

HEALTH COMMITTEE, HUMAN SERVICES COMMITTEE,

VETERANS & SENIORS COMMITTEE

Of The

SUFFOLK COUNTY LEGISLATURE

2016-2018 Joint Capital Budget Meeting

A special joint meeting of the Health Committee, Human Services Committee and the Veterans & Seniors Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Auditorium of the William

H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on Wednesday, May 20, 2015 at 11:30 a.m., to discuss the matter of the 2016-2018 Capital Budget.

Members Present:

Legislator William Spencer - Chairman/Health Committee
Legislator Monica Martinez - Chairwoman/Human Services Committee
Legislator Steven Stern - Chairman/Veterans & Seniors Committee
Legislator Kate Browning
Legislator Sarah Anker
Legislator Rob Calarco
Legislator Leslie Kennedy
Legislator Robert Trotta

Also In Attendance:

George Nolan - Counsel to the Legislature
Jason Richberg - Chief Deputy Clerk/Suffolk County Legislature
Deborah Harris - Aide to Chairman Stern
Ali Nazir - Aide to Legislator Kennedy
Greg Moran - Aide to Legislator Trotta
Robert Lipp - Director of Budget Review Office
Rosalind Gazes - Budget Review Office
Craig Freas - Budget Review Office.
Andrew Tarantowicz - Budget Review Office
Katie Horst - County Executive's Office
Lisa Santeramo - County Executive's Office
Kerri Suoto - County Executive's Office
Phyllis Seidman - County Attorney's Office
Dr. James Tomarken - Commissioner/Health Department
Christina Capabianco - Deputy Commissioner/Health Department
Jennifer Culp - Assistant to the Commissioner/Health Department
Barbara Marano - Executive Assistant of Finance/Health Department
Holly Rhodes Teague - Director/Office of the Aging
All Other Interested Parties

Taken By:

Lucia Braaten, Court Stenographer

CO-CHAIRMAN STERN:

Okay. Good morning, everyone, and welcome to the joint committee for the Vets and, Seniors, Health and Human Services Capital Budget public hearings. I'll ask everybody to please rise and join us in the Pledge of Allegiance, led by Legislator Anker.

*(*Salutation*)*

I'll ask everyone to remain standing for a moment of silence as we keep all of our brave men and women fighting for our freedoms overseas in our thoughts and prayers.

*(*Moment of Silence Observed*)*

Again, welcome, everyone. Thank you for joining us today. We have no cards. I don't think we have any cards, correct? So let's begin with our Commissioners. Holly?

DIRECTOR RHODES-TEAGUE:

Good morning. This Capital Project that the Office For Aging has is fairly straightforward. It's a project that we've had on a long-term basis to provide vehicles for our nutrition programs. The programs, it's critical that they have these vehicles. They need to transport seniors to senior nutrition sites, or to provide delivery of home-delivered meals. So the project that we have this year for 2016 will provide three vehicles, two center aisle vehicles for those who provide transportation to the seniors, and one vehicle just to do home-delivered meals. It's a great partnership that we have with our contractors. We provide the vehicles, they provide the necessary upkeep and cost of the vehicle. So it's a pretty straightforward project and I hope you'll all support it.

CO-CHAIRMAN STERN:

Holly, how does that usually break out between transportation and delivery?

DIRECTOR RHODES-TEAGUE:

It depends on the site. I mean, some of our sites are only home-delivered meals, so like the one vehicle we're purchasing is a very small vehicle, because they're just taking meals to people. They pick the meals up at a site and then they transport them out. So that's a much, much cheaper vehicle than the center aisles, which are the big ones that seniors can easily get in. You know, they're 14-passenger vans, pretty heavy duty. And those are generally used just for transportation of seniors, but they can provide home delivery, if they have to.

CO-CHAIRMAN STERN:

Legislator Browning.

LEG. BROWNING:

Okay. Where is that in our budget book? What's the --

DIRECTOR RHODES-TEAGUE:

Sorry, 1749.

LEG. BROWNING:

1749? Okay. Did you say there's only one for Meals-On-Wheels?

