

Minutes of Meeting
Health Services Council
Project Review Committee-II

DATE: 30 September 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
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 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, Hamel, 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 identified the documents mailed and handed out which included a staff memo and various other correspondence and information. In regards to correspondence concerning the record, staff noted that it is up to the applicant to provide and update the record if they have new information that has not been previously made available to staff so that staff can then forward it to the

Committee. In regards to the review process, staff noted that the review process is established in the rules and regulations and the applicant has been before this Committee several times and the Committee has processed and reviewed the application in the same manner at each meeting, discussing issues and follow-up questions. Staff noted that the topic of the comment period was addressed in an August letter to the applicant and at the previous meeting of 12 August 2010 and has been well covered in the review. Staff listed the information enclosed with the staff memo and reviewed the bullet point information.

Ms. Kulik introduced Ms. Morgan and Mr. Keselica. Ms. Kulik reviewed responses to follow up questions. Ms. Kulik identified changes to the composition of the Board of Directors as of 14 July 2010 which included resignation of Ms. Kulik as a member of the Board and Chairman of the Board and Mr. D'Amico becoming Chairman of the Board. She noted that as of 10 August 2010, the originally proposed administrator Ms. DiCostanzo, is no longer with RIHC. She identified 3 proposed new board members. To questions, Ms. Kulik clarified that these individuals are not yet board members. She confirmed that currently there are only 4 actual board members. One of the proposed new board members was identified as the landlord of the property the applicant is currently leasing space from. To questions regarding another proposed board member who would be an advisor, Ms. Kulik stated that the proposed board member has a strong relationship with a non-profit corporation and sat on other boards. Staff noted for the record that the resume provided by the applicant for this proposed board member does not reflect any non-profit experience described. Ms. Kulik noted that Mr. Keselica introduced her to this proposed board member.

Ms. Kulik stated that she conducted online checks of the board members and that their names did not reveal that they have any criminal records. It was noted that a BCI check was conducted on Ms. Morgan but that no BCI checks were performed on any other board members. Staff noted that the information provided by RIHC to support clean background checks for all the members of the Board of Directors via the Adult Criminal Information Database website could not be relied upon to confirm a person's identity or a person's criminal record for any purpose. Ms. Kulik stated that she will request BCI checks on all the board members. The Chair noted that the Committee wants national criminal identification checks.

Ms. Kulik, in response to follow up questions, confirmed that Mr. Keselica is an advisor to RIHC in a volunteer capacity and was convicted of felony. Mr. Keselica stated that he is currently an advisor with his company Health Management Group providing consulting services in healthcare and grant writing. With regards to Mr. Keselica's positions with RIHC as Director of Business Development, he noted that he is a volunteer Director.

To the question regarding Ms. Kulik's length and type of employment at St. Jude, Ms. Kulik stated that she was Chief Operating Officer for a month. Staff noted for the record to the Committee that at the meeting of 12 August 2010, comments from St. Jude stated that it was Ms. Pascale who had the duties and responsibilities as the COO and invoices submitted show payments to Ms. Kulik for marketing consulting services. Staff noted that there is nothing in writing to reflect a COO position next to Ms. Kulik's name. Ms. Kulik stated that she has nothing in writing but that the amount of her salary reflects her position.

To the question regarding accuracy and consistency of Ms. Kulik's resume, Ms. Kulik clarified information regarding her resume. Ms. Kulik noted that she has a BA in accounting but is not a CPA. Ms. Kulik noted that she did not finish her master's degree. Staff questioned the applicant as to why the resume reflects the length of time of Ms. Kulik's serving as COO for St. Jude for more than one month. Ms. Kulik stated that the duties listed and length of time reflects her employment at St. Jude in other positions as well.

Ms. Kulik answered questions regarding the projected financing and grants. The Chair questioned Ms. Kulik regarding the projections of funds from Cranston Arc and Jobs Now Program. Ms. Kulik clarified that no monies have been received from either one of these sources. The Chair questioned the \$15,000 projections from the Jobs Now Program which expires today. Staff noted that the form letter provided by the applicant with regards to Jobs Now Program indicates only that it may be extended in the future, but this letter does not mention any money for RIHC. To questioning from staff, Ms. Kulik stated that she has a feeling that the invoices will be reimbursed but doesn't have anything in writing that the positions for which the invoices were submitted will be approved. Rev. Shire questioned the applicant regarding the grant from RI Foundation and noted that the RIHC is not serving any clients. Ms. Kulik noted that at the time of submission for the grant RIHC had clients.

Staff questioned whether a background check was performed on Mr. Keselica. Ms. Kulik answered no and that no national background checks were performed on any of the board members. The Chair questioned Mr. Keselica regarding his criminal record. Mr. Keselica stated that he has a criminal record in the state of Virginia and Maryland and further discussed it.

To staff question as to what happened to prior clients, Ms. Kulik stated that there are currently no clients and no more services are being provided.

There was discussion regarding the By-Laws of RIHC. It was noted that By-Laws provided are unsigned. Ms. Kulik clarified that it is the previous set of By-Laws that are currently in effect as these proposed ones have not yet been approved. To the question from staff, that was asked by a Committee member at a previous meeting, regarding what percentage of grants is estimated to be spent on administration and fundraising activities, Ms. Kulik stated that she didn't have that information. To questions regarding Mr. Lima, who is proposed to be involved with fundraising for the applicant, Ms. Kulik stated that he is not a registered fundraiser and she doesn't have his resume with her. The Committee further questioned the applicant regarding grants and donations received.

The Committee questioned Ms. Kulik regarding her position at St. Jude and the circumstance that led to her being fired. Ms. Kulik discussed compensation from St. Jude.

