

**HEALTH AND MENTAL HEALTH COMMITTEE
MINUTES**

**TUESDAY, JULY 17, 2018
4:00 P.M.**

PRESENT: Mike Anagnostakis, Chairman
Michael Amo, James D. O'Donnell, Joel Sierra, Kathy Stegenga, Janet Sutherland,
Laurie R. Tautel, Peter V. Tuohy

ALSO

PRESENT: L. Stephen Brescia, Chairman
Katie Bonelli, Majority Leader
Michael D. Paduch, Minority Leader
Leigh J. Benton, Legislator
Barry J. Cheney, Legislator
Thomas J. Faggione, Legislator
Rob Sassi, Legislator
Antoinette Reed, Legislative Counsel
Irina Gelman M.D., Commissioner of Health
Kerry Gallagher, Deputy Commissioner of Health
Lacey Trimble, Deputy Commissioner, Department of Mental Health
Tammy Rhein, Director of Chemical Dependency Services, Department of Mental Health
Karin Hablow, Commissioner of Finance
Laurence LaDue, Commissioner, Valley View Center
Donna Strecker, Director of Finance, Valley View Center
Joseph F. Martello, Partner, Horan, Martello, Morrone, P.C.
Brian P. Lee, Partner, Horan, Martello, Morrone, P.C.

Mr. Anagnostakis opened the committee meeting at 4:05 p.m. and asked everyone to stand for the Pledge of Allegiance. All committee members were present.

On the agenda was a review of the 2017 Financial Report by Horan, Martello, Morrone auditors.

Mr. Lee presented the committee with an overview of the 2017 Audited Financials on the Valley View Center for Nursing Care and Rehabilitation (on file in the Legislative Office). Key points of the report would be accounts receivable up by approximately \$686,000.00 or 8% which is in line with industry standards and corresponds to the increase in medicaid managed care, due from Inter-governmental Transfer (IGT) funds of \$2.6 million, Exchange-General Fund at \$51.2 million which includes cash receipts from IGT of \$13.3 million in 2016 and \$14.9 million in 2017. On the liability side, accounts payable increased by \$384,000.00, accrued vacation decreased by \$153,000.00, payroll accrual was up by \$21,000.00, long-term debt (Bond Principal Payments) was at \$3.5 million, Postretirement Pension Obligation (GASB68) decreased by \$5 million and other Postretirement Health Care Benefit Obligation (GASB45) (OPEB) increased by \$11.2 million; however, it is not a cash entry but actuarially calculated.

Mr. Lee referred to page 14, Other Postretirement Health Care Benefits (OPEB), at a cost of \$15 million with Orange County contributing 25%, accumulative Other Postretirement Health

Care Benefits (OPEB) of \$72.7 million since first being recorded in 2007 and the Unfunded Actuarial Accrued Liability at \$134.9 million.

Mr. Anagnostakis asked why the line of "Due from General Fund" was changed to "Exchange-General Fund." Mr. Lee replied that after speaking to Mr. LaDue and Ms. Strecker it was determined that it was not actually a "due from" as the county handles the cash management for Valley View with this being a better description.

Mr. Anagnostakis asked for a description of the "Exchange-General Fund line. Mr. Lee replied that the county handles all the cash management for the facility. They pay the employees and any cash receipts received whether from medicaid, medicare, private pay or IGT funding which are remitted back to the county who pays the bills.

Ms. Strecker presented the committee with a copy of the Valley View Center Exchange-General Fund Reconciliation as of December 31, 2017 (see original minutes).

Mr. O'Donnell questioned where the 50% Department of Social Services match of \$13.5 million was located. Ms. Hablow replied that it would come out of the Department of Social Services budget or the county general fund.

Ms. Stegenga asked why the Postretirement Pension Obligation decreased between 2016 and 2017. Mr. Lee replied that the New York State Comptroller annually calculates the pension obligation which is a function of the stock market.

Mr. Anagnostakis asked if based on the New York State Comptroller's decision are there years they contribute more and years they contribute less. Mr. Lee replied yes, because the stock market had a good year it helped to reduce the liability.