DIRECTOR RHODES-TEAGUE:

They're replacement vehicles that we're doing. So we go through every year to see what shape the vehicles are in and try to determine who needs a vehicle. You know, there's a bit of a process once

it's approved, and then we get -- then we have to order them, so it's probably almost another year out until they actually get the vehicles.

LEG. BROWNING:

Sorry. Give me that number again.

DIRECTOR RHODES-TEAGUE:

1749.

LEG. BROWNING:

Forty-nine. Okay. I'm looking at 69. Okay.

MR. FREAS:

We've got it up on the screen as well.

DIRECTOR RHODES-TEAGUE:

There you go.

LEG. BROWNING:

So, I mean, you're familiar with the issue. I guess the Meals-On-Wheels that delivers to Rob's District and I believe to Legislator Muratore --

DIRECTOR RHODES-TEAGUE:

You're talking about -- you're talking about American Center?

LEG. BROWNING:

Yeah.

DIRECTOR RHODES-TEAGUE:

Yeah, they're due to get a vehicle this year.

LEG. BROWNING:

Okay. But they're down two vehicles now.

DIRECTOR RHODES-TEAGUE:

They have managed -- we asked them if they wanted one that we had available and they chose not to take it; a used one we had.

LEG. BROWNING:

Why?

DIRECTOR RHODES-TEAGUE:

I gave them the option.

LEG. BROWNING:

Okay. But they're getting a new one?

DIRECTOR RHODES-TEAGUE:

They're getting a new one sometime this year. We have to order it still.

LEG. BROWNING:

Okay. And you're only going to need one Meals-On-Wheels vehicle next year, so that's just a replacement?

DIRECTOR RHODES-TEAGUE:

We try to go through and see what kind of shape. So for 2016, when we looked at them, we felt that there were two big vehicles that were needed and one smaller one. So Faith Baptist and Babylon would be receiving the center aisles, and the Moriches, which is a home-delivery meal program, would receive the smaller -- the smaller vehicle.

LEG. BROWNING:

Okay. I think what I can see is Budget Review is on the same page; yes, no?

MR. FREAS:

Yes.

LEG. BROWNING:

Okay.

DIRECTOR RHODES-TEAGUE:

You know, and sometimes we have to switch things out, depending. You know, we may have like -- you know, when there's an emergency, we might switch things around, but we try to stick to the schedule as best we can.

LEG. BROWNING:

Yeah. And I guess -- are we working on trying to do the frozen meals on a more regular basis or --

DIRECTOR RHODES-TEAGUE:

The sites, some of the sites have gone to frozen meals. They feel it's easier to -- they could expand their service by doing frozen, because they don't have to deliver to the same people every day. But it's really -- I've given that option to the sites to do.

LEG. BROWNING:

Yeah.

DIRECTOR RHODES-TEAGUE:

You know, they have to have the ability to make contact with the people every day so that we know that they're okay, things like that. So most of them are still doing hot meals, but there are some that are doing frozen.

LEG. BROWNING:

Yeah, I know that that was one of their issues, was --

DIRECTOR RHODES-TEAGUE:

They don't want to get a --

LEG. BROWNING:

Not having that person contacted and delivering the frozen, and I understand. I guess it depends on the senior or the individual and what their needs are, that they're concerned about not having that more frequent contact with them.

DIRECTOR RHODES-TEAGUE:

For some sites, when there's a delivery requirement, that we try to deliver the meals within the two-hour -- there's a two-hour window. When they would have difficulty with that because of geographic distance, they had the option of going to frozen as well, because then you're not within that two window -- the two-hour window.

LEG. BROWNING:

Okay. Thanks, Holly.

DIRECTOR RHODES-TEAGUE:

Yup.

CO-CHAIRMAN STERN:

And the schedule that's coming up over the next year or two, three, that's, in essence, with -- that is consistent with the amount of vehicles that are replaced on an annual basis?

