

Minutes of Meeting
Health Services Council
Project Review Committee-II

DATE: 18 November 2010

TIME: 2:30 PM

LOCATION: Conference Room 401

ATTENDANCE:

Name	Present	Absent	Excused
Committee-II			
Victoria Almeida, Esq. (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		
Reverend David Shire (Secretary)	X		

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

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. Minutes of the Project Review Committee-II meetings of 9 September 2010, 16 September 2010, 14 October 2010 and 4 November 2010 were adopted as submitted. 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: Almeida, Dowling, Gaube, Gil, Shire.

2. General Order of Business

The first item on the agenda was the application of **Post Acute Partners, LLC** [Warren Cole - 50%, & Jeff Rubin - 50%] for change in effective control of Scallop Shell Nursing and Rehabilitation Center, Inc. a 72-bed nursing facility at 981 Kings Town Road in Wakefield. Staff noted the advisory from the Office of Facilities Regulations which stated that Scallop Shell Nursing and Rehabilitation Center has a proven track record of providing quality care to its residents.

Mr. Zubiago, legal counsel to the applicant, and the principals of the applicant reviewed responses to follow up questions. Mr. Zubiago addressed civil monetary penalties imposed against some of the nursing facilities in the past (due to deficiencies dating back to former operators). The principals noted that in the past they took over nursing facilities, in which they were the landlord, due to bankruptcies of the operator. The principals and their legal counsel discussed the challenges in taking over operations of distressed nursing facilities whose operations are compromised by bankruptcy of its prior operator, resulting in long term operational dynamics that manifest themselves in the survey process. The principals and their legal counsel noted that neglect of the nursing facilities results in deterioration in staff morale, integrity and professionalism resulting in administrative and resident care deficiencies due to lack of proper staff training in basic policies and procedures. The principals and their legal counsel noted that many of the deficiencies arose as a result of capital neglect of nursing facilities by previous operators. In responses, it was identified that \$1.5 million had to be invested into just one of such nursing facilities. The principals stated that they felt that they were part of the solution and strong advocates for quality improvements. Dr. Rubin noted his clinical background and provided examples of facilities whose operations have improved. The principals noted that they care about providing quality services and that's why they formed their new company (the applicant) and are proposing to acquire Scallop Shell which is a 5-star facility.

The Vice Chair suggested that the applicant may want to consider having a Chaplin at the nursing facility.

A motion was made by Dr. Dowling, seconded by Ms. Gil and passed by a vote of seven in favor and none opposed (7-0) to recommend that the application be approved subject to the conditions of approval. Those members voting in favor included: Almeida, Dowling, Gaube, Gil, Orgel, Panichas, Shire.

The next item on the agenda was the application of **FC-GEN Operations Investments, LLC** [FC Investors XI, LLC (42%), JER GAZ-1, LLC (44%) and JER GAZ-2, LLC (14%)] for change in effective control of 660 Commonwealth Operations, LLC d/b/a Kent Regency Center a 153-bed nursing facility in Warwick, 100 Chambers Street Operations, LLC d/b/a Grandview Center, a 72-bed nursing facility in Cumberland and 333 Green End Operations, LLC d/b/a Grand Islander Center a 148-bed nursing facility in Middletown. Staff noted the advisory from the Office of Facilities Regulations which stated that Kent Regency, Grandview and Grand Islander nursing homes continue to have positive results in complying with State/Federal requirements.

Mr. Goulet, legal counsel to the applicant, reviewed responses to follow up questions. He noted that four former Haven nursing facilities are managed by a subsidiary of the applicant.

Kathleen Heren, Executive Director of the Alliance for Better Long Term Care and the State of Rhode Island Ombudsman, stated the former Haven facilities have improved under the management of Genesis. She further noted that Grand Islander, Kent Regency and Grandview are well run facilities and provide good care.

A motion was made by Rev. Shire, seconded by Dr. Dowling and passed by a vote of seven in favor and none opposed (7-0) to recommend that the application be approved subject to the conditions of approval. Those members voting in favor included: Almeida, Dowling, Gaube, Gil, Orgel, Panichas, Shire.

The next item on the agenda was the application of **Gentiva Health Services, Inc.** for change in effective control of Odyssey Healthcare, Inc. and its subsidiary Odyssey HealthCare Operating B, LP d/b/a Odyssey Hospice a Hospice Care Provider Agency in Warwick.

Ms. DeBlasio, legal counsel to the applicant, reviewed the application. Ms. Panichas requested that the applicant provide the marketing packets provided to prospective clients. Committee members questioned the applicant regarding its track record and the track record of the RI facility. The Committee members raised questions regarding the article “Alabama Man Awarded \$2.65 million in health care lawsuit”. The applicant reviewed the case. Rev. Shire noted his concern regarding the lack of employee tracking system. Ms. Panichas requested that the applicant provide their written policies on employee training and supervision process.

Kathleen Heren, Executive Director of the Alliance for Better Long Term Care and the State of Rhode Island Ombudsman, noted her general concerns with patients not being provided choice with regards to hospice companies. She then cited lawsuits and investigations against Gentiva. She stated that she has a problem with Gentiva coming into the state and that the state doesn't need an organization with this type of track record. She stated that she is against this proposal. Ms. Heren stated that she will submit comments in writing.

The applicant discussed its track record in other states.

There being no further business, the meeting was adjourned at 5:25 PM.

Respectfully submitted,

Valentina D. Adamova, MBA
Health Economics Specialist