



Columbia County Board of Supervisors

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For Immediate Release

HUDSON, NY – The Columbia County Board of Supervisors will hold a public meeting on Monday, Feb. 23, at 6:30 p.m. at the County Building, 401 State St., to hear presentations from two owner-operators interested in taking over ownership of the Pine Haven Nursing and Rehabilitation Center in Claverack.

The two organizations – Premier Healthcare Management and Centers Health Care – were selected as finalists for consideration after responding to Requests for Proposals (RFPs) and making presentations to the Board. The public is invited to attend the Feb. 23 session to hear further presentations and ask questions.

While the Board has not yet made a decision to transfer ownership of the nursing home to private owners, the proposals represent the culmination of a year of fact-finding and discussions related to the possibility. The next step will be for the Pine Haven Sub-Committee and the Health Committee of the Board, chaired by Greenport Supervisor John Porreca, to make recommendations regarding possible sale and vendor to the full Board at its next regular meeting.

Patrick Grattan, Chairman of the Board of Supervisors, released a detailed statement regarding the ongoing process, which said, in part: “Both potential partners have proven track records of retaining employees, ensuring high quality locally-based nursing care, and significantly improving the facilities they acquire.”

Grattan also stated that the Board has been studying the pros and cons of continuing its ownership of Pine Haven since August of 2013 when the Center for Governmental Research released its report, *The Future of County Nursing Homes in New York State*, concluding that financial losses incurred at county-owned homes are growing at a very fast rate and continuing to conduct business as they have in the past is unsustainable.

Chairman Grattan said subsidizing the rapidly growing costs associated with Pine Haven along with the dramatic impact of regulations and reporting requirements resulting from managed care, make it unaffordable for the County to operate a single-site nursing home. “Private owners with multiple locations can provide better resources and economies of scale that allow them to invest in people, services and facilities and reduce the drain on taxpayers,” he said. “They have the ability to successfully operate and make improvements to the home, continue providing excellent care to the residents, and retain, and possibly even increase, employment in the region.”

The full statement from Chairman Grattan is attached. For further information on Pine Haven, including timeline and FAQ, go to www.columbiacountyny.com/future-of-pine-haven.

Statement from Patrick Grattan, Chairman of the Columbia County Board of Supervisors

February 18, 2015

I would like to take this opportunity to update the residents of Columbia County on discussions and actions related to the Pine Haven Nursing and Rehabilitation Center in Claverack. As you may know, the Board decided to suspend planning of a new facility last year when it became apparent that the anticipated costs, along with the complexities associated with major changes in health care reimbursements and regulations, made it no longer feasible.

On Monday, Feb. 23, at 6:30 p.m., the Columbia County Board of Supervisors will hold a public meeting at which two potential owner-operators of the Pine Haven nursing home will present their proposals. Both organizations—Premier Healthcare Management and Centers Health Care—have previously made detailed presentations to the Board of Supervisors. The next step is for each to make a public presentation and take questions from both the Board and the public at the upcoming meeting.

In the ensuing three weeks, the proposals will be reviewed by the Pine Haven Sub-Committee and members of the Health Committee, chaired by Greenport Supervisor John Porreca. The committee will then make a recommendation regarding possible sale and preferred vendor to the full board at its next regular meeting.

These actions follow a year of due diligence that included comprehensive internal and external research, a public presentation on the future of county nursing homes in New York by the Center for Governmental Research, input from the public and organizations including the United Public Service Employees Union (UPSEU), as well as public committee and board discussions.

While there has been no decision to transfer ownership of Pine Haven, the Board passed resolutions to author a Request for Proposal (RFP) in June 2014 and to distribute RFPs to prospective owners in August 2014. Finalists were selected in December.

Both potential partners have proven track records of retaining employees, ensuring high quality locally-based nursing care, and improving and expanding facilities and services. Both finalists are experienced and highly-regarded owner-operators of nursing homes that are highly ranked for their standard of care. And both companies have agreed to our requirement that they maintain the current 120-bed facility and its current residents in Claverack and offer continuing positions to the majority of the 200 full and part-time employees of the facility at comparable salaries and benefits.

Both operators have histories of making significant capital improvements to the facilities they acquire to provide a comfortable and home-like environment with up-to-date equipment and infrastructure, and have added such skilled services as rehabilitation, physical therapy, and aqua-therapy at these homes. They have stated that they will determine and provide services that address the needs of the Pine Haven community as well. County officials who have transferred ownership of nursing home facilities to one or the other, including Ontario, Steuben and Washington Counties in New York and Butler County in Pennsylvania, have informed us that the transfers went smoothly and successfully.

The employees' union offered concessions totaling \$2.6 million over five years and these will continue to be carefully considered.

It is important to note that Pine Haven is currently running a deficit of \$1.9 million, a total amount that has been accrued since December of 2014 and has required frequent cash infusions from the County over the past several years. For example, the County recently paid approximately \$1 million to the New York State retirement system and from time to time must make cash infusions to cover the biweekly payrolls of \$300,000 at Pine Haven. In addition, the facility has \$1.5 million in unpaid receivables. While a fraction of the anticipated deficits may be covered by future Intergovernmental Transfers, these payments are inadequate and are not guaranteed in the future. Transferring ownership would end this drain on county resources.

Centers Health Care and Premier Healthcare Management have made offers of \$5.4 million and \$6.5 million, respectively, for Pine Haven. In addition to these potential proceeds, the transfer of ownership would allow the County to put the facility back on the tax rolls, providing important new revenues to the Town of Claverack, the Village of Philmont and the School District.

It is becoming increasingly apparent that Columbia County, like many other counties in New York State and around the country, can neither keep up with the rapidly increasing annual costs of running such expensive healthcare facilities nor respond to the high levels of regulation and reporting requirements associated with federal and state managed care. The private owners have both the resources and the expertise to successfully operate and make improvements to the home, continue providing excellent care to the residents, and retain, and possibly even increase, employment in the region, while at the same time addressing the complex challenges associated with a rapidly changing healthcare landscape.

I would also like to note that even hospitals are not immune to the uncertainties of providing nursing home care. For example, in December Columbia Memorial Hospital announced plans to sell Kaaterskill Care to Premier Healthcare Management, stating in its release that "the only way to survive as a nursing home is to join a network of nursing homes."

Like Columbia Memorial and many New York Counties, Columbia County is finding that private owners with multiple locations can provide better resources and economies of scale that allow them to invest in people, services and facilities and reduce the strain on taxpayers.

I sincerely hope that we have your interest and support as we move toward a well-informed decision on Pine Haven.

Please visit our website at www.columbiacountyny.com/future-of-pine-haven for new and updated information.