

**New York State Department of Health**  
**Special Public Health and Health Planning Council Meeting**  
**Transcript**

**October 22, 2013**

WILLIAM STRECK: Thank you Mr. Kraut. Just by way of introduction I am Dr. William Streck, the chair of the Public Health and Health Planning Council, and have the privilege of convening today's special meeting. I want to welcome members, Commissioner Shah, participants and observers, and I think Mr. Kraut. He's covered the logistics of the webcasting, the need to recognize the mics and the synchronized captioning, and he has addressed a record of appearance forms with those members from the public and New York City. With all of that having been accomplished, I will return to Mr. Kraut and ask him to present the work of today's Project Review Committee. Thank you.

JEFF KRAUT: Thank you Dr. Streck. On October 22, 2013 a special meeting of the Establishment and Project Review of the Public Health and Health Planning Council was held and we considered the following applications. I'd like to make a motion. Application 132101E, Montefiore, New Rochelle Hospital

Inc., in Westchester County. To establish Montefiore New Rochelle Hospital Inc. as the new operator of Sound Shore Medical Center and establish the Montefiore Health System as the active parent.

Application 132102E, Montefiore Mount Vernon Hospital in Westchester County. To establish Montefiore Mount Vernon Hospital as the new operator of Mount Vernon Hospital and establish Montefiore Health System as the active parent and co-operator. We have removed contingency number one, and the condition that was previously mentioned about the mental health.

Application 132103E, Schaeffer Extended Care Center, Inc., in Westchester County, to establish the Schaeffer Extended Care Center Inc., as the new operator of the Howe Avenue Nursing Home, d/b/a the Helen and Michael Schaeffer Extended Care Center, and establish Montefiore Health System as the active parent and co-operator. OHSM has recommended approval with conditions and contingencies. Additional contingencies were added during the presentation to the Establishment and Project Review Committee, and I so move, and the committee voted approval with conditions and contingencies, and I so move.

[second]

WILLIAM STRECK: There's been a motion to approve these applications as presented. Is there a second?

[second]

So there's a motion and a second. So the Full Council is now considering the recommendation from the Project Review Committee. The Full Council in attendance today has had the opportunity to listen to Dr. Safyer and other individuals comment. Are there additional comments or questions in regard to the applications presented, discussed?

JEFF KRAUT: We have a question in New York.

WILLIAM STRECK: Recommended.

DR. PALMER: I'm wondering why the emergency format was put in place to address the change here?

CHARLIE ABEL: Perhaps I didn't stress enough, but this plan is approved by the bankruptcy court and the debtor and possession financing that is currently in place to support the current operations, that funding expires at the end of this month, and there - we had no assurance that the current facilities under the Sound Shore Health System can secure additional financing. Therefore Montefiore has, as the approved buyer in the bankruptcy court transaction has asked for this expedited PHHPC meeting to take place so that it can be approved for a change of operator and be able to satisfy its contingencies prior to November 1 when it intends to be able to take over these three operations so that operations will not be negatively impacted.

DR. PALMER: To continue - yes. I understand that the approval of the court facilitated the State to take a look at the project itself and bring it here for discussion and hope for approval. The question I have is did the State take a look at the financial arrangements that the court approved, and is the State Department secure that Montefiore and the organization Montefiore is a part of can support this project?

CHARLIE ABEL: Yes, we - the Department has, first of all the cost for the transaction is disclosed in each of the exhibits on the project, on the New Rochelle Hospital project. On page 8 the total purchase price for the three transact - well, the three properties in the one transaction is \$64.9 million. We had worked extensively with the Montefiore Health System with respect to being able to satisfy that purchase price and the debt service obligations, and also to support, financially support the turn-around plans necessary for each of the three facilities. And we are satisfied that the Montefiore Health System can work through the operating deficits to turn these facilities into, at least a break-even operation. Thank you.

WILLIAM STRECK: Are there other questions? Comments from members of the Council? Hearing none, I would ask for a vote on the motion as presented, which is to approve the three applications. And in that vote I'll ask for a roll call vote, and we'll begin—why don't we begin in New York City, Buffalo, Rochester, and then conclude here.

COLLEEN: So, New York City.

Dr. Bhat: Aye

Dr. Brown: Aye

Dr. Boutin-Foster: Aye

Mr. Kraut: Aye

Dr. Palmer: Aye

Ms. Rautenberg: Aye

Dr. Strange: Aye

Dr. Torres: Aye

Dr. Yang: Yes

[ BUFFALO ]

Dr. Grant: Yes

Dr. Gutierrez: Yes

[ ROCHESTER ]

Mr. Booth: Yes

Ms. Hines: Yes

Mr. Robinson: Yes

[ ALBANY ]

Dr. Rugge: Yes

Dr. Shah: Yes

It passes

WILLIAM STRECK: So the motion as presented passes, and the applications are approved. Are there other comments or questions in regard to this meeting? If not, this special meeting of the Public Health and Health Planning Council is

adjourned. Thank you all for your attention and participation.

Thank you.