

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: HEALTH SERVICES

DATE: OCTOBER 20, 2015

COMMITTEE MEMBERS PRESENT:

SUPERVISORS SOKOL
CONOVER
FRASIER
TAYLOR
MCDEVITT

OTHERS PRESENT:

REPRESENTING CENTERS HEALTH CARE:
KENNETH ROZENBURG, CHIEF EXECUTIVE OFFICER
DAVID GREENBERG, NURSING HOME ADMINISTRATOR
AMIR ABRAMCHIK, CHIEF OPERATING OFFICER
LLOYD COTÉ, ADMINISTRATOR, WESTMOUNT HEALTH FACILITY
KEVIN B. GERAGHTY, CHAIRMAN OF THE BOARD
PAUL DUSEK, COUNTY ADMINISTRATOR
AMANDA ALLEN, CLERK OF THE BOARD
FRANK E. THOMAS, BUDGET OFFICER
SUPERVISORS BEATY
BROCK
DICKINSON
MERLINO
SEEBER
SIMPSON
STROUGH
WESTCOTT
WOOD
MICHAEL SWAN, COUNTY TREASURER
TRAVIS WHITEHEAD, TOWN OF QUEENSBURY RESIDENT
DON LEHMAN, *THE POST STAR*
SAMANTHA HOGAN, SENIOR LEGISLATIVE OFFICE SPECIALIST
FOR ALL OTHERS PRESENT, PLEASE SEE ATTACHED SIGN-IN SHEET

Mr. Sokol called the meeting of the Health Services Committee to order at 11:36 a.m.

Motion was made by Mr. McDevitt, seconded by Mr. Conover and carried unanimously to approve the minutes of the previous Health Services Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Kenneth Rozenberg, *Chief Executive Officer for Centers Health Care*, who began by stating that Centers was very excited the Westmount Health Facility sale had progressed to the point that they hoped to close the transaction by December 31st. He acknowledged that they were awaiting perfunctory documents from the New York State Department of Health (*NYSDOH*) which may cause a delay in concluding the sale process; however, he stated, the delay should not be more than a few weeks. Mr. Rozenberg then introduced David Greenberg, *Nursing Home Administrator*, who he said was very closely affiliated with Centers Health Care and had always been included in the transfer documentation for Westmount Health Facility. He acknowledged they had recently determined Mr. Greenberg would be the primary owner of Westmount and he commented that while every Centers nursing home had a different ownership structure, Centers Health Care always took a prominent role in their facilities, as well as in the transfer transitions, and they hoped to do as good a job here in Warren County as they did in any of their other locations.

Mr. Greenberg greeted the Committee, advising he had worked as a nursing home administrator for the past 19 years, beginning in New Jersey, where he resided, and in New York. He said he welcomed any questions the Committee might have for him to gain a better understanding of who he was. Mr. Greenberg expounded that he had worked with Centers Health Care for the last eight years and before that he worked as an administrator for another nursing home located in New Jersey, having worked

for only two or three different facilities in his career. He stated that he took his job very seriously and from the moment he joined the nursing home business he had committed himself to resident care as that was the type of person he was and was raised to be. Mr. Greenberg advised he was a compassionate, empathetic person who understood the world of long-term care. He acknowledged that he did not know much about other things, including being a great husband or father, but the one thing he did know how to be was an excellent administrator who understood the needs of residents, their family members and how a building was supposed to operate. Mr. Greenberg indicated that he had known Mr. Rozenberg for a number of years and they had considered the Westmount purchase together before he had joined the transaction as a partial member, and only recently becoming the primary purchaser. He advised that at the end of the day Westmount would be “his baby” and he noted his reputation was such that he ran a tight and honest operation which both the residents and their families appreciated. Mr. Greenberg stated he was not asking for anyone to be “warm and cozy” with him today, but said that given the opportunity he believed in a year they would be proud of what he and Centers would accomplish, as well as in their decision to sell Westmount to them. Mr. Greenberg reiterated that he welcomed questions from the Committee and those in attendance and said he would answer their inquiries as openly and honestly as he was able to.

