

**HEALTH AND MENTAL HEALTH COMMITTEE
MINUTES
(REMOTELY)**

**TUESDAY, JUNE 15, 2021
4:00 P.M.**

PRESENT: James D. O'Donnell, Chairman
Michael Amo, Kevindaryán Luján, Janet Sutherland, Peter V. Tuohy, Laurie R. Tautel

ALSO

PRESENT: L. Stephen Brescia, Chairman
Katie Bonelli, Majority Leader
Barry J. Cheney, Legislator
Thomas J. Faggione, Legislator
Rob Sassi, Legislator
John S. Vero, Legislator
Betsy Abraham, Legislative Counsel
Harold J. Porr, III, Deputy County Executive
Darcie Miller, Commissioner of Social Services and Mental Health
Laurence LaDue, Commissioner, Valley View Center
Irina Gelman M.D., Commissioner of Health
Christopher Ericson, Deputy Commissioner of Health
Michael Ventre, Deputy Commissioner of Health
Brian Titsworth, Deputy Commissioner of Infrastructure Services
(Buildings and Grounds), Dept. of Public Works
Deborah Slesinski, Budget Director
Liz Delaney, Budget Analyst
Christopher McCarthy, Partner, O'Connor Davies LLP
Michelle S. O'Reilly, Audit Engagement Partner, O'Connor Davies LLP
Andrew Martini, Senior Audit Associate, O'Connor Davies LLP
James Stetz, Manager, O'Connor Davies LLP

Mr. O'Donnell opened the committee meeting at 4:02 p.m. and asked everyone to stand for the Pledge of Allegiance. All committee members were present.

On the agenda was a Department Update from Darcie Miller, Commissioner of Social Services and Mental Health.

Ms. Miller addressed the committee stating that Project Hope which is funded through the Substance Abuse and Mental Health Services Administration (SAMHSA) has extended their support through December 2021, they address increased need throughout their communities and the increased number of young people being presented in their local emergency rooms, demand for hospital beds and the demand for outpatient access. They continue to work closely to address overdoses related to opioids and have had some success and the support of the Orange County Department of Health with that project and they are looking to expand and include Garnet Health in the project for those that present in emergency rooms. Telehealth will continue to be supported beyond the pandemic and they are moving forward with face-to-face visits. They are addressing the expansion of accessibility for law enforcement to correspond with mental health providers. A recent court decision was made on how they work with their mobile response team and they have clearly

heard from law enforcement that they would like to have a more expedient response from mobile teams, they are working on how to make that happen as corresponding in many circumstances is the best way to address crisis in their communities.

Mr. Tuohy moved request to accept and appropriate funds into the operating budget from the New York State Department of Health for the Public Health Emergency Preparedness Program grant for the period 7/1/21 – 6/30/22, \$237,306.00, seconded by Ms. Sutherland.

Motion carried. All in favor.

Mr. Luján moved request to accept and appropriate fourth year funds into the operating budget from the New York State Department of Health Immunization Action Program for the period 4/1/21 – 3/31/22, \$189,605.00, seconded by Mr. Tuohy.

Motion carried. All in favor.

Mr. Luján moved request to accept and appropriate fourth year funds into the operating budget for the Adolescent Tobacco Use Prevention Act (ATUPA) grant from the New York State Department of Health for the period of 4/1/21 – 3/31/22, \$97,198.00, seconded by Ms. Sutherland.

Mr. Tuohy asked if any of these funds are used for outreach to target youths and antismoking or was it all administrative costs. Mr. Ericson replied that educational material is generated, and the permanent base salary listed on the attached schedule pertains to half a person and four-tenths of another person. The individuals in these positions are community health outreach workers or public health educators that not only work in this program but other programs. The youth compliant worker part pertains to what is paid to the teenagers that take part in the sting operations.

Mr. Tuohy asked for the number of youth compliant workers and the duration they work. Mr. Ericson replied that they typically contract with two or three teenagers who work a few hours every other week.