Mr. Anagnostakis asked if they conduct a comparison with the other nursing homes they audit and if so is Valley View favorable. Mr. Lee replied that based on last year's data Valley View had the highest CMI as compared to all the other county facilities.

Mr. Lee referred to page 3, Statement of Revenues, and highlighted other operating revenue of \$764,076.00 of which \$346,000.00 was received from the Advanced Training Initiative Grant. The grant is a budgetary item that the state legislature put in to reward facilities with high employee retention rates typically 80% or higher. Overall the expenses for the facility increased by a little over 4% and equivalent to increases in benefits and raises as part of the union contract. In 2017, on an accrual basis Inter-governmental transfer (IGT) recorded \$17.6 million in receipts which corresponded to 2016-2017 and a portion of 2017-2018 Inter-governmental transfer (IGT). Based on information received from the associations they anticipate the next round of payments for the current year partially in October and/or November and possibly in the early spring.

Mr. Anagnostakis asked if they anticipated receiving the same amount this year from the Advances Training Initiative Grant. Ms. Strecker replied that it would be slightly higher.

Mr. Amo referred to page 8, of the Independent Auditor's Report on Supplementary Information under summary of Expenditures. He expressed concern that they are receiving revenue of \$363.35 yet it is costing them \$495.28 per day in expenses. Mr. Lee replied that the \$495.28 includes the accruals for the GASB45 and GASB68.

Ms. Strecker explained that she reviews the paper entries for the GASB45 and GASB68. The GASB45 postretirement adds \$91.60 to the cost per day and the GASB68 pension obligation adds \$11.68 to the cost per day for a total of \$103.28 that is added into the \$495.28 per day cost to the facility.

Mr. Anagnostakis added that the \$103.28 per day are non-operating expenses and if subtracted from the \$495.28 they would have the actual cost to the facility.

Ms. Strecker added that if they add in the IGT funding if \$17 million it adds \$143.00 a day in revenue. She presented the committee with a handout describing the 2017 Net Income/(Loss) Reconciliation (see original minutes).

Mr. Lee added that besides the costs for the GASB45 and GASB68 the facility had \$1.4 million in depreciation that was reimbursable under medicaid.

Mr. Anagnostakis commented that it seems that the facility remained stable.

Mr. Martello referred to page 8, of the Independent Auditor's Report on Supplementary Information under Summary of Expenditures. Under salaries the total operating expenses for 2017 was \$20.8 million and approximately a \$107,000.00 difference from 2016. The biggest item was with benefits at \$29.3 million in 2017 as compared to \$27.5 million in 2016. On page 9, under employee benefits the cost for Group Health Insurance in 2017 was \$21.2 million and in 2016 it was at \$19.8 million and an approximate increase of \$2 million.

Mr. Lee added that it was a result of the GASB45 accruals.

Mr. Martello clarified that the bulk of the increase was not due to salaries or staffing changes but benefits and health insurance.

Mr. Anagnostakis pointed out that GASB45 is not an actual expense to the facility.

Mr. Martello agreed.

Mr. Benton commented that they would not expect the cost expenses be salaries due to the employee incentives that have occurred over the last few years and the hiring of new staff. In general, they are looking at \$134 million in OPEB liability for Valley View and that is only a small portion of the county's workforce of \$800 million.

Mr. Martello referred to page 4, Statement of Cash Flows with Valley View's payments for capital acquisitions at \$1.1 million was for improvements made at the facility. While they spent \$1.1 million they were capitalized, depreciated and put onto the Residential Health Care Facility for a two year reimbursement from the Department of Health.

Mr. Anagnostakis commented that they have recently begun using the cash that Valley View has on hand of \$51 million for improvements as opposed to bonding. He asked for clarification that it does not affect the reimbursement. Mr. Martello replied that it does not, but if they bond they would get the interest on the bonds. However, they would be way ahead if they can do it without bonding.

Mr. Benton asked where the \$8 million in MMIS county matching funds would be located. Mr. Lee replied that it is listed under receipts from Inter-governmental transfer (IGT); however, they do differentiate between the county contribution and state contribution.

Mr. O'Donnell requested that the receipts for Inter-governmental transfer (IGT) be broken out and why are the numbers different.

