

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: HEALTH SERVICES (AT WESTMOUNT HEALTH FACILITY)

DATE: DECEMBER 6, 2012

COMMITTEE MEMBERS PRESENT: OTHERS PRESENT:

SUPERVISORS SOKOL
THOMAS
FRASIER
TAYLOR
MCDEVITT

REPRESENTING THE DEPARTMENT OF PUBLIC HEALTH:
PAT AUER, DIRECTOR OF PUBLIC HEALTH/PATIENT SERVICES
SHARON SCHALDONE, ASSISTANT DIRECTOR OF HOME CARE DIVISION
TAWN DRISCOLL, FISCAL MANAGER
REPRESENTING WESTMOUNT HEALTH FACILITY:
BARBARA TAGGART, ADMINISTRATOR
KATHY GALLAGHER, INTERIM DIRECTOR OF NURSING
SKIP BESSAW, SR. BUILDING MAINTENANCE MECHANIC
PAUL DUSEK, COUNTY ADMINISTRATOR
JOANN MCKINSTRY, ASSISTANT TO THE COUNTY ADMINISTRATOR
MARTIN AUFFREDOU, COUNTY ATTORNEY
AMANDA ALLEN, DEPUTY CLERK OF THE BOARD
KEVIN GERAGHTY, BUDGET OFFICER
SUPERVISORS MASON
STRAINER
REPRESENTING SIEMENS INDUSTRY, INC.
WILLIAM P. CASEY, OPERATIONS MANAGER
PAUL J. ROGERS, OPERATIONS MANAGER
DON LEHMAN, *THE POST STAR*
THOM RANDALL, *ADIRONDACK JOURNAL*
CHARLENE DiRESTA, SR. LEGISLATIVE OFFICE SPECIALIST

Mr. Sokol called the meeting of the Health Services Committee to order at 9:31 a.m.

Motion was made by Mrs. Frasier, seconded by Mr. Thomas and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Paul Dusek, County Administrator, commented a brief executive session would be necessary to discuss information related to a current litigation matter; the employment history of a particular person; the employment history of a particular corporation; and matters pertaining to Union negotiations.

Motion was made by Mr. Taylor, seconded by Mr. Thomas and carried unanimously that executive session be declared pursuant to Section 105 (d), (e) and (f) of the Public Officers Law.

Executive session was declared from 9:32 a.m. to 10:03 a.m.

Mr. Dusek exited the meeting during the executive session and JoAnn McKinstry, Assistant to the County Administrator, entered the meeting when the Committee reconvened.

The Committee reconvened and Martin Auffredou, County Attorney, noted no action was taken during the executive session. He stated a resolution would be resultant of the executive session and would be presented following review of the Health Services agenda.

Privilege of the floor was extended to Pat Auer, Director of Public Health/Patient Services, who distributed copies of the agenda to the Committee members; *a copy of the agenda is on file with the minutes.*

Commencing the agenda review, Ms. Auer requested authorization for Dorothy Muessig, Community Health Nurse, to enroll in a job related course entitled, Nursing 304-Health Assessment, in continued pursuit of a Bachelor of Science Degree in Nursing. She noted as per the Union contract Ms. Muessig would receive 50% reimbursement for the course, books and associated fees upon earning a grade of C or better, for a total amount of \$425.10.

Motion was made by Mr. Taylor, seconded by Mrs. Frasier and carried unanimously to approve the request to enroll in a job related course as outlined above and to forward same to the Personnel Committee. *A copy of the Authorization to Enroll in Job Related Course by Employee form is on file with the minutes.*

Ms. Auer requested to appoint members of the Professional Advisory Committee for the term commencing January 1, 2013 and terminating December 31, 2013, as detailed on the resolution request form. She pointed out that the only new members being appointed were Suzanne Wheeler, Acting Commissioner of the Department of Social Services, and Regina Muscatelo, Registered Nurse (RN) at Westmount Health Facility.

