

Introduced by Presiding Officer, on request of the County Executive

RESOLUTION NO. 409 -2013, AUTHORIZING THE COUNTY EXECUTIVE TO ENTER INTO AN AGREEMENT FOR THE OPERATION OF A CONSOLIDATED HEALTH CENTER LOCATED ON SOUTHAMPTON HOSPITAL CAMPUS AND APPROVING CONSOLIDATION AND OPERATION OF THE EXISTING KRAUS FAMILY HEALTH CENTER AT SOUTHAMPTON AND THE SUFFOLK COUNTY HEALTH CENTER AT EAST HAMPTON INTO A SINGLE FQHC HEALTH CENTER TO BE OPERATED BY HUDSON RIVER HEALTHCARE, INC.

WHEREAS, there is an unprecedented fiscal crisis in the County of Suffolk, in part due to substantial reductions in Article 6 State Aid funding for services provided in the County's network of Health Centers; and

WHEREAS, on June 21, 2012 a Request for Proposals (RFP) Waiver was approved for the Suffolk County Department of Health Services (SCDHS) to enter into a contractual agreement with Hudson River Healthcare, Inc. (HRHCare) for administrative, management and primary health care services at the Kraus Family Health Center at Southampton (Southampton) and the Suffolk County Health Center at East Hampton (East Hampton), and the two (2) other County-operated Health Centers; and

WHEREAS, HRHCare is a not-for-profit, New York State-licensed, Federally-Qualified Health Center (FQHC) delivering culturally-sensitive, linguistically-appropriate, full life cycle primary, preventative, behavioral, and oral healthcare, as well as Family Planning, HIV, TB, and STD services, and other enabling services to medically underserved populations throughout the Hudson Valley and Long Island areas; and

WHEREAS, HRHCare is the only FQHC currently operating in Suffolk County; and

WHEREAS, the proposed plan will merge the East Hampton and Southampton Health Centers into one combined health center located on the campus of Southampton Hospital in a limited public-private partnership with HRHCare; and

WHEREAS, this public-private partnership will maintain continuity of care to patients during and subsequent to the transition, and will expand services in compliance with FQHC program requirements to include dental and mental health; and

WHEREAS, Health Care Efficiency and Affordability Law Phase 6 (HEAL NY Phase 6) grant funds were accepted and appropriated via Resolution No. 990-2008, as amended by Resolution No. 1052-2009 and Resolution No. 518-2010; and

WHEREAS, on January 4, 2013, the New York State Department of Health (NYSDOH) approved the SCDHS request to allot a portion of the HEAL NY Phase 6 grant for capital improvements required for retrofitting this proposed consolidated health center; and

WHEREAS, Southampton Hospital is also committing Health Care Efficiency and Affordability Law Phase 11 (HEAL NY Phase 11) grant funds to partially fund the capital improvements required to retrofit an existing structure and create the new health center, in the amount of \$700,000; and

WHEREAS, HRHCare will provide a plan to accommodate patient transportation needs for those patients traveling from the East Hampton area to the Southampton site; and

WHEREAS, the proposed consolidated center will become a residency training site for primary care physicians with Stony Brook University Medical Center and Southampton Hospital as the sponsoring teaching hospital and partner, respectively; and

WHEREAS, the four (4) public hearings required by paragraphs (A) and (B) of § A9-6 of the Suffolk County Code have been held on May 20, 2013 by the County Executive and May 21, 2013 and May 23, 2013 by the County Legislature; and

WHEREAS, the proposed agreement requires payment to HRHCare, Inc. from the County for a five (5) year period, expected to begin in 2014 totaling \$3.9 million over that period, and will result in an estimated net savings to Suffolk County over the five (5) year period of \$3.8 million; and

WHEREAS, the location of this proposed consolidation on the property of Southampton Hospital eliminates the cost to the County of the East Hampton and Southampton leases; and

WHEREAS, HRHCare currently has one (1) Suffolk County resident serving on the Board of Directors, consistent with the HRHCare by-laws and FQHC program requirements governing Board member appointments, and is in the process of adding a second Suffolk County resident, and has agreed to maintain that same representation on the Board; now, therefore be it