DIRECTOR RHODES-TEAGUE:

We try to do all -- you know, like three vehicles, four vehicles, depending on how bad they are. You know, things come up along the way. But we don't want to ever have to do 17 or 18 vehicles, which I think many years ago they did that. That was pretty substantial, so we try to do just a couple of vehicles a year.

CO-CHAIRMAN STERN:

And this is consistent with that?

DIRECTOR RHODES-TEAGUE:

Yes, absolutely.

CO-CHAIRMAN STERN:

Okay. Anybody else for Holly? Holly, thank you.

DIRECTOR RHODES-TEAGUE:

Thank you.

CO-CHAIRMAN SPENCER:

We're now going to open up the hearing for Health. Are there any cards for Health, or is there anyone in the audience that wishes to be heard on any Capital Budget issues regarding the Department of Health? Seeing none, Commissioner Tomarken, if you would come forward and -- to the front table. Hi, Jen. Good morning, everyone. How are you? Commissioner, good morning. Thank you for coming. And are there any general remarks, or comments, or concerns with regards to the Capital Budget for the Department of Health?

DR. TOMARKEN:

Nothing in general. I think we're all in favor of what's been submitted.

CO-CHAIRMAN SPENCER:

Okay. The biggest issues seemed to be relating to the health centers. And can you, or, Jen, can you tell me just with regards to the Capital Budget, is there a two-minute overview of kind of where we're going, the issues for consideration?

DR. TOMARKEN:

I think the issue is that we have two health centers, Wyandanch and Patchogue, that are in need of repairs, and upgrading, and major renovations. We now have an opportunity with the DSRIP Program to get that match on a one-to-one ratio. So this is an opportunity to upgrade them, the facilities that need upgrading, using our money and the State's money, and we would need to do this in one way, shape, or form or another going forward. And this will help serve the community, it will give a good message to the community that we care, as we have for over 40 years, that we want to bring to them quality care, and be able to meet their needs, which would -- which would

increase the size of these facilities. So I think all in all, these are very favorable projects, and I think it will hold us in good stead, and be a real solid message to the community that we're there for the long haul to serve them in the best quality way we can.

CO-CHAIRMAN SPENCER:

Any questions from any of my colleagues? Legislator Kennedy, did you?

LEG. KENNEDY:

No.

CO-CHAIRMAN SPENCER:

Legislator Browning.

LEG. BROWNING:

Yeah. It's more the Budget Review report. Did you -- did you guys get to look at that and some of their concerns as far as the property acquisition? Is the County's responsibility the grant, the available match in grants? Also, are we -- the Wyandanch facility, they're looking for -- obviously, we need to look for a location within that immediate area. But there was also some other issues. I don't know if you want to respond to basically the BRO report as a whole, or pick out some of it, questions regarding the capital projects. Is there money in the budget for these capital projects? It's my understanding there really isn't.

LEG. CALARCO:

No. My understanding, and, Commissioner, you could correct me if I'm wrong, but these two projects that they're looking to do here, and certainly you're familiar with the Patchogue facility, so you can understand the need to do something with that particular location, and my community has been asking for well over the last five years. In fact, the last five-year extension we did with this landlord was with the understanding the County was going to relocate this facility. It's an old Hill's Department Store that's probably not been -- had any work done to it since the building was built originally in the '70s. These monies are actually going to matching grants to the district grant, if we receive it, in this current year, in the 2015 budget year. So those funds that they're putting here, while I think the Exec's Office was trying to be forthright in showing the money and talking about the projects, we would be looking -- I think they have identified a potential offset within this year's budget to pay for those projects.

LEG. BROWNING:

Can BRO respond to some of, I mean, your concerns? Because we have to look for land to build, and there's no funds in the --

MR. FREAS:

There are a couple of -- there are several concerns that we raised in the report with respect to what Legislator Calarco just said. My understanding, from the conversations I had with the Executive Budget Office, was that the projects were not submitted with the assumption that this would be State or Federal Aid. They were submitted with the assumption that there would be offsets from other projects to fund these projects in the 2015 program.

Arguably, you could -- if the grant was successful, you might be able to say that, well, they're offset, but the intention of the Budget Office was certainly, according to the conversations I had, to offset the funding with other capital projects.