Motion was made by Mr. Thomas, seconded by Mr. McDevitt and carried unanimously to appoint members to the Professional Advisory Committee as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Ms. Auer requested to appoint members to the Local Early Intervention Coordinating Council for a term commencing January 1, 2013 and terminating December 31, 2013, as detailed on the resolution request form.

Motion was made by Mr. Taylor, seconded by Mrs. Frasier and carried unanimously to appoint members to the Local Early Intervention Coordinating Council as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Ms. Auer requested to extend the existing agreement with Adirondack Health Institute to allow continued assistance in maintaining the Community Health Assessment Data as per the current contract for a term commencing January 1, 2013 and terminating December 31, 2013 in an amount not to exceed \$5,000. She requested authorization for automatic renewal of this agreement provided there was no increase in the annual cost.

Motion was made by Mrs. Frasier, seconded by Mr. McDevitt and carried unanimously to extend the existing contract with Adirondack Health Institute as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Ms. Auer requested to renew the existing contract with North Country Home Aides to provide paraprofessional care services for the Certified Home Health Agency (CHHA) and the Long Term Home Health Care (LTHHC) Program for a term commencing January 1, 2013 and terminating December 31, 2013 at the same rates charged in 2012. She noted the agency did not provide a lot of service but they provided home health aides that covered the northern portions of the County.

Motion was made by Mr. Thomas, seconded by Mrs. Frasier and carried unanimously to renew the existing contract with North Country Home Aides as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Ms. Auer requested to renew the existing contract with ENS Health Care Management, LLC d/b/a Interim Health Care of New York for paraprofessional health care services for the CHHA and the LTHHC Program for a term commencing January 1, 2013 and terminating December 31, 2013 at the same rates charged in 2012. She noted the Department selected the agency that responded first to requests but they received minimal responses from this agency.

Motion was made by Mr. Thomas, seconded by Mr. McDevitt and carried unanimously to renew the existing contract with ENS Health Care Management, LLC d/b/a Interim Health Care of New York as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Ms. Auer requested to renew the existing contract with Visiting Nurse Association of Albany Home Care Corporation to provide paraprofessional health care services for a term commencing January 1, 2013 and terminating December 31, 2013 at a rate of \$22.59 per hour for home health aides and \$22.05 per hour for personal care aides. She noted this agency was requesting a 3% increase from the 2012 rates and she pointed out through October 19, 2012, the Department had paid this agency \$51,560.36 for services provided to patients in the LTHHC or Personal Care Aide Programs. She said this agency was the second largest supplier of aides in the area and the proposed increase for 2013 was still less than that charged by the leading supplier of aides, Greater Adirondack Home Aides, Inc. She commented this was the only aide agency which had requested an increase for 2013.

Following a brief discussion, motion was made by Mr. Taylor, seconded by Mr. McDevitt and carried unanimously to renew the existing contract with Visiting Nurse Association of Albany Home Care Corporation as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Ms. Auer requested to renew the existing contract with Greater Adirondack Home Aides Inc. to provide paraprofessional health care services for patients in the CHHA and LTHHC Program for a term commencing January 1, 2013 and terminating December 31, 2013 at the same rates charged in 2012. She noted this agency provided the majority of the Department's aide services, as they had the largest number of aides available and were most expedient in meeting the needs of referrals.

Motion was made by Mrs. Frasier, seconded by Mr. Thomas and carried unanimously to renew the existing contract with Greater Adirondack Home Aides Inc. as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Tawn Driscoll, Fiscal Manager, presented a request for a transfer of funds between various codes in an amount totaling \$88,260 in order to balance the budget for the end of the year. She explained each transfer in detail and noted reasons such as, sick leave incentive earned, an increase in the cost of hospitalization for retirees and regular employees and reallocation of funds in order to ensure the funds would be available within the codes that were needed.