1st **RESOLVED**, that in compliance with § A9-6 of the Suffolk County Code there has been presented to this Legislature:

a.) a plan/proposal from the Department of Health Services relating to the consolidation and operation of the existing Kraus Family Health Center at Southampton and the Suffolk County Health Center at East Hampton into a single FQHC health center to be operated by Hudson River Healthcare, Inc. on the property of the Southampton Hospital documenting budgetary savings which plan has been accompanied by a written evaluation of the cost of performing services through County Government as compared to the cost of performing the services through the pertinent plan or proposal and shall include an evaluation and analysis of the quality of services to be provided by the plan or proposal, as compared to the quality of services being provided by the County of Suffolk through the Department of Health Services (Exhibit 1); and

b.) written certification by the Legislative Budget Review Office that the plan/proposal will result in a cost savings to the County in at least each of the five (5) years of said plan of at least 10% in each of those five (5) years, as measured by net County expenditures; and

c.) written documentation from the New York State Department of Health (Exhibit 2);

and be it further

2nd **RESOLVED**, that this Legislature hereby ratifies and approves the documentation described in paragraphs **(a)**, **(b)** and **(c)** of the 1st RESOLVED clause of this Resolution, and Legislative approval of this Resolution shall be conclusive evidence of full compliance with § A9-6 of the Suffolk County Administrative Code and shall apply to all actions and transactions occurring on or after its final adoption of this Resolution; and be it further

3rd **RESOLVED**, that this Legislature hereby approves consolidation and operation of the existing Kraus Family Health Center at Southampton and the Suffolk County Health Center at East Hampton into a single FQHC health center to be operated by HRHCare on the property of the Southampton Hospital; and be it further

4th **RESOLVED**, that the County Executive be and hereby is authorized to execute an agreement with HRHCare, in a form substantially similar to the draft attached hereto, for a term not to exceed five (5) years, subject to the approval of the County Attorney, for the operation of a Health Center in Southampton under the Article 28 license of HRHCare, and to assist this entity in the establishment of a FQHC Health Center at this site, contingent upon State approvals necessary for SCDHS to cease operations of its existing Article 28 health center at the current Southampton and East Hampton sites, and also contingent upon Federal and State approvals necessary for HRHCare to begin operation of an Article 28 FQHC health center at the proposed new Southampton site in a seamless transition, and further contingent upon capital improvements funded by HEAL NY Phase 6 and HEAL NY Phase 11 (Exhibit 3); and be it further

5th **RESOLVED**, that all associated assets and inventory used to carry out the function and operation of the existing Kraus Family Health Center at Southampton and the Suffolk County Health Center at East Hampton as set forth in the proposed agreement presented with this Resolution as Exhibit 3 is declared surplus to County needs; and be it further

6th **RESOLVED**, that all assets, personal property and rights used or usable in the operation of the existing Kraus Family Health Center at Southampton and the Suffolk County Health Center at East Hampton are hereby approved for transfer to HRHCare as set forth in the proposed agreement presented with this Resolution as Exhibit 3; and be it further

7th **RESOLVED**, that any County employees displaced by this transaction shall be reassigned within the Department of Health Services; and be it further

8th **RESOLVED**, that the County Legislature hereby authorizes the County Executive, or his designee, to execute the standard agreement and any and all contract documents necessary to effectuate this transaction for reimbursement with NYSDOH, and any and all contract documents, including a sub-contract of the HEAL NY Phase 6 grant with HRHCare for the required renovations of an existing building located on the campus; and be it further

9th **RESOLVED**, the execution and delivery on behalf of and in the name of the County by the County Executive and/or his designee(s) of such agreements, instruments and/or

authorizations as may be contemplated by, or necessary or advisable to, consummate or otherwise give full effect to the transactions contemplated by this Resolution is hereby authorized and directed as the County Executive and/or his designee(s) may approve, and the execution and delivery of such agreements, instruments and/or authorizations shall be conclusive evidence of the approval, the authorization and the direction thereof by this Legislature; and be it further

10th **RESOLVED**, that this Legislature, being the State Environment Quality Review Act (SEQRA) lead agency, hereby finds and determines that this law constitutes a Type II action pursuant to Section 617.5(c)(20) and/or (27) of Title 6 of the NEW YORK CODE OF RULES AND REGULATIONS (6 NYCRR) and within the meaning of Section 8-0109(2) of the NEW YORK ENVIRONMENTAL CONSERVATION LAW as a promulgation of regulations, rules, policies, procedures, and legislative decisions in connection with continuing agency administration, management and information collection. The Suffolk County Council on Environmental Quality (CEQ) is hereby directed to circulate any appropriate SEQRA notices of determination of non-applicability or non-significance in accordance with this law.

DATED: June 4, 2013

APPROVED BY:

/s/ Steven Bellone
County Executive of Suffolk County

Date: June 7, 2013