Ms. Kulik discussed what led her to form RIHC. To Committee's questions regarding the source of her patients, Ms. Kulik stated that she doesn't want to disclose the source. She said she met with the people in the community and she is still in touch with them.

To questions regarding statements from Coastway, Ms. Kulik noted her pending lawsuit against St. Jude. Staff noted that an e-mail from Mr. Hanrahan included statement from St. Jude that the

owner of St. Jude disputes this, this being the \$72,000 amount and reports that there was no way she could have withdrawn monies from someone else's bank account, plus the owner points out that commission payments would be a violation of the fraud statute.

The Chair stated that she just called the phone number for one of the prospective board members and noted that the phone number provided is for a different person.

Sen. Graziano questioned the accuracy of the information in the resume of the proposed Director of Nursing. Ms. Morgan clarified that she in fact has not completed her MSN and that the resume should state a 'c' for candidate in front of MSN. Ms. Morgan stated that she plans to transfer from URI but has not yet decided where to go. Sen. Graziano stated that Ms. Morgan may want to revise her resume as it is unclear. The Chair asked Sen. Graziano to clarify for everyone her own education background. Sen. Graziano stated that she two masters, one bachelor, and a PhD in Healthcare Administration and Nursing.

Ms. DiCostanzo, the former proposed administrator of RIHC stated that she resigned from RIHC and spoke in opposition to the application. She noted her concern over the fundraising efforts of Ms. Kulik and Mr. Keselica involving faxes for pediatric services to attorneys' and doctors' offices. She noted her concerns over the reputation of Ms. Kulik and Mr. Keselica. She stated that RIHC never held board meetings. She stated that she resigned.

Ms. Pascale, President of St. Jude, stated that Ms. Kulik presented nothing but lies. She said she will answer any questions of the Committee. She stated Ms. Kulik was only a marketer. She stated that the additional monies was an advance that Ms. Kulik requested. She stated that Ms. Kulik was never COO and that she was only the marketer.

Ms. Santiago, employee of St. Jude, stated that she was at that staff meeting and attested that no such announcement was made.

Kathleen Heren, Executive Director of the Alliance for Better Long Term Care and the State of Rhode Island Ombudsman made the following statements:

- One of the duties of the Ombudsman office is to advocate and mediate for people that receive long term care in facilities and also in home care.
- I was listening to the testimony from Grace Kulik, talking about having patients in the community that needed other kinds of services and that's why she went over to Mr. Hanrahan's office. If in fact Ms. Kulik was servicing individuals who needed home care, who had definite physical needs and she had any indication, I would think ethically you would take that, and you would call that into the Department of Health or you would go to somebody and try to get those patients services. You don't go and barter people as if they're your personal trading pieces.
- Also for the record I would like to say, Colin Hanrahan did not turn this information to staff, I did because that's my job. I thought the moment I received that information, something was wrong.
- It's my federal responsibility to protect these patients.

Ms. Heren also stated that she has referred this matter to various law enforcement agencies, including Attorney General, Medicare fraud unit, and FBI.

Ms. Kulik provided a response to Ms. DiCostanzo's statement which include that she disclosed the information about faxed donation requests in response to follow-up questions, where she listed \$100 donations made by Atty. Deluca & Weisenbaum, LTD and Columbus Credit Union. In response to Ms. Heren, Ms. Kulik stated that she doesn't feel she did anything wrong.

Rev. Shire stated that the Committee heard very conflicting information. Staff noted that the burden of proof is on the applicant to demonstrate that they've satisfactorily addressed the review criteria. Staff noted that in the event that there is conflicting information, the Committee has to go by what is presented, the burden is on the applicant to present their case to Committee in a convincing manner.

Sen. Graziano requested copies of the faxes that have been discussed. Ms. Kulik agreed. Ms Kulik stated that Ms. Pascale did not pay her an advance. The Chair stated that the Committee heard testimony, reviewed documents for months now and that she doesn't feel that getting copies of those faxes will add any clarity at this point.

The Chair stated that the burden of proof is on the applicant in convincing the Committee within the preponderance of the evidence as to whether this application should be granted. The Chair noted that the applicant is waiting for a vote, and that the Committee held meetings, reviewed documents, and heard public comments on this application. The Chair inquired as to whether the Committee is ready to vote on this application.

Mr. Hamel made a motion to recommend that the application be denied. He stated that based on the testimony heard by the Committee over the past several months, he doesn't feel like the applicant has the character, commitment, competence or standing in the community.

Ms. Gil seconded the motion to deny the application. She stated that from the beginning this application has changed after every meeting and it seems to change to what the Committee wants to hear. She stated that she is not comfortable at all for any of the frail, vulnerable patients that the applicant would be serving. She stated that she would never refer anyone to this agency. She stated that she would be worried about the applicant being out in the community.

Dr. Dowling stated that he concurs with what's just been said by other Committee members.

Sen. Graziano stated that she is troubled more by some of the materials before the Committee regarding pending lawsuits which refers back to the character of the people in here.

The Chair stated that she would concur with the comments of her colleagues and what she finds equally compelling is the testimony today of Kathleen Heren, and the fact that she had independently and out of a sense of fiduciary duty referred this matter to various law enforcement officials. It is very compelling to her that Ms. Heren has come here and stated her objection.

A motion was made, seconded and passed by a vote of six in favor and none opposed (6-0) to recommend that the application be denied. Those members voting in favor of denial were: Almeida, Dowling, Gil, Graziano, Hamel, Shire.

There being no further business, the meeting was adjourned at 3:05 PM.

Respectfully submitted,

Valentina D. Adamova, MBA
Acting Chief Program Development