Mr. Sokol relayed the Committee’s appreciation to the Centers representatives for meeting with them and he said it was his understanding the group would be going to Westmount to meet with the staff there at the close of this meeting.

Mr. Conover asked Mr. Greenberg to speak briefly about the challenges they had faced in the past when assuming operations of a facility such as Westmount. Mr. Greenberg advised he had been involved in two transitions, both in Brooklyn, NY, one of which was for a 225-bed facility and the other for a 510-bed facility. He said that regardless of the size of the facility, Centers approached the transition in the same manner, beginning by speaking with department heads and then with staff to understand the needs of the facility and its employees; he added that sometimes this process took many months before they were able to gain an understanding of what was going on in the building and decide upon its future. Mr. Greenberg indicated there were times when Centers made a mistake in their organization, realizing that certain departments should have been implemented in a different way, but when these issues were recognized they were corrected. He relayed that in the case of the two transitions he had been involved in, thankfully, the residents and their families, as well as the employees, were happy; he added that in both instances, the facilities had received good surveys. Mr. Greenberg acknowledged things did come up occasionally in surveys, as happened in any facility that operated daily year-round, especially those which were nursing homes offering long-term care. He advised Centers was a humble organization and when they did make mistakes, they rectified them and moved forward. Mr. Greenberg asserted the two facility transitions he had been involved with had been successful and he was in constant communication with the home he currently administered, working seven days a week with an excellent staff and he advised he sought to repeat his positive experiences with Westmount.

Mr. Taylor said he assumed when Mr. Rozenberg had planned to be the primary owner of Westmount Health Facility he had a staffing plan in mind and he questioned whether Mr. Greenberg would implement the same staffing plan. Mr. Greenberg explained he and the other Centers representatives planned to meet with the existing Westmount staff today at the close of this meeting. He continued that right now they planned to retain all of Westmount’s clinical staff; he added that they would meet with all of the Westmount staff to see what their needs were, as well as the needs of the facility, and once they figured all of this out they would have very honest discussions about whether the staff would be better suited to remain at Westmount or transferred to another Centers facility in this area. Mr. Greenberg apprised these types of conversations constantly happened in a fashion that left everyone feeling as if they had been treated with honesty and integrity which was what Centers strived to maintain. Mr. Rozenberg assured that Centers did not come into a new facility with a pre-condition of who would be fired and with a busload of people from the downstate area to replace all existing staff.

He continued the purpose of the meeting today would be to start the transition process, beginning by meeting with Westmount's current department heads to determine which of them preferred to join Centers and who would rather retire or move on to another job opportunity as Centers had expectations they were not used to. Specifically, Mr. Rozenberg said they planned to meet with Westmount's key leadership staff to make these determinations, beginning the process to see how the facility would be staffed in the future. He commented that himself and Centers Health Care had been written about frequently as of late in *The Post Star*, and they felt it was necessary for the Westmount staff to meet their representatives personally. Mr. Rozenberg indicated that they did not plan to meet with the line staff as of yet because they did not want to circumvent any Union process.