Ms. Strecker explained that Mr. O'Donnell was asking why the number was different than what was reported on page 3.

Mr. Lee explained that the figure is different due to the timing of the Inter-governmental transfer (IGT) payments.

Mr. Anagnostakis added that this is on a cash basis.

Mr. Lee referred to page 2, Due from IGT in 2016 and the \$13.3 million that was received and on page 3, they recorded Inter-governmental transfer (IGT) of \$17.6 million and on page 2, \$2.6 million had not been received at the end of 2017.

Mr. Lee referred to pages 5, 6, 7, 8 and 9, which disclosed county policies reported by Valley View in accordance with Department of Health Regulations and standard accounting principles.

Mr. Lee addressed the footnotes on pages 9 through 19: (2) Retirement Plan, (3) Property and Equipment, Net (4) Long-Term Debt (5) Payable to Third Party and Private Payors, (6) Services Provided by the Valley View Center for Nursing Care and Rehabilitation, (7) Funds held in Trust for/by Residents, (8) Medicaid Rate Changes, (9) Other Postretirement Health Care Benefits, (10) Contingencies, (11) Employee Pension Plan and (12) Universal Settlement.

Mr. Anagnostakis asked about (7) Funds held in Trust for/by residents and who at the facility and is the individual bonded. Mr. Martello added that it part of the General Liability Insurance.

Mr. LaDue stated that the accounts are also audited by the state.

Ms. Strecker added that Mr. LaDue is also the rep payee for some of the residents that may not have the cognitive function to manage their funds.

Ms. Strecker presented the committee with a hand out on Valley View's historical county costs from 2011 through 2017 (see original minutes). The report was developed as a tool to better understand the cost to the county, Inter-governmental transfer (IGT) and cost of Inter-governmental transfer (IGT) to the Department of Social Services.

Mr. Anagnostakis asked for the accountant's general perception of the facility. Mr. Martello replied that they are doing very well.

Mr. LaDue addressed new business at Valley View. He explained that they were close to transferring the CHHA license from the Orange County Department of Health to Valley View. The license had to be updated by the New York State Department of Health which has been done. They have begun the second interview process for the Deputy Commissioner position.

Mr. Anagnostakis noted that at last month's meeting Chairman Brescia requested that overtime be listed on the monthly report; however, he does not see it on the report. Ms. Strecker apologized, and it would be included in next month's report.

On the agenda was the monthly report on Valley View.

Ms. Strecker explained that for June 2018, there was zero county taxation for the facility, they received \$2.3 million in IGT funding and they have been informed that an additional IGT payment will be going out in September or October and possibly again in March of 2019 and will be related to 2018. Other revenues were at \$19 million with \$3.6 million related to June posting in July. At the six month mark the facility has billed \$7.7 million under medicaid, \$5.3 million under the medicaid (HMO), \$6.7 million under medicare and private pay at \$2.5 million. On the personal service side, personal services were at \$10.3 million, overtime for the facility year-to-date was at \$602,000.00, equipment purchases at \$39,000.00, contractual at \$3.7 million, employee benefits at \$9.3 million and serial bond interest at \$82,000.00.

Mr. Anagnostakis asked if they know the amount of the payment due in September or October. Mr. LaDue replied that they received the amount of the total pool of money from LeadingAge and they understand that it will be slightly higher; however, they will not have the specific figure until they receive the letter.

Ms. Strecker added that the occupancy rate for June was at 93.71%. Medicaid utilization year-to-date was at 42.43%, medicaid (HMO) at 28.80%, medicare at 17.33% and private pay at 10.31% and occupancy as of today at 94.52%.

Mr. Anagnostakis asked about the cost of private pay as compared medicare. Ms. Strecker replied that medicare is the higher rate. The private pay rate is 410.00 a day for semi-private room and \$420.00 for a private room. That is a competitive rate as they contact other facilities to see what they are charging in order to remain competitive.

Ms. Strecker added that the medicare rate is over \$600.00 per day but she would get the actual number to the committee next month.

Mr. Amo commented that the facilities cost per day is \$495.00 but they are letting people in at between \$410.00 and \$420.00 per day.

Mr. Anagnostakis reiterated that the cost of \$495.00 per day actually includes things that are not really a cost.