Mr. Tuohy asked about the funds for outreach and advertisement. Mr. Ericson replied that it does not have to come from this program but their Healthy Neighborhoods Program because they are not required to use the funding from this program as it is a very limited amount of funding.

Mr. O'Donnell asked for the number of sting operations and approximately how much do they collect in fines. Mr. Ericson replied that last week they conducted four or five compliance checks and those facilities did well. Since they have conducted this program for numerous years, they have found that less and less places are selling cigarettes and tobacco related products to minors. They have not had a hearing in quite a while and the program is based primarily on the educational aspect that smoking is bad with this being the enforcement piece. The enforcement

piece ensures that businesses have the proper signage displayed, operators know who they cannot sell to and that is being checked on a regular basis. While he does not have specific numbers for the committee today with respect to what they had last year on tobacco sales the numbers have decreased based on the information he heard last week.

Mr. O'Donnell asked about the hearing process. Mr. Ericson replied that hearings are handled internally with a hearing officer on contract.

Mr. O'Donnell asked if it would be a retired judge. Mr. Ericson replied that it could be.

Motion carried. All in favor.

Mr. Luján moved request to accept and appropriate funds from the New York State Department of Health for the Creating Healthy Schools and Communities grant for the period 6/1/21 – 5/31/22, \$305,000.00, seconded by Mr. O'Donnell.

Motion carried. All in favor.

Mr. Tuohy moved request supplemental appropriation to the Capital Projects budget in the amount of \$2,000,000.00. Funds are for the contracting of a construction management company for the oversight of construction of a Medical Examiner's building (Proposed Capital Project No. 73) (bonding), seconded by Mr. Luján.

Mr. Ericson explained that they have worked on the planning and construction of a new Medical Examiner's facility with the next step being a construction management company for oversight of the construction. They have met with the architect over the last several weeks and the Department of Public Works is seeking to put out a Request for Proposal (RFP) for a construction management company.

Mr. O'Donnell asked when the RFP would go out. Mr. Ericson replied that once the funds are approved the Request for Proposal (RFP) would go out.

Mr. Tuohy asked for an update on the recent meetings with the architects. Mr. Ericson replied they have lengthy meetings with the Department of Public Works, Medical Examiner's office and the Health Department regarding site selection and the advantages and disadvantages to different sites. They also had problematic meetings directly with the Medical Examiner's office, architects and specialists that design Medical Examiner's buildings and what would work best for them including the layout and what would work best for them in a certain site plan. They have not gotten into the nuts and bolts of how it would be put together or what will be in the building as the architects are still in the discovery period with the Medical Examiner's office. One of the architects subcontracted is Crime Lab Design and their expert opinion is well versed as they have built multiple Medical Examiner and Crime Lab facilities. They need to have a mortuary facility, a location to counsel and/or console someone and proper viewing accommodations. They need to ensure that the facility is welcoming and respectable to the people that have to enter on the worst day of their lives.

Mr. Luján applauded the work they are doing, and he looks forward to seeing what will come.

Mr. Cheney commented that the architects have been invited to the Physical Services committee meeting this month to discuss the process and site selection of the Medical Examiner's office.

Motion carried. All in favor.

On the agenda was a Department Update from Dr. Gelman, Commissioner of Health.