Ms. Seeber thanked the Centers representatives for attending the meeting. She noted her interaction with Katy O'Connor, *Centers Health Care Vice President of Clinical Reimbursement and Therapy Services*, at a prior Health Services Committee meeting, commenting that she had been very impressed with the answers and assurance Ms. O'Connor had provided. Ms. Seeber indicated she had received feedback from some Westmount residents and their families who were a bit uneasy with the last minute change of ownership at Westmount which had led her to try and contact Ms. O'Connor for answers to alleviate these concerns; however, she said, she had trouble reaching Ms. O'Connor and instead had been conversing via email with other Centers representatives. Ms. Seeber advised in the prior meeting Ms. O'Connor had provided a lot of key information and she questioned whether Ms. O'Connor would be made available as a resource through this transition. Mr. Rozenberg responded that the only difference in the transition today, as compared to six months ago when Ms. O'Connor had addressed the Committee, was that Mr. Greenberg would now be the owner instead of himself. He explained when he had intended to purchase Westmount he planned to hire Centers in a consulting capacity to assist with the transition and operation and Mr. Greenberg would be doing the same. In conclusion, Mr. Rozenberg assured that Ms. O'Connor would continue to serve as a resource to the facility through her affiliation with Centers Health Care. Ms. Seeber questioned whether Ms. O'Connor would be a full-time employee at Westmount and Mr. Rozenberg replied in the negative, clarifying that Ms. O'Connor was the head of therapy services for Centers Health Care which made it her job to hire all of the staff for therapy services, to train them and make sure they were operating appropriately. He continued that over the next few weeks, every department head at Westmount would meet with their corporate liaison from Centers to identify what their needs were in terms of staffing and challenges in order to determine what changes needed to be made. Mr. Rozenberg indicated that Centers would not be able to implement the changes identified until the sale was concluded, but they planned to begin conversing with staff now so they were able to make changes as soon as they were able to do so.

Ms. Seeber said she had really liked Ms. O'Connor and had appreciated the assurance she had given that if there were concerns amongst the residents she would meet with them to alleviate their concerns and she questioned whether access to Ms. O'Connor as a resource for resident concerns would be available before the sale was concluded. Mr. Greenberg apprised Centers representatives were trained not to be "behind the desk" people, but rather to work in a hands-on capacity. He said he currently ran a 510-bed facility and half of the resident's family members had his personal cell phone number; he added he was not saying that he planned to give his cell number to everyone, but indicated that if there was a need to contact Centers representatives, the opportunity would be made available. Mr. Greenberg stated Ms. O'Connor was a very hands-on staff member, as well, and he would be glad to contact her with Ms. Seeber to make sure she felt comfortable with this transition. He continued that Centers had certain contact numbers set up so that individuals could contact them with concerns, rather than the NYSDOH, and the administrators were notified of the complaints which they were trained to address promptly. Mr. Greenberg said Ms. O'Connor had been with Centers for many years and had been trained in this same manner; he added Ms. O'Connor had been very honest in her assertions that any patient issues which arose would be handled. He commented that Centers was large enough to be corporate, but small enough that they were able to address individual issues as necessary.

Ms. Seeber then noted the last minute change in ownership which had made some very uncomfortable and she asked Messrs. Rozenberg and Greenberg to comment on it. Mr. Rozenberg explained that as they approached the NYSDOH review for the Certificate of Need, he had received a tremendous amount of negative publicity, whether warranted or unwarranted, which he felt would detract from the NYSDOH review. Due to this distraction, and because he had a number of other things going on, Mr. Rozenberg said he had elected to remove himself from the transaction in favor of allowing Mr. Greenberg to become the primary purchaser. He said this presented a great opportunity for Mr. Greenberg, with tremendous support from Centers, while providing a simple way to avoid any further distractions. Mr. Rozenberg affirmed that nothing else had changed in the transaction. Mr. Greenberg acknowledged this change had likely been the topic of much conversation amongst the Board, but said he was sure once they became accustomed to Centers, they would realize this was a typical business transaction and was not an effort to mislead anyone. He commented while the ownership questions were those that should be asked, he felt his being present affirmed that he was an actual person who had been involved in the transaction all along and it should put the matter to rest as it was non-relevant to their ability to provide patient care and the work they would be able to do to make this facility a shining start for their organization.

