

Marshall Beckman Conversation on Golden Hill with Renee Sachs, Margaret Sellers and Dare Thompson- 8/17/2010

Included here is information that was sent, to date, from Beckman's office including geographical origin of residents, resident bed turnover, and the County RFP. The general sense of the conversation is reported, not specific statements, in most cases.

We talked in general about the Legislature-Executive relationship. Beckman observed that the Legislature had quite a bit of power. They could refuse appointments, and they are the owners of the County's assets, including the Golden Hill Health Care Center. They are still too dependent on the Executive for legal, fiscal and policy information. They need to develop their own resources and staffs. With the approach of Election Day, politics takes a stronger hand. Adversarial politics seems to be rampant all over.

The County is still forecasting a \$15 M to \$25 M deficit for 2011, making it a very difficult budget year. Seventy percent of the County spending is mandated by NYS, so all the remaining reductions have to come out of 30% of the budget.

The County Golden Hill Health Care Center Task force is developing a list of options, criteria and pros and cons for the disposition of the problems that the Center faces. The consultant, John Rohrbaugh, is aiding them with this task.

They have asked for a two month delay for their report. This means the Executive Budget with a recommendation for Golden Hill will be out on October 1, and the Task Force's recommendations are due November 1. The Executive's recommendations, then, will precede those of the Task Force.

Our *questions* follow along with a summary of the response/discussion.

1. *What is the status of the Berger Commission's conclusions and recommendations at this time? Will they affect the County's plans for Golden Hill?*

The Berger Commission has largely concluded its business and will not have an effect on the Golden Hill process. The Commission did recommend more home health care, and the County did sell its home care license to Will Care, largely because a private agency could make a profit on the service, while the County had a deficit of \$665,000.

2. *What will be the impact on County finances (budget, debt load etc.) if:*

- a. *Golden Hill continues its current status?*

Beckman considers doing nothing as the worst option. The facility systems, including the nurse call system, the elevators and all the pipes and vents are at serious risk of failure in the next 5 years. Failure would probably mean emptying out wings, with loss of resident income and increased

county deficits. If the reduction in the number of residents depends on resident turnover, which averages 18 residents per month or about 180 to 200 per year, lowering the Golden Hill census will take some time if the only method used is not admitting residents. Decisions would have to be made on the fly, as there is no plan.

b. It requires \$12M to \$15M in building upgrades?

Renovations are a bad option, due to disruptions and loss of revenue as described above. There would have to be a hiring freeze or layoffs.

c. The County chooses to completely renovate or build new?

Affording a new building would be a problem. A complete renovation would be costlier than building new. It could be built on the site of the old County jail, after it was demolished. Roads, sewer, water and utilities are already available there, and the County owns the land.

d. Golden Hill becomes part of an umbrella Public Benefit Corporation (PBC)?

There will still be union level wages and benefits to deal with. Beckman thinks that it will only be a matter of time before the PBC would have to divest itself of the facility. At that point the County would have no say over who would get the bed licenses, or whether or not the beds would stay in Ulster County.

e. Golden Hill closes? (or sells or leases to a private operator)

The County would then only be responsible for the “legacy costs” of the facility, such as paying pension costs for workers who used to be County employees.

Specific financial answers to the above questions are being developed. In general, the current facility has well known infrastructure problems and financing is uncertain. The IGT transfer ends in 2011, unless there are changes. Medicaid rates are not high enough to cover costs. The current space does not accommodate rehab and other services that have higher reimbursement rates. The space does not promote an efficiency of staffing patterns, raising supervisory and staffing costs.

Alternate forms of care are available, but in general are not well utilized. They do not appear to meet people’s needs. Many people in nursing homes say they want to go home, but that is often not a realistic alternative due to their care needs. “Aging in place” is one planning concept, but will not be for everyone. Good caretakers are less available than previously, making aging in place harder.

People need to be safe, well cared for and supervised. Hospital placements into nursing homes are a big factor in nursing home utilization. Ulster County will be part of a two county demonstration

program that will look at nursing home placements with an eye towards reducing “cherry picking” patients that are easy to care for and have high reimbursement rates.

In the current financial climate, county government cannot operate nursing home beds without a county subsidy. The State and Federal government reimbursement does not make this possible.

Nursing home buyers are out there, making privatization a very viable option. The county can negotiate with a private buyer to insure that low-income (or no-income) patients are not denied beds, and the demonstration program referred to above may help. The County can also make the old jail as part of the deal, to use as a new nursing home building site, which would help out the county in another way.

Quoting from the RFP, “The County is seeking proposals from interested parties that would reduce or eliminate the nursing home’s dependence on the local tax levy. The county government is willing to consider all such proposals, which could include (but is not limited to) collaborations/partnerships, sale, lease of space, and the purchase of the GHHCC operating license and related/other assets” In the RFP, the County states that “In considering any proposal, the County’s priorities are the safety and well-being of the GHHCC’s current residents and employees, and the financial impact to County taxpayers.”

As far as quality of care goes, county facilities in general, and Golden Hill in particular, are about on par with privately owned facilities. Beckman does not hear of many complaints from residents of private facilities.

Beckman’s mother is a resident of Golden Hill Health Care Center.

3. What might be the fallout from Golden Hill closing?

a. Political fallout?

Substantial tax increase if kept open vs the loss of county jobs and a county run facility if closed.

b. Quality of life for County residents?

Little impact.

c. General economics of the County (jobs in the private sector, \$ spent in UC etc.)?

As long as there is a facility, private or public, there will be jobs. The differences will be felt later in reduced pensions and benefits.

d. DPW and other County entities that do work for GH?

The only work that DPW does for GH is to plow and maintain the roads, which it does for all the buildings in the complex, and will probably continue to do if the facility was privatized.

e. *Effect on the County's culture—moral and actual responsibility for people?*
Not addressed.

4. *How does the County's culture effect this decision?*

Not covered.

5. *What is the Mission of Golden Hill? How is it related to the County's culture?*

Not covered.

6. *Does the County need the 280 beds that GH has?*

Every indication, including the NYS estimates are that the County does need most of the 280 beds. While there has recently been GHHCC resident vacancies (about 14), as opposed to the long standing waiting list, the Ferncliffe nursing home across the river has about 100 Ulster County residents.

a. *What is the latest NYS bed need projection?*

The county is still waiting for clarification on a NYS table that estimates that Ulster County has 21 more bed than they need.

b. *How are these numbers calculated?*

c. *How much consideration is given to aging in place, i.e. Home care, technology, etc.?*

7. *What is the GH population by town or city of origin?*

In samples taken in 2009 and 2008, which included about 300 residents, about 140 of them came from the city of Kingston, 18 from Saugerties, 11 from Woodstock, 10 from Hurley, 9 from New Paltz, 5 from Lake Katrine, about 5 each from Port Ewen, Shokan, Tilson, West Hurley and Ulster Park, and the rest from a scattering of towns and villages. Over 75% of the residents come from Northern Ulster, and about half from the City of Kingston.

8. *Who carries the health insurance for GH employees?*

Employees are covered by a version of the Empire Plan, which is not as robust as the NYS Empire Plan. The County can switch carriers, but must offer the same benefits according to union agreements. The current plan is very costly when compared to other counties.