Mr. Anagnostakis asked if the ten dollar difference was an industry standard. Mr. LaDue replied that it is normal, and the amount is evaluated at the end of the year.

Mr. Anagnostakis commented that if an individual wants a private room he would be will doing it for \$20.00, \$30.00 and/or \$50.00.

Mr. Strecker replied that it could be looked at as the rates are raised annually with an official notice having to be distributed.

Mr. O' Donnell requested a list of the number of semi-private and private rooms at the facility for next month's meeting.

Mr. Tuohy moved to request supplemental appropriation of \$191,000.00 for two (2) 2018 Capital Projects: \$66,000.00 for Resident bathing tubs; \$125,000.00 for Information Technology. No County taxation required. Source of funds is Interfund Revenues, seconded by Ms. Tautel.

Mr. LaDue explained that they would like to switch the funding of \$66,000.00 for infrared faucets to resident bathing tubs and \$125,000.00 for building equipment to computer upgrades.

Mr. Anagnostakis asked if the two other projects would be brought back to the committee during the year. Mr. LaDue replied no.

Mr. Sierra asked how the facility gets their water. Mr. LaDue replied a water tower from the village of Florida.

Mr. Sierra asked if they pay for water. Mr. LaDue replied yes.

Mr. Sierra asked if they pay a full rate. Mr. LaDue replied that he was unsure.

Mr. Sierra asked if they are currently using standard faucets. Mr. LaDue replied yes.

Ms. Strecker explained that they were looking install infrared faucets on the 120 bed dementia unit because occasionally a resident will turn on the faucet and forget to turn it off. However, the bathing tubs have moved ahead with respect to priority.

Mr. Sierra asked for the amount spent on water monthly. Mr. LaDue replied that he did not have the information with him but would have it for the next committee meeting.

Mr. Anagnostakis commented that the calculation could be difficult if he is looking for what is wasted on a small portion of the population.

Ms. Strecker clarified that they would like to table the infrared faucets in order to replace the bathing tubs which are used daily.

Mr. LaDue explained that the infrared faucets were not being installed on the dementia unit for cost savings; however, they have realized that those residents may not understand that they must place their hand near the sensor.

Mr. Sierra added that infrared faucets pay for themselves with the water savings and the City of Middletown recently spent \$11 million on an energy project that included LED lighting and infrared faucets.

Mr. LaDue added that the faucets could be revisited in the future.

Mr. Benton suggested that because Valley View has the funds available the \$66,000.00 for infrared faucets should still be done.

Mr. Anagnostakis stated that both Messrs. Sierra and Benton have made valid points and he would suggest that a study be completed on the whole facility for any potential cost savings then have it come back to committee.

Ms. Strecker agreed as the facility has been very focused on a green project and the new HVAC. Mr. LaDue meets annually with plant operations to discuss and prioritize upcoming projects, but they will look into the suggested study. While Valley View currently has \$52 million they still must manage, prioritize and ensure that there are funds to sustain the facility in the long-term if something happens and IGT funding is no longer viable. They take the finances at Valley View seriously and manage them as though they were their own.

Mr. LaDue concurred as they have started looking at energy efficiency and have started the transition to LED lights.

Mr. Amo asked if this could be linked to the Green Committee. Mr. Cheney replied that there could be grants available.

Ms. Tautel agreed that an energy audit should be done at Valley View with NYSERDA and Orange and Rockland Utilities offering energy audit programs at no charge.

Mr. Tuohy thanked Mr. LaDue, his staff and the Legislature for all they have done to save Valley View as it is a true gem in the county.

Mr. LaDue expressed his gratitude as it was a team effort between the Legislature and the employees at Valley View.

Motion carried. All in favor.

Ms. Sutherland moved request to accept and appropriate funds from the New York State Office of Children and Family Services Child Fatality Review Team grant for a 6-month extension for the period of 8/1/18 – 1/31/19; \$22,416.50, seconded by Ms. Tautel.