Mr. Beaty thanked Mr. Greenberg for attending the meeting, but said he was not able to let something like this slide very easily. He noted previously, Mr. Rozenberg had addressed the Health Services Committee in a very lengthy meeting where he had attested that he would be the individual accountable and responsible for taking care of the Warren County's elderly residing at Westmount, as they were his biggest concern. Mr. Beaty said Mr. Rozenberg had done a fine job in this presentation, leading the Board to believe he would be the new owner of Westmount Health Facility; however, he continued, six days before the NYSDOH meeting to determine whether a Certificate of Need would be issued for Centers to assume operations at Westmount, certain members of the Board informed their leaders, as they were not informed by their leaders, that there was going to be a change in ownership, and he said he found this to be very disconcerting. He apprised that all along, he had thought Mr. Rozenberg was going to be the new owner of Westmount, and whether or not he agreed with some of Mr. Rozenberg's past history of care at his other facilities, at least he had met him and he respected Mr. Rozenberg's efforts in traveling to Warren County to meet the Board and answer the questions. Then, he continued, at the last moment it was announced that Mr. Rozenberg had sold his shares in the purchase to Mr. Greenberg for \$10; he said he understood that Mr. Greenberg had been listed on the NYSDOH application all along, but he questioned how many times Mr. Greenberg had visited the facility and who he had met with. Mr. Greenberg responded he had visited Westmount once earlier in the year to tour the facility; he added that he had not met with Lloyd Coté, *Administrator of Westmount Health Facility*, at that time but advised he had met Mr. Coté on a previous occasion when he had visited another Centers facility.

Mr. Beaty summarized his primary concern was that he had been led to believe one person was purchasing Westmount and would be caring for the County's elderly and then at the last moment that ownership changed to a person who he had no knowledge of. He noted that Westmount currently had a four-star rating and he questioned whether there was any assurance that this rating would be maintained, noting that Mr. Greenberg currently operated two facilities with one and two-star ratings. Mr. Rozenberg responded that he was the managing member of the two facilities Mr. Beaty eluded to with the one and two-star ratings, while Mr. Greenberg's current 500-bed facility had a four-star rating; therefore, he stated, they should be thrilled that he was removing himself from the transaction and that Mr. Greenberg would be the new owner. Mr. Rozenberg stated his first meeting in Warren County had been very pleasant, but the most recent meeting had been very lengthy and had been somewhat brutal for him, causing him many sleepless nights. That said, he commented that Centers representatives were present today and he questioned what assurances they could provide to make the Committee more comfortable with the transition.

With regard to the prior Committee meeting, Mr. Beaty said he was sorry Mr. Rozenberg had found this to be difficult; however, he commented, given the fact that Centers would be caring for some of the County's most vulnerable citizens, he felt it had been a thorough vetting and it was only fair for the Committee to get a good feeling for his character. He re-stated his question as to what assurances the Board had that Centers would maintain Westmount's current four-star rating and that they would not be sorry for the transfer in the future. Mr. Greenberg stated he did not think everyone would leave the meeting feeling completely at ease with the situation and he advised the Supervisors would need to let him do his job in this transition, as he had twice with other very large facilities and he was confident he could repeat at Westmount. He acknowledged that the last minute change and all of the recent media exposure had not been favorable for Centers, but affirmed that neither he or Centers was trying to trick or mislead the Committee in any manner. Mr. Greenberg stated they were not attempting to hoodwink anyone through this transfer and he confirmed that he would be the sole owner of the facility and he planned to hire Centers to assist with all of the clinical arrangements they would be making. He said he wanted everyone to understand that they would see him coming to the facility as much as necessary to make sure Westmount was running as it should because he was unable to sleep at night if his residents were not happy. Mr. Greenberg indicated they had no assurances that they would be able to maintain the four-star rating as bad survey results could be for very minor infractions such as stained ceiling tiles, a pipe issue or a care plan issue; he added that they should instead ask the residents if they were happy and if they were not, he would find out why. He stated that they desired to make Westmount a shining star for this community because they wanted both Centers' and the facility's reputation to be exemplary. Mr. Greenberg advised he could not make any assurances with regard to ratings today, but said that maybe in six months to a year from now the Supervisors would have a good feeling about Centers.