Motion was made by Mrs. Frasier, seconded by Mr. Thomas and carried unanimously to approve the request for a transfer of funds as outlined above and to forward same to the Finance Committee. *A copy of the Request for Transfer of Funds form is on file with the minutes.*

Pertaining to the pending item concerning updates on the Certificates of Need (CON) for new CHHA's, Ms. Auer commented there was no new information available. Mr. Sokol asked if this was a positive sign and Sharon Schaldone, Assistant Director of Home Care Division, replied the New York State Department of Health (NYS DOH) was currently concentrating their efforts on the New

York City area. She noted there was one agency in Albany with a CHHA that had a certificate which would allow them to extend their services into Warren County but so far they had not taken advantage of that option.

Ms. Auer pointed out a Report on Monthly Emergency Response and Preparedness Activities was included in the agenda packet.

Pertaining to the Report on Revenues and Expenditures for 2012, Ms. Driscoll reported year-to-date revenues to be \$5,956,53.40 and expenditures totaling \$8,865,783.65. She commented billing for the month of October had been closed the previous day which increased the revenues to approximately \$6.3 million. She said she anticipated \$2.5 to \$3 million in additional revenues for 2012. Regarding the salary comparison, Ms. Driscoll reported a decrease in total salaries of \$51,704.15 compared to the same time period for 2011. She noted the hiring freeze had affected the salary levels dramatically as the level of overtime usage had increased in order to cover the vacant positions. Ms. Schaldone commented that due to being understaffed, Nurses were required to cover weekend shifts more often resulting in an increase in overtime. Ms. Auer acknowledged there was a hiring freeze in effect; however, she requested a referral to the Personnel Committee to allow the Department to commence filling vacant positions once the hiring freeze was lifted.

Motion was made by Mr. Thomas, seconded by Mr. McDevitt and carried unanimously to refer the request to fill vacant positions once the hiring freeze was lifted to the Personnel Committee for discussion.

Mr. Auffredou stated that pursuant to the executive session held at the beginning of the meeting, a resolution was necessary to terminate the provider agreement with Achievements, PLLC.

Motion was made by Mr. Thomas, seconded by Mrs. Frasier and carried unanimously to terminate the provider agreement with Achievements, PLLC. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

This concluded the Health Services portion of the Committee meeting and the representatives from the Health Services Department exited the meeting at 10:17 a.m.

Barbara Taggart, Administrator of Westmount Health Facility, entered the Committee meeting and the Westmount Health Facility portion of the meeting commenced at 10:29 a.m.

Mr. Auffredou stated a brief executive session would be necessary to discuss a potential collection matter.

Motion was made by Mrs. Frasier, seconded by Mr. Thomas and carried unanimously that executive session be declared pursuant to Section 105 (d) of the Public Officers Law.

Executive session was declared from 10:30 to 10:39 a.m.

The Committee reconvened and Mr. Auffredou noted that no action was taken during the executive session.

Pursuant to the executive session, motion was made by Mrs. Frasier, seconded by Mr. Taylor and carried by majority vote, with Mr. Thomas voting in opposition, to authorize a settlement of \$6,117

for an unspecified collection matter with the payment to be received by December 31, 2012. *The necessary resolution was authorized for the December 21, 2012 Board meeting.*

Mr. Auffredou exited the meeting at 10:41 a.m.

Privilege of the floor was extended to Ms. Taggart, who distributed copies of the agenda to the Committee members; *a copy of the agenda is on file with the minutes.*

Commencing the agenda review, Ms. Taggart requested to extend the existing contract with Clinical Resources, LLC to provide Interim Director of Nursing (DON) services for a term commencing January 1, 2013 and terminating April 30, 2013. She noted they continued to advertise for the vacant DON position but had not received any applications from qualified candidates. Mr. Sokol commented that although a candidate might have in excess of 20 years experience as a Registered Nurse or DON, if they did not have experience in Long Term Care, they were not a viable candidate for the position.

