



DAUPHIN COUNTY BOARD OF COMMISSIONERS

COMMISSIONERS' WORKSHOP MEETING

WEDNESDAY, JUNE 21, 2006

10:00 A.M.

MEMBERS PRESENT

Jeff Haste, Chairman
Dominic D. DiFrancesco, II, Vice Chairman
George P. Hartwick, III, Secretary

STAFF PRESENT

Chad Saylor, Chief Clerk/Chief of Staff; Bill Tully, Esq., Solicitor; Marie Rebuck, Controller; Bob Dick, Treasurer; Scott Burford, Spring Creek Administrator; Guy Beneventano, Esq., Assistant Solicitor; Bruce Foreman, Esq., Assistant Solicitor; Leila McAdoo, Solicitor's Office; Kacey Truax, Commissioners' Office; Jena Wolgemuth, Commissioners' Office; Lena Martinez, Commissioners' Office; Richie Martz, Commissioners' Office; Dave Schreiber, Personnel; Kay Sinner, Personnel; Randy Baratucci, Purchasing Director; Mike Yohe, Budget & Finance Director; Carolyn Thompson, Court Administrator; Edgar Cohen, Facility Maintenance Director; and Julia E. Nace, Assistant Chief Clerk

GUESTS PRESENT

Chas Blalack; Clay Christensen; Carolyn Trowbridge; David ; Judy Heh, AFSCME; Mary Schwanger; Daniel Victor, Patriot News; Rose Guyer; Sallie Acri; Joyce A. Culpepper; Chris Durdunsky; Michelle Bodinsky; Davis Gross; Nichelle Chivis; Rob Kirkpatrick; Christie Mascioli; Betty Lytle; Elaine Barber; Missy Steinwood; Karla Hodge; Veeta Bonner; Margaret L. Fuller; Queenie Lee; Eric Schudiske, Channel 21; Dan, Channel 8; Kenneth Johnson

MINUTES

CALL TO ORDER

Mr. Haste, Chairman of the Board, called the meeting to order at 10:00 a.m.

MOMENT OF SILENCE

Everyone observed a moment of silence.

PLEDGE OF ALLEGIANCE

Everyone stood for the Pledge of Allegiance.

APPROVAL OF MINUTES

Mr. Haste: We have four sets of Meeting Minutes that we'll take up at next week's meeting.

PUBLIC PARTICIPATION

Mr. Haste: We are at the point in time for public participation. Is there anyone that would like to address the Board at this time?

Ms. Heh: For the record, my name is Judy Heh and I'm the Director for AFSCME District Council 90 representing employees who work at Spring Creek. I want to keep my comments brief today since we have already communicated our views on the sale of Spring Creek. We vehemently oppose the sale of this 100 year old County owned facility for both the good and welfare of residents as well as employees. AFSCME has agreed to more than \$950,000 in concessions to maintain this County owned facility. It is extremely painful for our employees to agree to these concessions when their base wages do not amount to a living wage. If this sale is completed and the employees are denied decent health care, we will be shifting the cost of their health care from the County government to the state government when Ensign realizes profits.

Our United States Constitution guarantees a lawyer for criminals; but not doctors or medical care for vulnerable and indigent seniors that require skilled nursing care at a facility such as Spring Creek. For six years this union and the employees at Spring Creek have watched mismanagement of this facility by contracted management consultants who have driven this facility into the ground. It is sad that we did not have a public task force to oversee the operation of this facility because perhaps we would not be at the crossroads we are today.

I just want to give one example of some of the relations of management to some of our employees. I believe most of you know of a person Joyce Reickert who had thirty-three years of county service at the home, an accomplished seamstress. She was told by the management consultants, "we don't need your services, you're terminated and we will buy them new clothes, not fix the clothes of the residents of this facility". That is just

one example of some of the things that we tried to communicate. Ensign's guarantee of 216 Medicaid patients creates a mix of about 55% for Medicaid versus private or Medicare patients when you compare it to the 404 beds. Prior to the efforts to downsize the beds at Spring Creek from the 404 beds, the percentage of Medicaid was 85-95%. What is to happen to the hundreds of indigent and Medicaid patients who will be denied care at Spring Creek since four nursing homes in this area have already closed? It is interesting to note that the tower cost \$23-25 million and if the sale goes through for both the tower and the prior building at \$15 million, isn't this a great lost to the taxpayers of Dauphin County? We have made the sacrifice but without the County providing confident management, cost efficiencies will never be realized in this non-profit facility. Ensign's record shows four times the profit of other nursing homes. Would it not be better to put that profit to quality of care? The fate of the poor and vulnerable residents and the long term dedicated committed employees are in the hands of the Commissioners today. The question is, do you value profit over people? Thank you very much.

Mr. Haste: Is there anyone else that would like to address the Board at this time?