Moving on to his next point, Mr. Beaty stated although he was not a professional health expert, he believed consistent staffing to the elderly was a main factor in the care of residents and he questioned what turnover rate Centers anticipated in the first year. Mr. Greenberg reiterated their staffing plan at this point was to retain all clinical staffing and they would review the situation to determine the staffing needs for the facility. He said they wanted to maintain a good reputation for the facility as they knew the Supervisors, NYSDOH and the resident's family members would be monitoring them closely and that they were dealing with vulnerable residents in beds. Mr. Greenberg indicated they maintained the highest level of quality for all of their homes and they had measures in place to assure all of their residents were cared for. He re-stated that he had been working in this business for 19 years and his track record was close to perfect, having maintained good surveys and providing excellent quality care. He indicated that hiccups typically happened and when they did Centers made good systematic changes to ensure that they were not repeated.

Mr. Rozenberg questioned how many existing Westmount employees were likely to stay on with Centers and Mr. Beaty replied that would probably depend upon the salary and benefits package offered. Mr. Beaty then asked what the average typical turnover rate was when Centers took over a facility; Mr. Rozenberg replied this was a loaded question because some facilities were over-staffed while others were under-staffed, so there was no clear answer to give. Amir Abramchik, *Chief Operating Officer*, interjected that in the recent county facility transitions, they had not let a single clinical employee go; however, he said, there were a number of employees that decided to leave to partake of their retirement opportunities and others that left to take unemployment benefits, but this was beyond Centers' control. Mr. Abramchik stated Centers worked with the facilities and the department heads when transitioning because they wanted to retain as much of the present staff as possible to ensure quality of care. He noted that Centers did not track turnover figures such as Mr. Beaty had requested. Mr. Rozenberg indicated that another factor would be whether the County would offer its employees at Westmount the opportunity to take another County position in order to retain their municipal benefits, as those currently offered would certainly be better than what Centers was able to provide. Mr. Beaty advised the instance Mr. Rozenberg referred to was likely more of an anomaly than a surety. He surmised that

it seemed they were unable to provide the anticipated turnover rate, nor that they could confirm they would be able to maintain the current four-star rating, but that they had indicated they would do their best. Mr. Beaty said from their brief meeting, he sensed Mr. Greenberg was an honorable and sincere man and he hoped and prayed that he would be a man of his word, striving to maintain Westmount's high standards and consistency of staff. He commented that Mr. Coté had done an excellent job of administering operations at Westmount and it was his priority to ensure that the efforts were not reversed, as it was not acceptable to do so.

Ms. Seeber said she had been contacted by those with concerns that use of agency staff would increase when Centers assumed operations and Mr. Rozenberg replied that Centers preferred to hire full-time employees, rather than utilizing agency staff. Mr. Rozenberg questioned whether Westmount currently used a lot of agency staff and Mr. Coté replied that due to staff turnover caused by the uncertainty surrounding the sale of Westmount more agency staffing had become a necessity. Mr. Coté mentioned that the star rating was not a certainty and could be lowered in a heartbeat - he also noted that when he had begun his employment at Westmount, its rating had been two stars. Mr. Rozenberg said they would be unsure how staffing would be addressed until they were able to review Westmount's current situation; however, he noted, in some counties there was a tremendous shortage in trained CNA and LPN personnel. He explained they were able to research and determine the number of licensed CNA's and LPN's in a certain area which allowed them to see whether there was a sufficient amount of trained individuals available to fill their positions, or if they would need to use agency staff or hire from out of the area. Ms. Seeber noted Centers must be excited about the prospect of the new NSTEM (*Nursing, Science, Technology, Engineering, Math*) building being considered for SUNY Adirondack which would bring opportunities for more nurse training in the area as a means to alleviate the State-wide shortage of individuals educated in this field; Mr. Rozenberg replied affirmatively, but noted that positions in the long-term care arena were not necessarily glorious.

There being no further questions from the Committee, Mr. Sokol asked if there were any members of the public wishing to address the Centers representatives.