Yes, we had several questions that are not addressed. We didn't receive project requests for this project. Apparently, it was handled in consultation with the Department by the County Executive's Office. And we never received Capital Budget requests for either the Wyandanch or the Patchogue

projects.

Once the proposed budget came out, the Department and the County Executive's Budget Office were cooperative in answering our questions and providing us with information, including the -- including the grant, the grant applications, which were very helpful in us being able to kind of see where we were going with it. That being said, yes, we had some questions. I think the Department probably was able, subsequent to our report, to look at some of the questions that we had. We had discussed some with them, some with actually our Counsel, because there are -- again, there's no request. We have the grant application. The grant application work plan makes certain assumptions that we're going to do certain things, and it doesn't necessarily -- the grant work plans, the project, the responsibilities assigned in the grant don't necessarily correspond with the cost elements in the -- in the capital projects.

LEG. BROWNING:

So, okay. There's a 50-50 split --

MR. FREAS:

Correct.

LEG. BROWNING:

-- in the grant. And who's assuming responsibility for RFPs, for the entire process, I mean, procurement? And then the other thing is, is equipment that was purchased by the County when we were transferring to HRH, who owns that equipment? I mean there's -- you have a lot of questions in here. If there's an RFP going out, procurement, you know, the site location, you know, who's going to control all of that? Is it the County, is it HRH, and are they going to be complying with our procurement policies?

MS. CULP:

Yeah, Legislator Browning, the County will control the RFP process. Everything will be purchased under County guidelines. We're going through the normal process for the Space Management Steering Committee, which we have -- we went to them in March. We have an approved SAR to look for space for the Patchogue location. We'll be going back with another request to look for space for the Wyandanch location. But the RFP process will be controlled by the County and will go through normal county procurement rules.

LEG. BROWNING:

Okay. Equipment: Now we've transferred the Shirley Health Center. Did we surplus that equipment, and is it now -- does all of that now belong to HRH, or is it still County-owned?

MS. CULP:

That equipment belongs to HRH.

LEG. BROWNING:

So we didn't sell it to them, we gave it to them?

MS. CULP:

Yes. That's included in the legislation. That's one of the attachments to the CBG, I believe.

MR. FREAS:

When we approve the Legislative contracts with HRHCare, there's usually an equipment surplus list in the body of the contract that shows particular -- I mean, obviously, we're not going to use the tongue depressors and the Band Aids, but we're really talking about the exam chairs --

MS. CULP:

Exactly.

MR. FREAS:

-- and the blood pressure things, and those high dollar value items, and those -- that's included in the contract, so when we approve that contract, we're surplusing that equipment to HRHCare.

LEG. BROWNING:

All right.

MS. SEIDMAN:

Good morning. Phyllis Seidman from the County Attorney's Office. Just to clarify that point, when we solidified the transaction with HRH, the deal was to transfer to them a fully functional and operational health center. So, clearly, we wouldn't need most of what was in there if we were no longer operating a health center. And throughout the process, we have worked with the County Comptroller's Office and with bond counsel to figure out what equipment is purchased with bond funding and whether there were any private use issues or, you know, issues with transferring bonded property. So we do that for every single transaction. And in this case, we would do the same thing contractually with whatever equipment was bought with the serial bonds. So, you know, we would work that out contractually and check with Bond Counsel as to how we needed to structure that.

LEG. BROWNING:

I might have some more questions, but I'll hold off. During the budget process, we're going to have to defer the conversation. Thanks.

CO-CHAIRMAN SPENCER:

Anyone else? My questions relate to would we -- it looks like, according to the DSRIP Program, this would be a site that would likely receive funding, but it's not guaranteed, so --

DR. TOMARKEN:

That's correct.

CO-CHAIRMAN SPENCER:

So what would be -- if the grants aren't received, what's the contingency?

DR. TOMARKEN:

Well, we would have to assess what the facilities needed and what -- who could -- what could be afforded.

CO-CHAIRMAN SPENCER:

Would we still proceed with the new sites or would that be delayed? What would happen?

