

**HEALTH AND MENTAL HEALTH COMMITTEE  
MINUTES**

**TUESDAY, JULY 16, 2019  
4:00 P.M.**

PRESENT: James D. O'Donnell, Chairman  
Michael Amo, Mike Anagnostakis, Laurie R. Tautel

ALSO

PRESENT: L. Stephen Brescia, Chairman  
Katie Bonelli, Majority Leader  
Antoinette Reed, Legislative Counsel  
Harold J. Porr, III, Deputy County Executive  
Laurence LaDue, Commissioner, Valley View Center  
Donna Strecker, Director of Finance, Valley View Center  
Christopher Ericson, Deputy Commissioner of Health  
Michael Ventre, Deputy Commissioner of Health  
Barbara Clifford, Director of Health Equity, Health Department  
Donna McCarey, Deputy Commissioner of Human Resources  
Alison Tyack, Director of Personnel Management, Human Resources  
Colleen Grogan, Chief Budget Analyst

Mr. O'Donnell opened the committee meeting at 4:00 p.m. and asked everyone to stand for the Pledge of Allegiance. All committee members were present with the exception of Legislators Sutherland and Tuohy who were absent.

Mr. Amo moved request to create two  
(2) Public Health Technician(s), Grade  
11 positions, seconded by Ms. Tautel.

Mr. Ericson explained that they are eliminating a Senior Public Health Engineer position and creating two (2) Public Health Technician positions. They have faced challenges with respect to staffing and by adding these two positions it will alleviate the need for sending out an engineer. In addition, these positions can be used in other areas.

Mr. Amo asked about the cost difference in salary. Mr. Ericson replied approximately \$1,000.00 a year total for both positions.

Mr. Amo asked about cost savings. Mr. Ericson replied that while they have not conducted a cost analysis, it will be significant.

Motion carried. All in favor.

Mr. Amo asked if the Health Department participates with medical transportation. Mr. Ericson replied no.

Mr. O'Donnell asked for an update on the Morgue. Mr. Ericson presented the committee with a Project Progress Report from Pomarico Design Studio Architecture, PLLC (see

original minutes). They have met with the selected vendor and toured the existing facilities and they were stunned at the conditions of the morgue. They are currently in discovery mode and looking at what they have and do not have and distributing surveys to their partners in order to get a good understanding of not only their needs but their partners.

Mr. Amo moved request to create title of Home Health Aide, Per Diem, Ungraded, seconded by Ms. Tautel.

Mr. LaDue explained that they are looking to hire a Home Health Aide, per diem, Valley View employee and they worked with the Department of Human Resources on the position specifications and title.

Motion carried. All in favor.

Ms. Tautel moved request to approve and appropriate funds in the amount of \$40,000.00 for a proposed 2019 capital expenditure to continue with residential unit refurbishments. Room finishes (wallcovering, handrails, signage) are dated. Upgrading amenities provides residents with a modern home-like environment and allows the facility to remain competitive in the marketplace (interfund revenue), seconded by Mr. Amo.

Motion carried. All in favor.

Ms. Tautel moved request supplemental appropriation from fund balance (surplus) into major repair service. Multiple fire door replacements are necessary to meet CMS life safety code compliance and annual inspection, \$40,000.00, seconded by Mr. Amo.

Mr. LaDue explained that during their environmental rounds they identified doors in need of repair and after further inspection from a door company it was determined that the doors could not be repaired but needed to be replaced.

Ms. Tautel asked if it was required to go out to bid. Mr. LaDue replied that he believed it was a state contract but he would inquire and follow up with the committee next month.

Mr. Amo asked about the difference between surplus and interfund revenue. Ms. Grogan replied that major repairs are in Valley View's 145 fund and are used directly from fund balance; however, capital projects are in the 146 fund and actually cross between funds and why capital projects state interfund revenue.

Motion carried. All in favor.

Ms. Tautel moved request supplemental appropriation of funds in the amount of \$60,000.00 for a 2019 proposed capital expenditure to replace various flooring. Flooring in high traffic areas and other locations has reached economic life (interfund revenue), seconded by Mr. Amo.

Motion carried. All in favor.

Mr. LaDue addressed unfinished business from the meeting on June 19, 2019. During the audit presentation the matter of bad debt and/or outstanding receivables of \$1.7 million from Managed Long-Term Care company Evercare was discussed. He presented the committee with a timeline on their history with Evercare. They contracted with Evercare on October 1, 2016 and about a year after the contract was initiated, they noticed the balance beginning to grow and began calling and emailing Evercare on the growing balance. A formal letter was sent to Evercare on December 19, 2017 on the outstanding balance of over \$1 million and a termination letter was sent on January 24, 2018 and effective sixty days from that date. They informed residents and family members that Evercare was not paying for services rendered and asked that they voluntarily disenroll from Evercare in order to stop the outstanding balance from growing as Valley View cannot disenroll members. Subsequently they stopped accepting new Evercare residents for admission and requested a memo from Evercare for their audit file. Evercare anticipated receiving a nursing home enrollment adjustment and a nursing home price medication adjustment to their 2017-2018 premium rate; however, Evercare has not received that adjustment as of today. All outstanding claims owed to Valley View have been submitted to the New York State Division of Insurance but not all cases have been assigned a caseworker. They received a payment from Evercare that they took from their reserves on July 5, 2019 for just under \$304,000.00 leaving them with a current outstanding balance of a little over \$1.4 million. Lastly, they remain in communication with Evercare on the outstanding balance and to resolve the issue.

