

Minutes of Meeting  
Health Services Council  
Project Review Committee-II

DATE: 12 August 2010

TIME: 2:30 PM

LOCATION: Conference Room 401

ATTENDANCE:

| Name                                | Present | Absent | Excused |
|-------------------------------------|---------|--------|---------|
| <b>Committee-II</b>                 |         |        |         |
| 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. Minutes of 27 May 2010 Project Review Committee-II meeting were adopted as submitted. 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, Dowling, Gil, Graziano, Panichas, 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.

The Acting Chair, Ms. Almeida, granted permission to St. Jude Home Care, after determining there were no objections, to film the meeting.

Staff reviewed the information mailed and handed out for this meeting. Among the items reviewed was a letter from staff advising the applicant regarding the comment period and information regarding Toni DiCostanzo, the proposed administrator.

Gerard Goulet, Esq., appearing with the applicant, stated that the matter with St. Jude Home Care is bound in civil litigation. He stated that he recognizes that the comment period is co-terminus with the decision making process. He noted that the termination from Work Force Solutions is under appeal by the applicant. With regards to the e-mail from Mr. Rusin, Chief of the Office of Facilities Regulations, concerning the applicant's website, it was stated that the website has been taken down.

To questions regarding expiration of the Work Force Solution program, Ms. Kulik stated that it expires on September 30, 2010 but it may be continued.

Mr. Goulet noted that, in the face of the discussions, the applicant has elected to file for registration as a charitable organization with the Department of Business Regulations (DBR). Staff noted that in responses to follow up questions, it was stated that the applicant was already registered. Mr. Goulet clarified that in fact the applicant only filed for registration.

Staff questioned the purpose of the establishment of RI Companion Services by Ms. Kulik. Ms. Kulik stated that this company was created to provide homemaker services and to obtain Medical Assistance ID billing number in a entity that does not require health care licensure. Mr. Goulet noted that however the Medical Assistance rules require provision of homemaker and personal care services. He stated that RI Companion Services was operating on a separate path to try to get a Medicare number under the false or mistaken impression that they could get a Medicaid number for just doing homemaking services.

Mr. Goulet stated that this review process has been going on since March and unfortunately, because of the approach of the applicant, they thought of this review process in a different way. The applicant operated on the basis of some misinformation, they thought they could get medical assistance dollars in connection with homemaker services.

Ms. Panichas raised questions regarding the financial model of the applicant. Staff noted that \$90,000 of the revenue projections are grants with regards to the American Recovery Act which based on the termination letters received are put into question. Staff noted that the funds expire on September 30, 2010 and the appeal process will take time. Staff noted that this development puts into question the financial projections of the applicant as originally presented in consideration of the new information on the record. Ms. Panichas noted that Work Force Solutions reimburses on a monthly basis and the appeal may go beyond the September 30, 2010 expiration. She suggested that the applicant revise the projections and not include this grant money. Mr. Goulet stated that the applicant will present alternative financial projections. Ms. Panichas stated that she is still not comfortable with this given her own knowledge of management of non-profit organizations. Rev. Shire noted his doubts regarding Champlin Foundation as a funding source given his own experience.

Ms. Panichas inquired whether the applicant has talked with their fundraising consultant regarding the issues previously brought up. Ms. Kulik stated that the fundraising consultant decided not to join the applicant as they are not licensed. Ms. Panichas questioned the applicant regarding Ms. Kulik holding the position of Chair of the Board. Ms. Kulik stated that she is no longer the Chair and that it is now Peter D'Amico. Ms. Panichas inquired as to what percentage of the applicant's budget will be used for administration. Ms. Kulik stated that she doesn't have those documents with her.

Ms. Panichas stated that per DBR rules, if an organization's income exceeds \$500,000, the organization will need to have an audit every year. Ms. Kulik stated that RI Home Care has a CPA. Ms. Panichas stated that this would need to be an independent audit. The person who does the applicant's books should not create the applicant's financial statements. She noted that she doesn't think the financial piece is viable yet.

Mr. Berkowitz, legal counsel to St. Jude Home Care, stated that Ms. Kulik was formerly employed by St. Jude Home Care. He questioned Ms. Pascale, owner of St. Jude Home Care. In her responses, Ms. Pascale stated that the RI Medicare audit was conducted by her and that Ms. Kulik was only involved in a very small way. She answered in the negative to statements as to whether Ms. Kulik drafted contracts for health insurance clients, developed policies and procedures for office administration and improved controls, and whether Ms. Kulik was the COO. She stated that Ms. Kulik was a marketer and independent contractor. Mr. Berkowitz submitted copies of bills for marketing services and a design of Ms. Kulik's business card which contained no job title. Ms. Pascale stated that Ms. DiCostanzo was a scheduler/receptionist, homemaker, and did not supervise anybody. Ms. Pascale stated that, prior to St. Jude, Ms. Kulik sold sub-prime mortgages. To Mr. Berkowitz questions as to Ms. Kulik's background in healthcare, Ms. Pascale replied that, as she stated in her letter, Ms. Kulik has not one scintilla of information. Ms. Pascale described the circumstance under which Ms. Kulik began working with billing Medicare and that she billed charts she was instructed not to bill. She then discussed her conversation with Ms. Kulik regarding Ms. Kulik's knowledge of the background of Mr. Keselica.

Mr. Berkowitz stated that Mr. Keselica, Director of Business Development for RIHC, has convictions in Virginia and Maryland and submitted various court documents into the record.

To the Acting Chair's questions, Ms. Kulik stated that she has a clear BCI check from Rhode Island for Mr. Keselica and that she met him a year ago.

To inquiry from the Acting Chair, Mr. Keselica stated that he is in fact the individual referred to in the court documents and that his role with the company is Director of Business Development, which includes writing grants. Ms. Panichas noted that this person has to be registered with DBR.

The next item on the agenda was the application of **Home Instead Home Care, Inc. d/b/a Home Instead Senior Care** for initial licensure as a Home Care Provider Agency at 7291 Post Road in North Kingstown.

The applicant reviewed responses to follow up questions which included a proposal to drop the 'd/b/a'. The applicant agreed to revise their incorporation documents with the Office of the Secretary of State to remove the d/b/a. Cathy Cranston who is the new Executive Director of RI Partnership for Home Care, made a statement to the Committee concerning the use of the franchise.

The Chair noted that a quorum has been lost and that this application will be rescheduled in 2 weeks.

There being no further business, the meeting was adjourned at 4:40 PM.

Respectfully submitted,

Valentina D. Adamova, MBA  
Health Economics Specialist