Dr. Gelman stated that the department has started to demobilize some of its large scale COVID-19 response efforts as case numbers have consistently decreased over the last few months; however, two primary goals of the department's COVID-19 response continue to be: 1) COVID-19 Case Investigations: reviewing positive test results and preparing the information for contact tracing, developing and implementing Quarantine/Isolation Orders and Public Health Notifications when "large scale" potential exposures have been identified. 2) Vaccination Implementation: tracking vaccine distribution throughout the county, helping residents determine where they can get vaccinated and implementing Points of Distribution (POD's). On June 18th, the Call Center will be shut down and all calls will go back to the department's main number at 845-360-6600 with all questions regarding COVID-19 going to the appropriate division in the Department of Health for follow up. The Orange County website COVID-19 page continues to have information for the public regarding New York State and Federal guidance documents. They are continuing to recommend that residents go to www.vaccines.gov and enter their zip code to look up the closest vaccination location with available vaccine type. The Department of Health regularly schedules COVID-19 vaccinations in the cities of Newburgh and Middletown and residents can call 845-291-2330 to make an appointment. The county continues to have available registration for homebound residents who would like a vaccination and to date, the department's Nursing Division has done almost 90 vaccinations of homebound residents <https://www.orangecountygov.com/2080/Homebound-Vaccination>. In addition, the Office for the Aging will continue to take calls and register people who do not have access to a computer or the internet 845-615-3700. The county is no longer operating it's mass vaccination POD location at 23 Hatfield Lane in Goshen. This location proved to be excellent in getting tens of thousands of Orange County residents vaccinated. They will keep this site ready to go and able to operate once again if mass vaccinations (boosters) are done in the future. The county continues to coordinate with community organizations and local medical providers for vaccine reallocation or distribution as requested. The Orange County Department of Health has administered more vaccinations than any other local health department and healthcare provider in Orange County.

Dr. Gelman addressed the current COVID-19 Statistics in Orange County. As of June 14th, Orange County has had 47,519 cases of COVID-19 and of those 5,357 cases were in the 0-17 age group with thirty hospitalizations and 832 confirmed deaths. Vaccine breakthrough in fully vaccinated individuals was 45 and/or .02% that have been reinfected out of 156,379 fully vaccinated individuals. Of the individuals with the vaccine breakthrough none have been hospitalized and died. They have seen hundreds of individuals be reinfected with COVID-19 and it is imperative that you receive both doses of the Pfizer and Moderna vaccine and one dose of the Johnson & Johnson vaccine. Hospital workers in Orange County are over 80% vaccination which is higher than the Mid-Hudson and statewide percentages. However, skilled nursing facilities are only at 58% and adult care facilities at only 63% which unfortunately remain under vaccinated. The following zip

codes within Orange County remain under vaccinated per capita are as follows: Monroe, Otisville, Highland Falls, Cuddebackville, Southfields, Westtown, Port Jervis, Huguenot and Sparrowbush as reported through the Westchester Medical Center Vaccine Hub. The Advisory Committee on Immunization Practices would be meeting on Friday, June 18, 2021, to discuss COVID-19 vaccine safety primarily with mRNA vaccines which includes Pfizer and Moderna due to recent news reports. They will be evaluating the recent reports of myocarditis after administered mRNA vaccines. Since April 2021, cases have been reported and as of June 10, 2021, the Centers for Disease Control and Prevention (CDC) have confirmed 226 cases of myocarditis after COVID-19 vaccine administration with people under 30 years of age and predominantly male and 250 more reported cases under investigation. Keep in mind that this is out of millions of individuals that have been vaccinated.

In other department news, there were no confirmed cases of congenital syphilis year to date; however, last year by this time there were already two confirmed cases of congenital syphilis. Unfortunately, they still remain number one for HIV.

Ms. Tautel asked if someone has been fully vaccinated can they be a carrier and transmit COVID-19 to another person. Dr. Gelman replied yes, but the breakthrough transmission was roughly around 5% for fully vaccinated individuals with New York State listing it at 1% and Orange County currently at .02%.

Ms. Tautel asked about the new mask protocols. Dr. Gelman replied that unvaccinated individuals must continue to wear a mask along with large scale indoor events, pre-K through grade 12 schools, public transit, homeless shelters, correctional facilities, nursing homes and healthcare settings per the Centers for Disease Control and Prevention (CDC) guidelines.

On the agenda was the monthly report on Valley View.

Ms. Strecker explained that IGT funding remains at \$1.5 million, \$22,000.00 in emergency disaster assistance and \$12 million in other revenues. On the personal services side, personal services were at \$8.3 million, equipment at \$14,856.00, contractual at \$4.3 million, employee benefits at \$7.3 million, serial bond interest at \$57,836.00 and overtime at \$767,000.00 and their May census was 76.47%.