Motion was made by Mrs. Frasier, seconded by Mr. McDevitt and carried unanimously to extend the existing contract with Clinical Resources, LLC as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Ms. Taggart requested a new contract with B&L Control Services, Inc. to supply chemical products to Westmount Health Facility's evaporative coolers, water condensers and recirculators for the cold and hot water systems for a term commencing January 1, 2013 and terminating December 31, 2014 for a total amount not to exceed \$2,837 per year. She noted the cost of the contract reflected an increase of \$147 compared to the previous contract. Mr. Sokol asked if the increase of \$147 was per year or for the two-year contract and Ms. Taggart replied per year. Skip Bessaw, Sr. Building Maintenance Mechanic, stated the Facility had utilized the services of B&L Control Services, Inc. for many years and their past experiences had been favorable.

Motion was made by Mr. Taylor, seconded by Mrs. Frasier and carried unanimously to authorize the contract with B&L Control Services, Inc. as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Ms. Taggart requested to amend the existing contract with Hudson Headwaters Health Network to increase the part-time physician hours from 14 hours every other week to 20 hours every other week at the predetermined 2013 rate for a term commencing January 1, 2013 and terminating December 31, 2013 for a total amount not to exceed \$40,066. She explained the Medical Director had requested an increase in the number of hours in order to meet the health care needs of the residents. Mr. Taylor asked if the physician treated the resident at the Facility and Ms. Taggart replied affirmatively.

Following a brief discussion, motion was made by Mr. Thomas, seconded by Mrs. Frasier and carried unanimously to amend the existing contract with Hudson Headwaters Health Network as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Ms. Taggart requested to increase the salaries for the Nurse Manager #1 and Nurse Manager #2 positions from an annual salary of \$43,905 to an annual salary of \$50,580. She noted the positions would continue to be Grade 21 but the employees would be compensated at the rate for fifth year

employees. She explained she had hired two RN (Registered Nurse) Nurse Managers who had over ten years experience each and she wanted their salaries to reflect their level of experience. She pointed out she had discussed this issue with Mr. Dusek who had been in agreement. Mr. Sokol commented approval by this Committee would allow the matter to be discussed further at the Personnel Committee meeting.

Motion was made by Mr. Thomas, seconded by Mr. McDevitt and carried unanimously to approve the request to increase the salaries as outlined above and to forward same to the Personnel Committee. *Copies of the resolution request forms are on file with the minutes.*

Ms. Taggart requested a transfer of funds between various codes in an amount totaling \$113,000 in order to balance the salaries budget until the end of the year. She reported the Facility currently had ten vacant CNA (Certified Nursing Assistant) positions and two vacant RN positions. She pointed out the transfers were necessary in order to reallocate funds within the salaries budget to reflect overtime usage and coverage by agency nurses. Ms. Taggart announced that within the last two weeks, the Facility had filled the vacant LPN (Licensed Practical Nurse) Screener position, an LPN position on the 3:00 p.m. to 11:00 p.m. shift and two vacant CNA positions. Mr. Sokol noted the hiring freeze was having a significant affect on overtime usage for the Facility. Ms. Taggart pointed out the Westmount Health Facility budget contained many sub-Departments and it was necessary to reallocate funds to the proper sub-Department. Mr. Thomas asked if the funds were available within the budget and Ms. Taggart replied affirmatively.

Motion was made by Mr. Thomas, seconded by Mr. McDevitt and carried unanimously to approve the request for a transfer of funds as outlined above and to forward same to the Finance Committee. *A copy of the Request for Transfer of Funds form is on file with the minutes.*

Ms. Taggart requested a resolution authorizing adoption and electronic certification of the Corporate Compliance Program for Westmount Health Facility.

