

## **LWV GHHCC Study Group 2 July 26, 2010**

Present: Cindy Bell, Jim Mahoney, Gloria Plasker, Lee Ridgeway, Renee Sachs, Margaret Sellers, Dare Thompson

The next meeting will be at 5:00 PM on Tuesday, August 10 at Renee's unless Margaret can host. Watch for an update. Please maintain email contact in the interim to share ideas and new developments.

### Meeting Notes:

1. Check in: Goals and Interests- Cindy said that she was tired of tax increases, Jim is a new member and has experience in home care and now works for Family, Gloria, Renee and Lee are long time members and did GHHCC Study 1, Margaret Sellers has about 5 yrs with the LWV, was staff to the NYS Senate Finance Committee on Medicaid, and worked for OMRDD, Dare has broad experience with the LWV in many states, and is ex-officio.
2. Old Consensus questions- We reviewed the Consensus questions from Study 1 and the options that the GHHCC Task Force has entertained and decided to come up with our own questions.
3. Marshall Beckman's comments were recommended by Jackie. They followed the LWV presentation to the Task Force which was, in general, well received. Margaret got a draft of the comments from Nettie, Legislative Staff. They are:

Marshall Beckman – Examined the course for the next 5 years :

- IGT if we get it next year it is the last year that we know of – we don't really know.
- The uncertainty factor is a huge issue – can't count on anything anymore in most of our budgets.
- Capital Issue – Talked w/ Paul V. at length – We know there is \$2.5 million worth of regulatory capital investments we have to make over the next 5 years – reimbursable to a certain extent subsidized over the next 20-25 years
- Catastrophic event with the sewage pipe rotted out in the slab runs along the ground, if it fails would require shut downs of units over a period of 2 years – probably 12 million dollars overall – reimbursable but over 20-25 yrs.
- Daily rate is still stuck at \$177 dollars a day – budgeted at \$192 – still losing money - we need to be at \$196 per day.

- Union contracts - COLA's looking at best case scenario looking at current contracts – if negotiations are stuck in arbitration expect a minimum 2%-3% increase annually per year.
- Fringe benefits – Desperately struggling to figure out how to curb the projected 12% increase in health insurance. Looking at some self insurance -won't know until the end of August. This may help us for 1 year - blight for everyone.
- Retirement 11-12% increase this year and that number keep's going up.
- Anyway you look at it, the sum over the next 5 years – the deficit going up - nothing on the horizon in terms of income that offsets the situation.

In Marshall's opinion, NYS is one of the least business friendly states – state legislature is so gridlocked – as long as were dependent on property taxes to finance schools, the school system is going to suffer. We are finally starting to bleed out some of the best paying jobs in upstate counties, schools and government so the median income is going down, not up.

The demographics of the aging population, in 2025 we will all be on fixed incomes that are lower than we're currently making – the 25-45 year old population is leaving the County – service industry jobs only available and they don't pay a whole lot.

The Social Service System is now focused on helping people to supplement their low wages they do earn with food stamps and so on to get them to a better living wage which is in the neighborhood of \$28K per year.

As we get older and dependant on property tax to support an infrastructure, there isn't enough people to afford to pay property tax. It's structurally designed to fail the way we finance things in NYS. The State Legislature is never going to swallow that big pill and say we need to do the right thing stop depending on property taxes and start to depend on income tax – scared to death they will scare away people with big money- they'll leave the state. Foreclosures are up. The whole picture is bleak. A lot is really out of our hands.

4. A New Option was presented by Cindy and Jim. They suggested that there was a building available in the Hudson Valley Business Center that is near and similar to the NE Center which could possibly also be rehabbed into a nursing home, as the NE Center was. Cindy is going to talk to Tom Collins, the realtor (Commercial Associates) to get some idea if it is worth pursuing.

5. There was complete consensus of those present (Gloria had left) that the Golden Hill Health Care Center could not continue to operate its present level of services in the old, deficient 1970 building, and that the building is should not be rehabilitated.

6. In deciding how to develop the new consensus questions, Jim suggested that we look at a kind of a decision tree:

- a) Does Ulster County need approximately the number of Nursing Home beds that GHHCC is licensed to provide? The answer is yes, as the latest NYS DOH numbers show that Ulster has either 21 too many or too few beds.
- b) Should the current GHHCC building be rehabilitated?
- c) Since the facility should be replaced, should it be replaced by another County run facility, or should the new facility be privately run by a for profit or not for profit corporation. The public benefit corporation is also possible, but has drawbacks.
- d) Further definition could be made between building entirely new, vs rehabbing another building, and the different type of privatizing deals that could be made.

Cross-cutting issues:.

7. Fiscal aspects are very important, and need further exploration. Jim has a resource that might be valuable, Tony Marone, CPA. His Long Island based company has contracts with 10% of the nursing home beds in the State. They did a study for Suffolk Co. which is on the wwweb at:  
[www.suffolk.ny.us/upload/healthservices/jjfsnreport.pdf](http://www.suffolk.ny.us/upload/healthservices/jjfsnreport.pdf)

8. The emotional aspects are also very important to the decision making process and need to be explored. Further questions need to be developed in this area.

- a. Do the services provided match community needs?
- b. Can the reimbursement for the services provided cover the costs of the GHHCC?
- c. Is the current building worth further investment?
- d. Can Ulster County maintain or increase its current level of financial contribution?

9. If the GHHCC is not viable for the long term in its present state, should Ulster Co.

- a. Build a new building to house an updated nursing home program at significant cost?
- b. Leave the nursing home business by:
  - i. Establishing a Public Benefit Corporation
  - ii. Form a partnership with another health care corp (200 beds)

- iii. Form a partnership with another health care corp (280 beds)
- iv. Sell the Bed License
- v. Sell the Bed License and the Property