

Private company says it would preserve Van Duyn nursing home's mission

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By **The Post-Standard**

View full size Frank Ordoñez / The Post-Standard Onondaga County Executive Joanie Mahoney announces a tentative deal Friday sell Van Duyn Home & Hospital to Upstate Services Group, of Spring Valley.

By Jim Mulder and Rick Moriarty

Staff writers

The private company that wants to buy Onondaga County's Van Duyn nursing home says it intends to preserve the 513-bed facility's mission of serving the community's most difficult patients who have no place else to go.

Upstate Services Group, which already operates a nursing home in Syracuse, has entered into a tentative deal with the county to buy the nursing home on Onondaga Hill for \$8 million to \$10 million. The proposed sale, announced Friday by County Executive Joanie Mahoney, requires approval by the county Legislature and the state.

David Camerota, a partner in Spring Valley-based Upstate Services Group, said his company would continue operating Van Duyn as a "safety net" nursing home the same way it runs **Central Park Rehabilitation and Nursing Center**, a nursing home at 116 E. Castle St. it took over in 2008.

"We are very excited about the opportunity to maintain the safety net, and we are going to work hard to improve and grow that facility," Camerota said.

Van Duyn is considered a safety net facility because it takes large numbers of medically complex patients on Medicaid often turned away by other nursing homes.

Mahoney said the sale cannot take place until December of 2013 after Upstate Services gets all of its approvals. The final price will be determined next year, she said.

Mahoney announced in March of last year that the county was **negotiating to sell** Van Duyn to state-owned Upstate Medical University following the county's issuance of a request for proposals from potential buyers.

However, the university was unable to get the approval of the State University of New York board of trustees.

Dr. John McCabe, CEO of Upstate University Hospital, said SUNY officials have been consumed with financial problems at SUNY's hospital in Brooklyn, Downstate Medical Center.

"I'm very disappointed," McCabe said. "I think it would have been great for the system."

When Upstate Medical University walked away from the deal, the county approached Upstate Services Group, one of eight organizations that responded to the county's request for proposals. Upstate Services, which has no relationship with the university, operates 11 nursing homes in New York, including Central Park in Syracuse.

Upstate Services is run by Efraim Steif of Rockland County. He has a track record of turning around troubled nursing homes.

Mahoney said Van Duyn's 500 employees would become employees of the new owner. Camerota said Upstate Services would keep nearly all of Van Duyn's employees. He said it's too soon to say if a change in ownership would affect wages and benefits.

CSEA, the public employee union that represents many Van Duyn workers, opposes the plan to privatize the nursing home.

"As a county-run nursing home, Van Duyn has always served as a facility of last resort our community's seniors could depend on to receive care, regardless of their ability to pay," said Phil Graham, president of CSEA Local 834, in a statement. "If the facility goes private, our concern is that profits, not people, will come first."

Employees at Upstate Services' Central Park nursing home are represented by a different union, Local 1199 of the Service Employees International Union.

The county has been eager to sell Van Duyn because it can no longer afford to subsidize it.

Steve Morgan, the county's chief fiscal officer, said taxpayer subsidies for Van Duyn's operation would total \$115 million between 2013 and 2022 if the county continued to own it. He said the problem is the state, which would like to see counties get out of the nursing home business, does not reimburse the county for the full cost of caring for the home's patients.



View full size Stephen D. Cannerelli / The Post-Standard A private nursing home operator has tentatively agreed to buy Van Duyn Home & Hospital from Onondaga County.

Steif, chief executive officer of Upstate Services Group, took over Central Park, then known as the Vivian Teal Howard nursing home, in Syracuse in 2008.

The state Health Department asked Steif to become receiver of that home, which was dogged by financial and quality problems. Steif had previously stepped in as receiver of several other nursing homes in New York, including Binghamton's Bridgewater Center for Rehabilitation and Nursing, and turned them around.

Steif ended up buying Vivian Teal by assuming its debt. He renamed the facility Central Park Rehabilitation and improved its operation.

Before he took over, the home was on the federal government's list of the nation's worst-performing nursing homes. The government threatened to shut it down but held off to give the state Health Department time to find a receiver.

The nursing home subsequently improved its performance and was taken off the federal government's worst list in 2010.

If the deal goes through with Onondaga County, Steif will face similar challenges at Van Duyn, which has a history of quality problems. The federal government put Van Duyn on its list of the nation's worst performing nursing homes in November.

Unless Van Duyn improves, the government could permanently cut off Medicare and Medicaid funding to the facility, a move that would probably force it to close. County officials, however, have said that scenario is unlikely because Van Duyn has been fixing its problems.

Ron Lagoe, executive director of the Hospital Executive Council, a planning agency for Syracuse's hospitals, praised the tentative deal. He said more than half the people admitted to Central Park last year were patients with complex problems who are tough to care for and hard to place. On a percentage basis, Central Park takes more hard-to-place patients than any nursing home, including Van Duyn, in Onondaga County, he said.

"We are getting an operator in here who knows how to take care of these patients," Lagoe said. "He's already shown himself for what he is and has a good record."

There appears to be support in the Legislature for selling Van Duyn.

Legislature Chairman Ryan McMahon said the cost of operating Van Duyn could bankrupt the county and cannot continue.

"The state has not come through," he said. "We are now out of time."

Majority Leader Pat Kilmartin, R-Onondaga, said the nursing home was creating "long-term unsustainable" costs that have to be addressed.

"There's no use kicking the can down the road," he said.

Mahoney's proposed 2013 budget includes funds to operate Van Duyn through November of next year. She anticipates Upstate Services Group taking over the nursing home Dec. 1, 2013.

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