Ms. Taggart reviewed the following in detail with the Committee members:

FUNCTION OF CORPORATE COMPLIANCE: The compliance committee was established to assure that Westmount's operations are being conducted in compliance with applicable law and the highest ethical standards. A significant portion of Westmount's services are reimbursed through governmental programs which require that Westmount's business be conducted with complete integrity as set forth by the Office of Inspector General (OIG).

MEMBERS OF THE COMMITTEE:

*Barbara Taggart/Administrator
Kathleen Gallagher/Director of Nursing
Betsy Henkel/Officer/Comptroller
Dr. Roslyn Socolof/Medical Director
Jennifer Rainville/MDS Coordinator
Mary Hilliard/Admissions*

STANDARDS OF CONDUCT:

RESIDENT CARE AND RESIDENT RIGHTS: Westmount has developed policies and procedures to ensure quality of care and the protection and promotion of resident rights.

- Comprehensive assessment of each resident is conducted in accordance with federal and state laws and regulations.*
- All resident plans of care are developed by the interdisciplinary team based on assessment*

with the MDS. This includes measurable objectives and goals to meet the resident's medical, nursing, mental and psychosocial needs.

- *Residents are free from verbal, mental, sexual or physical abuse, corporal punishment or involuntary seclusion.*

REFERRALS: Federal and state law prohibit Westmount from soliciting or accepting or offering or paying for referrals.

- *Receiving free goods or services from a vendor in exchange for the purchase of other goods/services.*
- *The offering or making gifts, loans of any kind to an entity that is a prospective referral source.*

BILLING AND CLAIMS: The facility has an obligation to its residents, third party payers and the state/federal agencies to exercise diligence when submitting claims for payment. Some risk areas include:

- *Claiming reimbursement for services not rendered.*
- *Filing duplicate claims.*
- *Upcoding to a higher RUG's score.*
- *Billing for services not medically necessary.*
- *Failing to provide medically necessary services.*
- *Billing excessive charges.*

NON-DISCRIMINATION IN RESIDENT SERVICES AND CHARGES: The Facility should not discriminate with regards to admission, retention and care of residents based on race, color, blindness, national origin, sex, sexual preference, religion and sponsorship/payment.

CONFIDENTIALITY: Resident information must be kept confidential. Discussing a resident's medical condition or providing any information about to anyone other than hospital personnel, interdisciplinary team and authorized representatives is a violation.

BUSINESS ENTERTAINMENT/GIFTS: Employees should not receive any gift under circumstances that could be construed as an improper attempt to influence Westmount's decisions/actions.

CONFLICTS OF INTEREST: No employee should place themselves in a situation where their personal interests might conflict with the interests of Westmount Health.

- *Another job that would interfere with the effect-performance of your duties at Westmount.*
- *No employee should have financial interests in a firm/entity which is doing or seeking to do business with Westmount.*
- *No employee will compete with Westmount by selling or offering to sell services or products similar to this offered by Westmount.*
- *No employee may use Westmount's assets for personal benefit.*

PROCEDURES TO HELP THE FACILITY STAY IN COMPLIANCE:

- *Initial and annual training*
- *Periodic training*
- *Ongoing communication and changes in compliance manual*
- *Westmount Corporate Compliance Committee meets quarterly.*

REPORTING REQUIREMENTS:

- *To report a violation; you may notify the compliance officer either in writing or verbally.*
- *Westmount will investigate any suspected violation and take necessary action. These*

investigations may be conducted by the officer or externally (lawyers).

- *Westmount Health Facility has 3 posters hung through out the Facility including a phone & fax number for reporting.*
- *All reporting is confidential*

WHISTLE BLOWER PROTECTION

- *No employee because of lawful acts done by the employee in furtherance of a civil action under the act, including investigation may be discharged, demoted, suspended, threatened, harassed or discriminated against.*

FEDERAL FALSE CLAIM ACT: Imposes civil liability upon any person who knowingly makes a false claim or falsifying records for payment by the government.