DR. TOMARKEN:

Yes, it would.

CO-CHAIRMAN SPENCER:

You know, I see, you know, we're making assumptions that this will occur. So would it delay the transition? What would happen?

DR. TOMARKEN:

I think the biggest delay is finding new sites and new locations. So I don't think the grant itself would have much of an impact, whether we got it or not, because we would have to proceed,

because leases expire, etcetera, so we would proceed with that.

CO-CHAIRMAN SPENCER:

So that would -- we would have to assume that responsibility on the funding side. And would that -- how does that change the scope of what we're trying to do, if we don't receive the 50% funding?

MR. FREAS:

We're making an assumption in the projects that we're going to receive \$16.8 million. So the -- for the -- and we're going to give -- we're going to spend \$16.8 million. So, again, not saying one way or the other, but if we were to proceed with the two projects without the grant funding, you could assume that the project would then -- the project cost to the County would then increase.

CO-CHAIRMAN SPENCER:

Would.

MR. FREAS:

Yeah, double.

CO-CHAIRMAN SPENCER:

Double, yeah.

MR. FREAS:

If that's what you were worried about, the answer is yes, that could happen. That being said, as Legislator Calarco mentioned, I think, especially with the Patchogue site, they have to find somewhere else sooner rather than later.

The Wyandanch site is a little more stable, and the intention, as we mentioned in our write-up, for that site is connected with some of the Wyandanch Rising construction. The way the projects are structured now, we could theoretically go forward without the -- again, theoretically, they're separate sites, they're not -- they're not structured as a County share. We suggested that they be -- the titles be changed, but the way that the projects are structured now, we could go forward with other grant funding; could, not necessarily will, but could.

CO-CHAIRMAN SPENCER:

To the Administration, would that -- so in Patchogue we have to choice, I understand that. Would we go forward with one and defer the other if this funding doesn't come through? Would we still do them simultaneously? I mean, I'm sure someone has to ask the question, you know, when we're talking about these Federal funding programs and, you know, things change. I feel fairly confident. But is the plan that we would proceed and just foot the full bill, reapply? Would we do Patchogue and then do Wyandanch later? Would we go to a temporary sort of -- I think I should ask that question in advance. I mean, we have to do it regardless. Has there been any discussion on what the contingency plan would be?

MS. CULP:

I mean, I think that would probably have -- be related to discussions with the landlords in terms of when leases are up, also the plans in terms of Wyandanch Rising and coordinating with that project going on in that community. So I think there is a lot more conversations to be had in terms of plans moving forward on both facilities.

CO-CHAIRMAN SPENCER:

No, I get that. I mean, I think that's very fair. And you may not have the answer, which is fine. That -- what you said makes sense, I appreciate that. But internally, as the people that are doing

this project, have we -- you know, it looks like there's funding sources available. It's one of the reasons that we proceeded. I think everything will be on target. But, you know, when -- but we don't have a guarantee of funding at this point; is that my understanding? And from your -- then I'll ask another question. If there's no guarantee of funding, how -- you know, the DSRIP is relatively new. I know there's been a lot of activity. We know that it's happening, we've been briefed on it. How confident are we? Do we feel this is something that is fairly likely to happen?

DR. TOMARKEN:

It certainly fits with their plans and they're strategies. It's a matter of dollars and cents how much they -- you know, what other projects we're competing against, which we really don't have a lot of detail on. So we'll know in August, that's the latest time frame.

LEG. CALARCO:

I think what might be helpful, at least I know with the Patchogue facility, is that the score that that particular project was given was second in the region only to a project that's coming out of Stony Brook University. And the way that the grant program works is you have to put in your grants through Stony Brook as the regional, I guess, administrator of the program for us locally. So to be second only to a program that they're promoting puts a -- pretty good, pretty good chances.

DR. TOMARKEN:

Right. It may not be the amount we requested, so.

CO-CHAIRMAN SPENCER:

Certainly. But I think that what we've seen a lot of times with Congressional action --

LEG. CALARCO:

This is State.