Dr. Gelman explained that the total child deaths investigated for 2017, was 16 with 11 residing in Orange County and 5 non-Orange County residents with the Child Fatality Review Team (CFRT) reviewing 4 per protocol and 1 doll reenactment. They have seen an increase in 2018 with 13 investigations year-to-date, 12 were Orange County residents, 1 non-Orange County resident and the Child Fatality Review Team (CFRT) has reviewed 5 per protocol and 3 doll reenactments. In addition, all child deaths were checked with the Department of Social Services for prior and/or open CPS cases.

Mr. Amo asked if there was a reason for the increase. Ms. Gallagher replied that there have been several tragic situations in 2018 that attributed to the increased.

Mr. Amo asked if they are seeing trends or patterns. Dr. Gelman replied not at this time.

Ms. Gallagher added that the grant is also used to educate the residents of Orange County.

Mr. Anagnostakis asked if they have any data in order to look at a five and/or ten year period. Ms. Gallagher replied yes, and each year the number rises due to the rise in population.

Ms. Sutherland asked if that data could be forwarded to the committee. Ms. Gallagher replied that she would check to see how far the data goes back and get the information to the committee.

Mr. O'Donnell asked if they receive an annual report. Ms. Gallagher replied yes.

Motion carried. All in favor.

Mr. O'Donnell moved request to accept and appropriate additional funding from the New York State Department of Health for the Drinking Water Enhancement Program for the period of 4/1/18 – 3/31/19; \$68,730.00, seconded by Mr. Tuohy.

Motion carried. All in favor.

Ms. Stegenga moved resolution creating the "Orange County Special Committee on Opioid Addiction," a special committee of the Orange County Legislature, seconded by Ms. Sutherland.

Chairman Brescia explained that he has asked Legislator Sassi to spearhead this committee as it is something that is near and dear to his heart. Since receiving their packets he has tweaked the composition of the committee with the following change to the third **WHEREAS**: "**WHEREAS**, the Committee shall be comprised of five (5) members as follows: four (4) Legislators, as appointed by the Chairman based upon recommendations of the party leaders, and the Orange County Commissioner of Social Services and Mental Health and/or designee." While the District Attorney has a Task Force in place this committee would include the same agencies throughout the county, but no means are they trying to compete.

Mr. Touhy motioned to amend the resolution with the following: **WHEREAS**, the Committee shall be comprised of five (5) members as follows: four (4) Legislators, as appointed by the Chairman based upon recommendations of the Party Leaders, and the Orange County Commissioner of Social Services and Mental Health and/or designee,

seconded by Ms. Stegenga.

Chairman Brescia emphasized that the committee would target education outreach, prevention, intervention, treatment and community engagement and/or any other matters presented.

Motion carried. All in favor.

Mr. Anagnostakis noted that once the committee has been formed he would call upon the Chairman of the Orange County Special Committee on Opioid Addiction on a quarterly basis to report to the Health and Mental Health committee.

Mr. Amo asked for clarification that the Health and Mental Health committee would have oversight. Chairman Brescia replied yes.

Legislative Counsel Reed clarified that typically, pursuant to the Legislative Manual if something goes to the floor it must come out of a statutory committee; therefore, it would come to the Health and Mental Health committee with any reports and/or recommendations going to all Legislators.

Mr. Amo commented that there could be grants and/or other resources available to them, but they would have to go through a committee to be approved.

Mr. Anagnostakis concurred, and that would be the Health and Mental Health committee.

Mr. Sassi addressed the committee stating that as an educator he has seen eight of his former student's parish due to the opioid epidemic. The opioid epidemic is not only nationwide but here in Orange County. This issue impacts all 21 of our legislative districts and after speaking with District Attorney David Hoover they are two to three years away from the height of the epidemic with the worst yet to come. His niece is doing a clinical internship at Hershey Medical Center in Pennsylvania and sent him the following text message:...caring for people is a passion of mine and being in a hospital and doing my clinical rounds over the last couple of months has been an eyeopener for me in one area in particular. Everyone has heard about the opioid crisis but only some can truly understand it. On a daily basis the amount of people affected by this is incredible, having to see this day after day people dying from this is one of the hardest things I have ever had to do. Please if you know someone who is struggling, try to help. Beg your loved one or friend to get help so that they are not taken by this crisis as well something needs to change, let's all be the change...