On the agenda was a Department Update from Laurence LaDue, Commissioner, Valley View Center.

Mr. LaDue stated that Valley View's census for June was 79.48%. They currently have three COVID-19 positive residents and two staff members that are currently out due to COVID-19. 93% of their residents have been vaccinated and 59% of staff and they continue to regularly offer the vaccine to residents and staff. COVID-19 staff testing has changed and staff that have received the COVID-19 vaccine no longer need to test regularly (except during new outbreak of COVID-19 positive resident and/or staff); however, staff that are not vaccinated must still be tested twice a week. The Valley View CHHA currently has 12 patients. New York State recently passed new nursing home legislation that establishes Personal Caregiving and Compassionate Caregiving Visitors. This would allow residents to identify a minimum of 2 personal caregiving visitors at one time during public health emergencies.

On the agenda was a review of the 2020 Financial Report by O'Connor Davies LLP.

Mr. McCarthy introduced Michelle S. O'Reilly, Audit Engagement Partner, O'Connor Davies LLP, Andrew Martini, Senior Audit Associate, O'Connor Davies LLP and James Stetz, Manager, O'Connor Davies LLP who will be participating in the overview of the Valley View 2020 Financials (see original minutes) for the year ending December 31, 2020 and power point entitled, **Valley View Center for Nursing Care and Rehabilitation, Report to the Honorable Legislature** (see original minutes) which highlights the Financial Report. The audit process was conducted predominantly remotely, and they have reviewed the engagement status, filing of the medicare cost report, filing of medicaid cost report on or before August 2, 2021 and the RHCF-4 medicaid cost report which is due on or before July 20, 2021 and the additional audit under uniform grant guidance that is due on or before March 31, 2022 and O'Connor Davies' responsibilities, responsibilities of Valley View Management and Those Charged With Governance (TCEG), audit scope and approach, financial statement highlights, required communications, communication of Internal Control Matters and management representation.

Ms. O'Reilly explained the significant audit areas that were looked at during the audit which were as follows: audit changes due to COVID-19, residents account receivables and revenue, due from other funds, due to/from third party payers, capital assets, accounts payable, accrued vacation and accrued payroll, long-term debt, subsequent events, commitments and contingencies, related parties, fraud and illegal acts and (of which there were none) and audit procedures under Government Auditing Standards.

Ms. O'Reilly addressed the audit changes due to COVID-19 and the significant changes in their audit procedures which included: the audit being conducted predominantly remotely, sharing of a workpaper portal to keep information secure and to maintain an inventory of received and analyzed workpapers and the frequency of meetings and communication between management and the audit team through phone calls and group meetings.

Ms. O'Reilly explained the significant changes to the financial statements. They included the negative adverse effects and uncertainty regarding the ultimate effect on future results on operations, cash flow and financial condition. The facility received approximately \$2.5 million in stimulus funds as part of the provisions of the CARES Act with the facility being required to have a single audit (Uniform Grant Guidance Audit) for 2020 if greater than \$750,000.00.

Mr. McCarthy added that approximately \$178 billion of CARES Act Provider Relief Funds were made available and distributed; however, \$24 billion has yet to be distributed. Of the CARES Act Provider Relief Funds distributed only approximately \$14 billion went to skilled nursing facilities and assisted living facilities in the United States. A great deal of the funding went to large hospital systems and other types of providers so only 8% and/or 9% of the \$178 billion was distributed to skilled nursing facilities and assisted living facilities. Of the remaining \$24 billion they are hopeful that about \$10 billion would go to skilled nursing facilities and assisted living facilities due to the excessive lobbying currently being conducted. Of the 470 entities that received funding the largest distribution of \$1.2 billion was to the NYC Health and Hospital Corporation and 49 facilities that only received \$1.00.