DR. TOMARKEN:

This is State.

CO-CHAIRMAN SPENCER:

I know it's -- well, you're right, I know it's State money, it's Dormitory Authority, but I still -- you know, just I'm always thinking if the scope of the thing changes Federally to our relationship with the State and with regards to what the Dormitory is going to do. I just didn't know if we -- someone had said, regardless of everyone else's position, it's our intention that if we don't receive this grant, that we are going to move forward, regardless, or we will defer. And I just thought I should ask that question, but I understand there may not be an answer to it. So thank you.

LEG. TROTTA:

I have a question.

CO-CHAIRMAN SPENCER:

Legislator Trotta.

LEG. TROTTA:

Is Hudson River running those, Patchogue and Wyandanch?

DR. TOMARKEN:

Yes.

LEG. TROTТА:

So then why are we paying for anything?

DR. TOMARKEN:

We are the landlords, and so both facilities are in need of upgrading and renovation.

LEG. TROTТА:

Yeah. Well, according to the contract, they have to be done. They had 90 days to notify that there were problems. Is the County Attorney there?

MS. CULP:

In terms of -- that was in terms of renovations that were being done at Shirley and Tri-Community Health Centers. So those were funds that were in regards to compliance and some Article 28 issues that were in need of being updated. So that's in regards to those, those two health centers.

LEG. TROTТА:

So the other two contracts don't have that provision?

MS. CULP:

Do they? I don't think so.

LEG. CALARCO:

I think what's helpful, at least both Patchogue and Wyandanch, from I understanding, I know for a fact with Patchogue, the leases are expiring on those buildings in the very near future. And so we have to figure out one way or the other where these facilities are going to go, whether they're staying where they are or moving to another location, and that's something that we've been providing Hudson River through all of these as a location to operate out of for at least 15 years.

LEG. TROTТА:

Do the contracts have that provision?

MS. SEIDMAN:

Well, no. Legislator Calarco is correct, we wouldn't be giving money to update and come into compliance when -- you know, at any point, we didn't know what we were doing next with the lease, so we didn't want to throw money --

LEG. TROTТА:

But what if you just renew those leases, is that a possibility?

MS. SEIDMAN:

Well, we are talking to the landlords at this point, and we will see what occurs with results from those discussions.

LEG. TROTТА:

I mean, I thought the whole idea of this was to get the Health Departments out of the County.

MS. SEIDMAN:

I'm sorry, could you repeat that?

LEG. TROTТА:

I thought the whole idea of this was to get -- you know, remove these clinics off the County, so we didn't have to be burdened with running them. And we hired these people to run them, and now we're going to continually subsidize them?

MS. SEIDMAN:

No. My understanding is that we entered into, you know, a partnership, so to speak, with HRH so that health centers could still be run in the County, but the Health Department would not be in the care of providing direct diagnostic and treatment to the constituents in the County. We never washed our hands of the whole operation. It just didn't make any sense fiscally to continue to try to provide direct care. But we remained in a partnership with them, which is why we partnered for the space aspect and for an oversight of their operations, as long as they remained in County sites.

LEG. TROTТА:

Is this typical in other counties? I mean, is this something we can -- are we required to do this? I mean, can the County say, "Listen, just take over them yourselves and run them yourselves"?

MS. SEIDMAN:

I guess we could have gotten out of the health care business completely. Maybe the Health Department could better answer that question. But I believe, as we were speaking to the Legislators, that I don't think that is what was desirable.

LEG. TROTТА:

Well, if we're continually funding this and having to pay for these rents, and do all this and we don't have to, I'd prefer the County didn't do it.

MS. SEIDMAN:

Well, there's still a major savings, as you've seen, with each transaction that we brought before you, a major yearly savings for each center that the County was directly operating.

LEG. TROTТА:

Well, if we could save more by not doing it, I'd rather save more.

MS. SEIDMAN:

That would be the prerogative of this Legislature?

DR. TOMARKEN:

But it may not work financially if we completely just walked away and said, you know, "You take it over." I mean, the CBG is based on the idea that they need some assistance to get it going and keep it functional and expand, as required by the Federal Government. So it's all part of the financial package.

