the IRS filing. The applicant stated that IRS did not request this information. To questions about fundraising, the applicant stated that they have identified a fundraiser. The Chair requested that the applicant provide a statement from the fundraiser. Ms. Panichas stated that the applicant has to be registered with the Department of Business Regulation if they hire a fundraiser.

Ms. Panichas says she doesn't see how the applicant would be eligible for the grants they propose. She noted that Champlain Foundation, and others, have very high standards. She stated that the applicant may want to plan a budget not including the grants as it may take the applicant several times of applying before getting a grant. Ms. Panichas noted that she has never seen a model where a paid CEO is also the Chair of the Board of Directors. She noted that charities have to create a line in the sand between people who administer the money and the people who

are fiscally responsible. She noted that RI has very strict laws about transparency. She believes it would be very hard to fundraise with this model. The Chair requested that the applicant review this with its fundraiser.

Staff questioned the involvement of Ms. Kulik's two children as Board Members of the applicant. Ms. Kulik stated that they were submitted as original Board Members but currently they have no role with the agency. Ms. Panichas questioned whether the applicant's By-Laws state that family members cannot be members of the Board of Directors. Ms. Kulik stated that anyone can be a Board Member. Ms. Panichas stated that most non-profit By-Laws have limits on family members.

Ms. Panichas stated that Ms. Kulik doesn't have experience running a non-profit company and is proposing to do things as a start up organization that doesn't compare to anything that has been seen before. Ms. Panichas questioned the model and whether it's doable as proposed. Ms. Kulik stated that she will review this with her consultant. Ms. Panichas stated that she thinks the proposed grants are unrealistic. She stated that the applicant may want to consider getting letters of support from proposed partners.

Staff questioned the charity care projections proposed. The applicant indicated that charity care projections would be revised to 5%. Based on comments from the Chair, the applicant indicated that they will work with community health centers with regards to offering charity care services.

Ms. Panichas noted that it's impossible to offer all services at the same time without phasing services in. Ms. Panichas noted having a strategic plan. She noted that the IRS will go after the Board of Directors if the agency owes the IRS money. Ms. Kulik stated that she is aware of that and is looking for an insurance policy to cover the Board Members. The Chair requested that the applicant provide a phase in plan for the proposed services.

The next item on the agenda was the application of **BGM Enterprises, LLC d/b/a Comfort Keepers** for initial licensure as a Home Care Provider Agency at 651 Putnam Pike in Greenville.

Mr. Weber, President of the applicant, introduced himself and his team. He discussed the proposal. Staff noted that the comment period runs through June 10th on this application.

With regards to accreditation, the applicant agreed to apply for accreditation.

The next item on the agenda was the application of **Scovin Home Care, LLC d/b/a Visiting Angels** for initial licensure as a Home Care Provider Agency at 68 Cumberland Street in Woonsocket.

The applicant discussed the proposal and noted that there is one other Visiting Angels franchise currently operating in RI.

Staff requested that the applicant provide organizational documents for the parent company, Scovin Interests, LLC.

There being no further business, the meeting was adjourned at 5:00 PM.

Respectfully submitted,

Valentina D. Adamova, MBA
Health Economics Specialist