DISCIPLINARY PROCEDURES: Against an employee or professional staff who authorizes or participates directly in a violation of a standard, deliberately fails to report a violation of standard, fails to cooperate, retaliates, seeks retribution, encourages non-compliant behavior, or fails to participate in required training.

WEBSITE: Westmount Health Facility has a copy of the Corporate Compliance Manual listed on their website. <http://www.warrencountyny.gov/westmount/docs/compliance.pdf>

IN SUMMARY:

Corporate Compliance is about complying with regulatory mandates. The ultimate goal of a corporate compliance program is to improve the quality of the care provided to Residents.

Following a brief discussion, motion was made by Mrs. Frasier, seconded by Mr. McDevitt and carried unanimously to authorize the adoption and electronic certification of the Corporate Compliance Program for Westmount Health Facility. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the December 21, 2012 Board meeting.*

Ms. Taggart requested authorization to create two new positions for Westmount Health Facility, as follows:

- ▶ *LPN (floating shift) full time, annual salary of \$32,516, Grade 10, effective date of January 1, 2013; and*
- ▶ *RN (floating shift) full time, annual salary of \$42,818, Grade 20, effective date of January 1, 2013.*

Ms. Taggart stated she had discussed the creation of these positions with Mr. Dusek who had offered his support. She advised by creating the two floating positions, she would be able to utilize the nursing agencies less frequently. She said the hourly rates for the nursing agency employees exceeded the hourly rates currently paid to LPN's and RN's employed by Westmount Health Facility. Mr. Sokol commented both Ms. Auer and Ms. Taggart were efficient when it came to the creation of new positions in order to accommodate the needs of their Departments. He offered his support in the creation of the floating LPN and RN positions. Mrs. McKinstry asked if there would still be a cost savings involved, since the positions would be full time with benefit packages and Ms. Taggart replied affirmatively. Kathy Gallagher, Interim Director of Nursing, commented the majority of the agency nurses were paid at time and a half, as they had already worked 40 hours at other facilities during the week, as well. She added the availability of a floating RN and LPN would assist the regular employees in the ability to schedule their vacation and personal time.

Following further discussion on the matter, motion was made by Mr. Thomas, seconded by Mrs. Frasier and carried unanimously to approve the request to create two new positions as outlined above and to forward same to the Personnel Committee. *Copies of the resolution request forms are on file with the minutes.*

Ms. Taggart reiterated the Facility had ten vacant CNA positions and two vacant RN positions; however, she added, the vacant LPN (Licensed Practical Nurse) Screener position, an LPN position on the 3:00 p.m. to 11:00 p.m. shift and two vacant CNA positions had been filled in the past two week period. Ms. Gallagher stated two of the recently hired RN's had previously worked as trainers in the Nursing Program at BOCES (Board of Cooperative Education Services) which could be beneficial in recruiting new Nurses to the Facility. Pertaining to the Overtime Usage Report, Ms. Taggart stated the Facility continued to remain under budget and she noted Westmount Health Facility continued to utilize the Fund Balance to assist in covering the salary for the Interim DON position. Ms. Taggart pointed out the last page of the agenda packet contained a list of Holiday Activities at Westmount Health Facility. She invited the Committee members to attend any of the Holiday Activities, specifically the Staff/Resident Holiday Party to be held on December 20, 2012 at 6:15 p.m. She informed the Holiday Project for 2012 for the staff and residents involved collecting items to send to the military troops in Afghanistan.

Mr. Sokol stated a guided tour of the Facility would follow the meeting and would include a tour of the Cogeneration Facility. He asked the Committee if anyone had any questions prior to the tour.