LEG. TROTТА:

Are there other counties that don't have anything to do with this?

DR. TOMARKEN:

Well, very few counties have health centers that they control by themselves. There are a few, but not many.

LEG. TROTТА:

Okay.

DR. TOMARKEN:

We're very unique in that situation.

LEG. TROTТА:

So you're giving me more reasons to back up my argument that we probably shouldn't even be

doing that.

DR. TOMARKEN:

No. What I'm saying is that is a financial arrangement, just like any other financial arrangements. There are service components, there's rents, and all these, and when you put the whole package together and work with this company, HRH, they have to see if it's financially viable.

LEG. TROTТА:

So in 15 years this runs out, and then we don't do that anymore, is that --

DR. TOMARKEN:

CBG runs out in five years.

LEG. TROTТА:

Oh, I'm sorry. What is that?

DR. TOMARKEN:

The Community Benefit Grant. That's the -- remember that chart we --

MR. FREAS:

The contract payments, the direct contract payments to HRHCare.

LEG. TROTТА:

Okay, that runs out, but we still have to pay the rent on the buildings.

DR. TOMARKEN:

And it varies from site to site. For instance, at Coram, because we had a 30-year lease, we committed to finishing that lease. Other sites' leases will be different lengths of time.

LEG. TROTТА:

Okay.

CO-CHAIRMAN SPENCER:

So I just want to make sure, because when we're looking at these, you think you may understand something, but you may not, and I understand. So my understanding, when we talk about the DSRIP, Delivery System Reform Incentive Payment Program, this is from the Medicaid Redesign Team that saved \$17.1 billion. And we made an agreement with the Federal Government that we were going to be able to use 8 billion to be utilized to transition us from a hospital-based primary care system to more of a community base, which fits with what Hudson River is doing, and that hospital care would be preserved primarily for like emergency and tertiary care.

So I think that -- I understand that we have an agreement, but it's almost -- you know, I'm a little more cautious that we -- the State has an agreement with the Federal Government to retain this 8 billion. And has any funds been delivered statewide? I mean, what's the status of this actual -- it's from 17 billion in savings from the Medicaid redesign, but these are still all assumptions. Maybe this question should be directed to BRO. Was it -- did everything with regards to the program itself, is this already realized money? We did Medicaid redesign to save \$17.1 billion. Have we already saved that money, or is that money we are anticipating? Because it's almost like sales tax, we make assumptions about it. So it seems like the whole program is based off -- and so that's where my concern is with regards to the money actually materializing.

MR. FREAS:

Well, the program's ongoing since -- when did he take office, 2010, 2011, as part of --

CO-CHAIRMAN SPENCER:

Five years.

MR. FREAS:

It's a Cuomo Administration initiative. The funding for this particular program, we are talking about DSRIP. More specifically, the program is the Capital Restructuring Financing Program, which is funded through the Dormitory Authority of the State of New York. So these are -- so it's not -- we don't have to save -- we're not waiting for any money to come in for Federal money, it's not pass-through funding.

LEG. CALARCO:

The State money is there.

MR. FREAS:

Correct.

LEG. CALARCO:

It's in their budget for this year.

MR. FREAS:

Correct.

LEG. CALARCO:

We're not assuming there's going to be money, there is money.

MR. FREAS:

Correct.

LEG. CALARCO:

What we are doing is we're competing for that money.

MR. FREAS:

Yes.

DR. TOMARKEN:

Right.

LEG. CALARCO:

And we just don't know. And those awards, Dr. Tomarken, are, hopefully, to be made in August. You know, the State never --

DR. TOMARKEN:

Well, that's for the Capital, that's for the Capital Programs. The other, the operation or the DSRIP itself has been allocated just recently. I don't have the exact amounts. But this is a Capital Project and a capital funded project out of DSRIP. And the 8 billion is the money that the Federal Government has said, "You take this 8 billion and make sure that you reduce hospital admissions and ER, inappropriate ER visits by 25% over the next five years." So that's sort of like an Operating Budget for the entire State. So that money, that 8 billion, it's divided up, everybody submits an application. Stony Brook represents Suffolk County, North Shore, Nassau. Everybody submits their plan on how to use -- how to achieve this goal. The State then turns around and says, "Okay, we're going to give you "X" amount of dollars out of this 8 billion.