A gentleman who introduced himself only as "Sam from Saratoga" and did not sign in for the meeting, indicated he did not know anything about Mr. Greenberg and would like to ask him a series of questions, beginning with where he was born. Mr. Greenberg indicated he was born and had grown up in Queens, NY; he added that he had recently turned 40 years old and currently lived in Bergenfield, NY with his wife and four children. Mr. Sokol interrupted the questioning with a request that comments be kept to a total of three minutes, which "Sam" agreed to do. Next, "Sam" asked if the Mr. Greenberg would allow the County to back out of the sale transaction, based on the recent change in the ownership, without negotiating litigation. Mr. Rozenberg interjected this was a question for their lawyers to answer. "Sam" then asked why Mr. Rozenberg had elected to remove himself from the transaction and Mr. Sokol interjected that the transaction was actually with an LLC; he added that his own restaurant was part of an LLC which allowed him to change its members as he wished. Mr. Sokol said he applauded the group for notifying the County of the change as they were not required to do so. "Sam" noted that the NYSDOH required a character and competency background check before a Certificate of Need was issued and he advised Mr. Greenberg would now be subject to such review; Mr. Rozenberg indicated this had already been done. "Sam" then questioned why the rate of psychotropic drug use was two to three times the State average in contravention of Federal regulations - at this point Mr. Sokol interrupted the questioning, indicating "Sam's" time was up and that he would not entertain any further questions from him.

Travis Whitehead, *Town of Queensbury Resident*, noted he had recently reviewed Centers application to the NYSDOH; he advised a portion had focused on the benefits the County paid to the employees that currently worked a Westmount which they indicated were twice what Centers felt they needed to pay. He opined that once they cut these people's benefits in half, a good number of them would probably

be looking for other employment. The other part of the financial piece that struck him as odd, he said, was the amount of rent that would be paid by Mr. Greenberg to Mr. Haggler, \$550,000 per year, for the building and land that was being sold for \$1.5 million to Mr. Haggler. Mr. Whitehead said this seemed to be a tremendous amount of money and he noted that if Mr. Greenberg had instead taken out a 30-year mortgage, at the close of which he would at least own the building, the payment would only be \$100,000 year, assuming a 5% interest rate. He commented that this option would have allowed for a lower monthly payment, making more funding available to spend on the employees to keep them a little happier. Mr. Whitehead mentioned while there may be a shortage of CNA's, Westmount was fully staffed now, but there might become a shortage of staffing at the facility if benefits were reduced. Mr. Rozenberg indicated the NYSDOH application took into account certain assumptions; he added that they did not have all of the information available to them, but they had been doing this for a long time and had a good feel for the process. Mr. Rozenberg indicated that they would look at the employee benefits and rates of pay, at which point they would determine whether adjustments should be made, possibly ending with one set of benefits and rates of pay for existing employees and another for new employees. He pointed out that the County was currently losing \$1 million per year at Westmount and they certainly were not buying the facility to operate at a deficit and therefore adjustments would need to be made to make the transaction work.

Mr. McDevitt echoed Mr. Whitehead's comments, indicating the point that had really caught his attention in the NYSDOH application was the amount of the ground lease. He said that to basically take \$550,000 per year out of the day-to-day operation of the nursing home, funds that could be used to pay for care giver services, and to give a rate of return that fundamentally pays an investor off in less than three years, was in his opinion legalized robbery; he said he was surprised the NYSDOH had not taken a closer look at these types of ground leases.

Mr. Simpson questioned whether the nursing home would continue to be called Westmount Health Facility and Mr. Greenberg responded it would be called Warren Center.

Mr. Westcott pointed out Centers would likely have a difficult time cutting costs in this tough industry, and coupled with the fact that they were already aware that the facility was losing roughly \$1 million per year, he questioned why they had chosen to agree to such high lease arrangement when there were other mortgaging options available that would save hundreds of thousands of dollars per year. Mr. Greenberg responded this was a business decision that was previously made and was private information.

Mr. Sokol called for any further comments from the Committee members or those members of the public in attendance, and none were made.

As there was no further business to come before the Health Services Committee, on motion made by Mr. Conover and seconded by Mr. McDevitt, Mr. Sokol adjourned the meeting at 12:20 p.m.

Respectfully submitted,
Samantha Hogan, Senior Legislative Office Specialist
As transcribed by Amanda Allen, Clerk of the Board