He has been on a journey since being elected with the goal being to raise awareness to all the services available here in Orange County. If someone needs help where do they go, and who do they turn to; Catholic Charities, Alcoholism & Drug Abuse Council (ADAC) and/or the Department of Mental Health the list goes on but there is not a common thread. Commissioner Miller and her staff have been extraordinary, and there is a toll-free helpline in Orange County that is staffed by employees and volunteers 24/7.

Mr. Amo asked if there was a list of all the "participants" in Orange County that stipulates what they do. Mr. Sassi replied that there are so many organizations that are doing remarkable things but there is not a common thread. He would like the Legislature to be that common thread and to raise awareness to the epidemic with availability of help, education and prevention.

Mr. Amo stressed that coordination would be critical.

Ms. Bonelli asked what Mr. Sassi's vision was with respect to the committee's interaction with the established Orange County Task Force and its sub-committees. Mr. Sassi replied that he is the only legislative member on Opioid Task Force and while they have many great ideas and great people involved this epidemic is a monster. This new committee would incorporate additional Legislators who would brain storm and look at how to assist the existing Opioid Task Force but in no way would they impede on the work they are doing. In addition, he would invite all Legislators to attend the task force meetings.

Ms. Bonelli asked if Mr. Sassi envisions the committee being an active participant and a sub-committee to the Opioid Task Force. Mr. Sassi replied yes, he would like the committee to be the thread and/or vehicle as the Legislature has the power of the pen and purse. He has met with a multitude of people including police chiefs, hospital administrators and Darcie Miller, Commissioner of Social Services and Mental Health and they must focus on getting information out to the community.

Mr. Benton expressed his pleasure that the discussion has included coordination and cooperation amongst various groups and departments because this is just one of many crisis' that are affecting their constituents.

Mr. Cheney commented that there are many coalitions throughout the county and he would encourage his fellow Legislators to recognize who in their municipalities are addressing this issue and engage them. These coalitions are suffering from the lack of funding and resources and they as the Orange County Legislature have the opportunity too assist them.

Mr. O'Donnell commented on a personal tragedy that a close friend recently suffered because of an overdose. If they are looking for something to do right now, he would recommend that a NARCAN kit be included in every households first aid kit. The training for the NARCAN kit takes about 10 minutes and in his, opinion, every commercial building and government center should have a NARCAN kit alongside the defibrillator. In addition, they should be encouraging every business in the county to have a NARCAN kit on hand.

Mr. Sierra expressed his concerns and fears as a parent and as a first responder. He has seen the effects of the opioid epidemic first hand and everyone in this room knows someone that has and/or is being affected by this crisis. His hope is that this committee will spearhead a campaign to educate the community, provide NARCAN training and bring resources together.

Mr. Paduch agrees that these are fantastic ideas, but the reality is that many of these people are addicted because of prescriptions provided by physicians. They may be able to educate and provide training, but they will not be able to stop the epidemic until they stop physicians from prescribing opioids.

Ms. Sutherland asked for the cost of a NARCAN kit. Ms. Tremble replied that they are free.

Ms. Sutherland expressed confusion as she recalls receiving an email stating that they were limiting distribution of NARCAN kits. Ms. Tremble replied that there was as shortage last year; however, that pertained to a piece of the kits that was recalled. Kits are available, they can also be

disbursed through a prescription with a cap attached on how much the co-pay is allowed to be and and free training sessions conducted routinely.

Mr. Tuohy recommended the committee look at creating a "Orange County Opioid Awareness Resource Guide." He would guarantee that every municipality has a pamphlet and/or flyer on what they are doing but they need to have all of that information in one document.

Mr. Sassi added that on August 31, 2018 at 7:00 p.m. at the village of Goshen square the "Friends of Recovery" will be holding an "Awareness Raising" for those that have died by overdose due to substance abuse. This will be a prevention effort and support mechanism for those that have lost a loved one.

As amended the resolution passed by the following vote:

Motion carried 7-1 with Legislators Amo, O'Donnell, Sierra, Stegenga, Sutherland, Tuohy and Anagnostakis voting in favor and Legislator Tautel who was absent.

The meeting adjourned at 5:40 p.m.