CO-CHAIRMAN SPENCER:

Okay.

DR. TOMARKEN:

And you've got five years to accomplish it.

CO-CHAIRMAN SPENCER:

Oh, okay. So I -- thank you. I appreciate you reaffirming my understanding of the program. And it's just hard to understand, you know, the difference, in my opinion, between budgeted, that -- where we have a budget and we budgeted for things, which means we're planning to do it, versus a superstorm and we have a hole in the budget. And so I'm just -- you know, I just want to physically know that the money is actually in the bank that we could do it. And maybe I'm thinking way too far ahead, and I still think we have to proceed.

DR. TOMARKEN:

The money that will be in the bank will be the money that the State gives us -- gives Stony Brook to implement the DSRIP Program. That's the money in the bank, so to speak, and then this grant, which is a separate program.

CO-CHAIRMAN SPENCER:

Thank you. I'm sorry to take up your time on that, but it does help me, as far as make these decisions, to really understand, you know, there's money and, you know, the real money versus the budget money. Legislator Kennedy.

LEG. KENNEDY:

Good morning -- good afternoon. I understand what's going on. I read the contract when the Legislature first voted for the first health care center to change over. I just want to clarify cost savings with the transfer to Hudson River. The majority of our savings is in liability for malpractice cases and salaries of people; is that correct?

MS. CULP:

Operations.

DR. TOMARKEN:

It's the operation of the health centers itself. One component is the -- is the medical malpractice, but I wouldn't say that that's the major component. It's the operational costs of running the health centers, that we were deficit-funding anywhere between 20 and \$25 million a year when we had all nine health centers. So it's that deficit that will go away with HRH assuming control and operating the health centers.

LEG. KENNEDY:

But we're still paying the electric. We're still -- we gave them the equipment. We're still paying the rent. We're still doing the contracts. The only thing we're not doing is paying the salaries, correct?

MS. CULP:

Well, no. It's the day-to-day operation of it. So, I mean, it's everything from salaries to med mal, all of the indirect costs. But in terms of utilities, I believe that varies by health center. I'd have to refer back to the leases.

MS. SEIDMAN:

HRH pays for their own utilities, except for the -- actually, I think they pay for the space carved out for the County for WIC at the centers as well. We've added that, that they're going to cover that.

But they do pay for their own -- day-to-day operational expenses, custodial.

MS. CULP:
Right.

DR. TOMARKEN:
If they needed new equipment, they would purchase it. We just gave them what we had. We didn't -- we're not paying for new equipment as time goes on.

LEG. KENNEDY:
We're not subsidizing the program for equipment, okay.

MS. CULP:
And all contracts are with HRH. We --

LEG. KENNEDY:
Right.

MS. CULP:
-- let go of all of those day-to-day contracts.

LEG. KENNEDY:
Okay. Thank you.

CO-CHAIRMAN SPENCER:
I think that's all the questions that we have. Are there any other issues or anything that we need to be aware of for Health in the Capital Budget? Primarily, this was probably the most pressing matter. Thank you, Commissioner. Thank you. I appreciate you all being here.

If there are no other concerns with regards to the Health Capital Budget, that concludes the Health Capital Budget hearing. And we will now transition to Human Services. Chairman Martinez.

CO-CHAIRWOMAN MARTINEZ:
I would prefer Chairwoman.

CO-CHAIRMAN SPENCER:
Chairwoman.

*(*Laughter*)*

CO-CHAIRWOMAN MARTINEZ:
I am aware that there are no capital projects for Human Services. Is there anyone in the audience would like to speak on any project? Since there is no one, there is no further business, the meeting is adjourned.

*(*The meeting was adjourned at 12:15 p.m. *)*