Mr. McDevitt thanked the representatives from Siemens Industry, Inc. for attending the meeting in order to answer the Committee members' questions pertaining to the Cogeneration Facility. He stated according to the County Treasurer, the two generators for the Facility would cost the County \$384,402 in 2013 and the Performance Assurance Studies would cost \$8,418 in 2013. He said he had also been advised one of the two generators was not currently operational and Mr. Bessaw replied the generator had since been repaired. Mr. McDevitt asked if it was necessary to have two generators for the Cogeneration Facility and Mr. Sokol responded affirmatively and added two generators were necessary in case there was a spike in the power.

Mr. McDevitt voiced his concern with the Performance Assurance Reports and questioned the method of analysis. He noted the cost of natural gas was at a historically low rate and his concern was the Performance Assurance Reports were not based on current information. He commented the Countryside Adult Home had eliminated the Performance Assurance Reports from their 2013 budget. He said he had concerns with the cost effectiveness of continuing the Performance Assurance Studies.

William P. Casey, Operations Manager for Siemens Industry, Inc., stated the Performance Assurance Reports pertained to the guaranteed savings listed under the contract which were part of the cash flow intended to cover the cost of the contract. He commented the realized savings for the contract were based on stipulations which no longer existed, such as the supply of power needed for the former Department of Social Services (DSS) Building. He explained the Cogeneration System was originally designed to supply power to the former DSS Building and the Westmount Health Facility and since the former DSS Building had been demolished, the System was no longer being used as it had been intended in the original design. He advised the power production for the Cogeneration System was stipulated in the contract at the level, as if the former DSS Building were still in existence. Mr. Casey stated the efficiency of the Cogeneration System was performing very well with respect to the original design. Under the current circumstances, he continued, the efficiency translated to a smaller load necessary for operation of the Westmount Health Facility Building.

Pertaining to the comment that natural gas prices were at a historical low, Mr. Casey informed the operational costs (for energy) of Westmount Health Facility were also at a low and if the Cogeneration Facility were not in existence the operational costs would be significantly higher. He informed a couple of years prior, Siemens Industry, Inc. had looked at a different type of comparison for the Performance Assurance Reports of the Cogeneration Facility. He said he had looked at that data prior to this meeting and assuming the current rates for natural gas, there would be a savings of \$149,000 with the Cogeneration Facility including the stipulated savings, compared to the cost of operation without the Facility. Without the stipulated savings (the former DSS Building), he continued, the savings would be approximately \$130,000. He opined the former DSS Building had been one-third of the load on the system and if they were that close in the amount of savings, it was proof the Cogeneration System worked.

Mr. McDevitt asked if there were equipment and energy audit costs of approximately \$400,000 annually, was there still a savings as indicated earlier. Mr. Casey introduced Paul J. Rogers, Operations Manager for Siemens, Industry, Inc. and requested Mr. Rogers to explain the intended cash flow of the project. Mr. Casey noted part of the cash flow pertained to Medicare reimbursements and Mr. McDevitt asked if those reimbursements were being received. Mr. Rogers responded he did not believe the County was receiving the proper reimbursements which was an issue between Warren County and the State of New York. He advised the CON had been applied for and was granted by the State. He explained Warren County had received a couple of reimbursement checks from the State but they had since ceased all reimbursements. He added the State had also ceased reimbursement payments owed to Saratoga County, who were in the process of suing the State for the reimbursements owed. He opined the State had committed those funds to both Counties and were morally obligated to make the payments. He said the State had determined the Cogeneration Project would be beneficial to the residents of Westmount Health Facility and had committed to the reimbursement payments. Mr. Rogers stated the historic low rate of \$.49 per therm made it a great time for Westmount Health Facility to be generating their own power. A brief discussion ensued.

Mr. McDevitt inquired about purchase options for the equipment at the end of the project and Mr. Rogers replied the County would own the equipment at the conclusion of the project.

As there was no further business to come before the Health Services Committee, on motion made by Mr. McDevitt and seconded by Mr. Thomas, Mr. Sokol adjourned the meeting at 11:16 a.m.

Respectfully submitted,
Charlene DiResta, Sr. Legislative Office Specialist