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April 2, 2013

Honorable Shawn M. Morse, Chairman  
Albany County Legislature  
Legislative Clerk's Office  
112 State Street, Room 710  
Albany, New York 12207

RE: Nursing Home Transition

Dear Chairman Morse:

On behalf of the Albany County Board of Health, I write to provide you and the honorable members of the Albany County Legislature with information regarding the proposed lease agreement with the Upstate Services Group (USG) to assume operation of the Albany County Nursing Home (ACNH).

The Board, in its advisory role to the legislature pursuant to the Albany County Charter, Article 9, Section 903, has a primary concern for the overall health and wellbeing of Albany County residents, particularly its most vulnerable citizens. Accordingly, at its most recent meeting this matter was reviewed and discussed.

Based upon information posted on the Albany County website, the Board understands that the current operation of the ACNH results in significant deficits, estimated to be an average loss of one million dollars per month, and that the ability of the county to provide ongoing fiscal support of the nursing home at this rate is simply not possible. Failure to take action to address the operation of the nursing home in a timely manner leaves the real possibility that the services provided by the ACNH in the future would be in jeopardy. In the proposed agreement, the estimated projected savings to Albany County over the next 4 years is 31 million dollars which would address the current fiscal crisis while assuring the long-term viability of the ACNH and, most importantly, maintaining the valuable services it provides in Albany County.

The Board finds that in the current lease agreement proposal, USG will do the following if approved by the legislature:

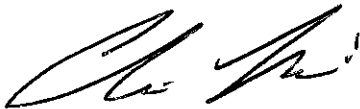
1. keep all patients who currently reside at the ACNH
2. adopt the admission standards and criteria historically followed by the ACNH
3. continue to provide a safety net for the most needy Albany County residents
4. maintain employment for the vast majority of dedicated ACNH employees

It is the understanding of the Board that USG has been successful at managing other nursing homes that have encountered financial distress by providing a seamless transition of services and preserving access to those in need while assuring that quality of care is not compromised. Moreover, the Board is confident that the New York State Department of Health will continue to provide oversight of all nursing home operations at the ACNH, as they do in nursing homes throughout the county and state, to maintain acceptable quality-of-care standards.

The Board recognizes the strong leadership and governance role of the Albany County Legislature and commends it for longstanding enactment of policies that focus on the best interests of all of the citizens of Albany County. In this situation, the Board believes that the proposed lease agreement would allow for the continuation of skilled nursing home services by experienced staff at the ACNH and is the most cost-effective option for delivering care at the ACNH in the future. At the meeting of the Albany County Board of Health held on April 1, 2013, the Board respectfully and unanimously recommends support of the proposed lease agreement with USG.

Thank you for the opportunity to provide comment.

Sincerely,



Christopher Nolin, President  
Albany County Board of Health

cc: Honorable Daniel P. McCoy, Albany County Executive  
Mr. Jamie Kallner, Counsel to the Majority  
Mr. Arnis Zilgme, Counsel to the Minority  
Distinguished Members, Albany County Board of Health