Mr. McCarthy referred to pages 11 and 12, Patient Accounts Receivable and Resident Revenues, and highlighted accounts receivable of \$5.4 million and a change in accounts receivable of \$2.1 million. The decrease in revenue and receivables was due primarily to a decrease in the overall census days of approximately 10% from the prior year. Census for the facility in 2019 was at 93.5%;

however, in 2020 it was at 84.3% with 80% to 83% of Valley Views patients being medicaid patients which pays the lowest rate with the highest rate paid by medicare. The COVID-19 pandemic has had a negative impact on receiving medicare patients which are the short stay patients that are coming for therapy.

Mr. McCarthy referred to page 14, Due to/from Third Party Payers with the following transactions recorded: The cash assessment reconciliation for 2020 of \$96,000.00 (to be received in late 2021 or early 2022), Quality Pool award (2nd quintile) for 2019 of \$159,000.00 (received in 2021), third supplemental payment of \$290,000.00 (received in 2021), and liability of approximately \$2 million was recorded for overpayment due to case mix decrease effective January 1, 2020 and removal of medicaid BMI rate sheet error with New York State beginning recoupment in 2021. They agree with the balances recorded in the general ledger to management's estimates and supporting documentation and amounts due to/from third party payors appear reasonable.

Mr. McCarthy referred to page 16, What we are seeing, they continue to see third party payer reimbursement opportunities and challenges. The traditional medicare average was approximately \$673.00 a day; however, effective April 1, 2020 through end of year 2020 medicare eliminated its "2% sequestration" recoupment from all medicare providers and the estimated impact for Valley View in 2020 being a revenue increase of approximately \$140,000.00. Medicare Advantage Plan penetration rates are generally lower than traditional medicare rates with patients experiencing a shorter covered length of stay. Traditional medicaid reimbursement is approximately \$267.00 a day with medicaid managed long-term care transitioning back to traditional medicaid. Effective April 2020, medicaid reduced by 5% the capital component of all skilled nursing facilities (SNF) and an annual impact to Valley View's revenue of approximately \$60,000.00. Effective April 2020, medicaid implemented a 1.5% "sequestration" payment reduction resulting in an annual revenue reduction of approximately \$250,000.00. The New York State proposed changes to computing medicaid case mix will be effective with the July 2021 rates and minimum nurse staffing requirements and other reimbursement "caps" will be implemented by New York State in 2020. In addition, staff hiring, and retention remains a challenge nationwide and while census has begun to rebound it is not to pre-pandemic levels.

Ms. O'Reilly referred to page 17, Financial Statement Highlights, current assets have decreased by \$3.3 million, non-current assets increased by \$464,702.00; however, that is in relation to the GASB entries and where they would see the major changes to net position. Deferred outflows and resources related to pension and Other Post-Employment Benefits (OPEB) had a \$30 million increase. Current liabilities have increased slightly; however, non-current liabilities (Other Post-Employment Benefits (OPEB) and pension have increased by \$50 million in relation to inflow and outflows. That brings Valley View's net position to a deficit of approximately \$140 million with \$8 million of investments in capital assets.

Mr. McCarthy referred to page 18, Financial Statement Highlights (continued), Operating revenues decreased by \$5.6 million and was driven primarily by the reduction in census due to COVID-19, operating expenses increased significantly at \$11 million. The change in net position due to adjustments relating to pension with an increase of \$3 million and Other Post-Employment Benefits (OPEB) increase of \$8 million and for the most part expenses are flat with the exception of employee benefits. GASB requires the liability that an individual is earning be recorded now and not when they are retired and they begin paying that individual and/or continue to pay their health insurance.

Mr. Anagnostakis referred to page 3, Financial Statements; Due from other funds, it appears that they have decreased from \$57.2 billion in 2019 to \$52.7 billion in 2020 and difference of approximate \$4.5 billion and would that not be the same amount that Valley View's revenues decreased due to the CPI. If they back out the Other Post-Employment Benefits (OPEB) and only a book entry that must be recognized by GASB rules, then that huge paper loss would go down.

Mr. McCarthy referred to page 29, Internal Control Over Financial Reporting, if during the audit they were to find a deficiency in internal controls that would be considered a "material weakness" or "significant deficiency" they would be required to communicate that, but they had no such findings.

The meeting adjourned at 6:03 p.m.