Mr. O'Donnell asked what the state can do. Mr. LaDue replied that the money should come from the state as they set the rates for the MLTC. They get a per member per month rate which is determined based on the actuary's calculations; however, the whole reimbursement system is out of whack and they cannot be paid but they are fighting with the state for reimbursement to them for the money they owe the nursing homes.

Mr. O'Donnell asked if Evercare files bankruptcy would the state satisfy the outstanding balance. Mr. LaDue replied that they do not know. Evercare is a smaller company and why they listed as a reserve in their financials.

Mr. O'Donnell asked if they have any legal recourse and to pursue any assets they may have. Legislative Counsel Reed replied that until they file bankruptcy, or they get a lien to pursue litigation and file a judgement against them; however, they will probably be on a long list of unsecured creditors.

Mr. LaDue reiterated that when the medicaid system was revamped all the literature they received stated that they should have a contract with MLTC such as Evercare and Fidelis. Subsequently, Fidelis terminated their contract with Valley View because they realized that the business model was not working. Some smaller companies have gone under, but they are hoping that Evercare does not as they would like to collect their outstanding balance.

Mr. Anagnostakis noted that during the accountant's presentation last month he questioned the interest being credited to Valley View's Enterprise Cash Reserve Fund. In 2018, Valley View was credited \$583,000.00 in interest and that in 2017 they were credited \$181,000.00 in interest but before that they were never credited and was that a true statement.

Ms. Strecker replied that to the best her knowledge, yes.

Mr. Anagnostakis asked if there was a report that could be run showing any credited interest. Ms. Strecker replied possibly but they will look into and report back to the committee next month. It would be a good question for the Finance Department as they reconcile their bank accounts.

Mr. Anagnostakis asked if there was a specific fund that they could run the report on. Ms. Grogan replied interest and earnings.

On the agenda was the monthly report on Valley View.

Ms. Strecker explained that IGT funding came in at just under \$2.8 million, other revenues were at \$18.6 million and \$2.8 million in additional revenues would be posted to the July general ledger. They are showing a decrease in public nursing home revenues of approximately \$274,000.00 over last year. They are attributing that decrease to the mix of residents as they have a higher medicaid mix as opposed to a medicare mix and they are meeting with the team and talking to admissions. It becomes a challenge when they have medicaid patients needing long-term beds resulting in less medicare beds. On the personal service side, personal services were at \$10.7 million, equipment at \$46,000.00, contractual was at \$4.3 million, employee benefits at \$10.5 million and overtime was at \$929,000.00. Overtime expense has increased by about \$215,000.00 over last year with a majority coming from nursing and they will be looking into it to determine what is causing the increase.

Mr. Amo asked if they have a waitlist for medicare beds. Mr. LaDue replied that they always have beds available on the short-term rehabilitation units, but they do have a waitlist on the long-term resident beds.

Mr. Amo asked if waitlist is set by priority. Mr. LaDue replied that they look at several factors, and they cannot distinguish by payor source, but they do look at whether they need the skilled nursing home first. Most of these residents are either coming from another nursing home or home because the caregiver cannot get the additional services needed or they cannot take care of the person.

Ms. Strecker added that the occupancy rate for June was at 93.37%. Medicaid utilization was at 59.50%, medicaid (HMO) at 15.55%, medicare at 15.85% and private pay at 7.84% and today's occupancy is at 95%.

Mr. Amo asked about the new reimbursement for rehabilitation patients. Mr. LaDue replied that the Patient Driven Payment Model (PDPM) goes into effect on October 1, 2019. It is moving away from the rehabilitation driven and based on clinical and diagnosis driven and while they will still be credited for rehabilitation it will not be as much.

Mr. LaDue replied that they have participated in several webinars and will be in servicing with staff. Their rehabilitation group conducted an analysis on the impact, and they were shocked that it would only be a decrease of approximately \$18,000.00 a year. It boils down to capturing what they do, the right diagnosis and more focused on the clinical aspect as opposed to rehabilitation.

Mr. Amo asked if it was for the short-term beds. Mr. LaDue replied no, all Medicare Part A.

Mr. Amo addressed the issue of medical transportation. Originally Orange County was the one to put out the RFP and had companies come in and provide the service and reimbursement, but New York State came in and took it over with the Department of Health now managing it. He recently learned that the reimbursement rate for Rockland and Sullivan County's is \$10.00 a trip; however, the reimbursement for Orange County is \$4.00 a trip from Assemblyman Karl Brabenec. When Commissioner Zucker was asked about the difference he responded that Orange County did not ask for an increase while other counties did. In his opinion, they need to get additional information from the Assembly and Senate individuals that are aware of it and by resolution in August they ask the New York State Commissioner of Health to reevaluate Orange County's reimbursement for medical transportation. There are people in our county that rely on medical transportation and their transporters are not getting as much as the ones in Rockland and Sullivan County's, but why. There could be a reason, however, they don't know the reason behind the large disparity.

Mr. Anagnostakis suggested they find out what Ulster County is getting and if they are all receiving \$10.00 then they should request the increase to \$10.00.

Ms. Tautel suggested they also look at Putnum and Dutchess Counties.

Mr. O'Donnell noted that it would be added to next month's agenda and asked that Mr. Amo gather the information from those counties.

The meeting adjourned at 4:31 p.m.