Ms. Acri: Good morning. My name is Sallie Acri. I'm here to support continued County ownership of Spring Creek Nursing Home. On behalf of my sister, all the other residents, family members, staff and volunteers, I'm asking that you give the committee Chaired by Commissioner George Hartwick time to effect changes that may cut cost and ease the burden to the taxpayers of this County. The sale of this nursing home has been presented as a win-win situation for the County and the residents who call Spring Creek home. We've been told that we the family members will have piece of mind knowing that our loved ones will not have to be relocated and that the county residents will be grateful that they no longer have to contribute to the financial support to this facility. But this brings to mind a couple questions that I believe have remained unanswered. First of all, it is my understanding that the new owner must agree to operate this facility as a nursing home for fifteen years. However, it is unclear to me what action the County would take if the new owners failed to make a profit and forced into bankruptcy? Is there a guarantee that the County would step in and reclaim ownership? My next question is this, has gross mismanagement and unaccountability of this facility brought about the financial crisis that the County is now facing? If not, how is it possible that a private company under new management can step in and turn it around and make it profit making? Who is going to suffer and what cuts are going to be made as a result? I'm sure that wages, benefits and staff will be cut to a bare minimum but as they say, you get what you pay for. My biggest fear is that many of the dedicated and experienced staff will leave, patient care will decline and the general environment will shift from personal and caring to clinical and custodial. Is this fair to the residents who paid taxes over the years and willingly gave up their assets in exchange for what they believe to be a safe and secure living environment? Is it fair for the families to agonize over care if staff and service cuts should lead to neglect? While I realize that financially all levels of government are scrambling to meet their budgets, I wonder if it is fair to single out one of the most defenseless segments of our society and allow them to take the hit. I'm sure that many people who have had no previous contact with Spring

Creek believe that this is the practical way to go and they agree that it is best to sell this facility. No one really understands how valuable this home is until it is needed. I admit I was one of those people. But if and when the time does come, they too, will learn that locating good nursing home care will become the number one focus of their lives. I found this out when my sister needed care at the age of 59. She is totally disabled and depends on the caregivers for all her needs. My friend's daughter was 25. She was well cared for and loved by the staff until she passed on several months later. I have learned that there are no guarantees in life and tragedy can strike at any age. Four large nursing homes in this area have closed in the past few years and without a County operated home, there is no guarantee of a future safety net to serve our local residents. It is well documented that long-term care is not just a local issue, it is rapidly becoming a national crisis.

We have the County to thank for moving this facility forward and developing it into one of the finest long-term care facilities in the state. For that we are grateful. It is my hope that the County will understand that local long-term nursing care will become even more important as our generation of baby-boomers move closer to retirement. The days of families staying home and caring for the elderly are over. As we encourage families to relocate to this area, I believe that this facility will become even more important. It is a great selling point for all county residents to know that if they should be in need of long-term care placement for family members their loved ones could be cared for in a close, well run, fully staffed, safe and nurturing environment. Spring Creek could well become one of the most important economic assets that Dauphin County has to offer.

I have researched the Ensign Group on the internet and I was unnerved by some of the articles I read concerning neglect and understaffing. I have questioned the Commissioners about these accusations and was told that the information was false. I was also advised that the County could provide positive proof of Ensign's credibility. So far, I have not seen this information. One of the things that stuck in my mind from the meeting in November, was the statement that we will be informed every step of the way through the process whether the County decided to sell or retain the home. So far, most of what I know comes through reading the newspaper. Therefore, I am respectfully asking that you meet with us again to address some of these questions. I would like to know what amount of tax savings individuals can expect to receive. Will there be a reduction in County taxes and if not where will the additional money go? Will the County lose the \$6 million grant money that was earmarked for renovations on the McBride Building or will it be used for another project? What guarantees if any will the County make to insure that the home is well run and continues to provide nursing care for the promised fifteen year period? What is the background of the Ensign Group and what proof do you have that all the allegations are false?

In closing, I'm asking that you at least delay your decision to sell Spring Creek until all the questions are answered, all the suggestions are heard and all the fears are put to rest.

Thank you.

Mr. Haste: Anyone else at this time?

Mr. Browse: My name is David Browse. I reside in Tucson, Arizona. I am here to tell you first hand of what I know about the Ensign facilities. My wife was put in one of them after leaving a hospital from major surgery. The evening that they picked her up to take her over to the Catalina Facility I followed them in a car. I spend as much time as I could with my wife. I loved her very much. We were married for twenty-three years. The prognosis from the surgery was excellent when she was entered into this facility. I noticed that very evening, it was 7:30 in the evening, when I entered the facility, I was immediately hit by a strong odor of urine. I mean it was almost appalling. After I got my wife settled in for the evening, of course I went home. I came back the next morning at approximately 8:00 and upon arriving I still smelled the strong odor of urine. The floors are not clean. As I was walking down the hallway, I noticed what looked like water but it turned out that it was urine. A little bit further down the walkway was some feces. I got a hold of one of the nurses and told her that there was stuff on the floor and it should be picked up so someone does not fall. I can tell you that when I left it was still there. That is neither here nor there. The nurses and nurses aides, or whatever you want to call them, from my standpoint, she was there quite a few weeks, are not trained properly. They are not qualified people to take care of somebody like my wife. When she arrived there, she had a very serious liver operation which normally a doctor wouldn't even attempt. She had what they call some kind of ecoli or mass in the liver. They went in and cut a wedge and then they ran a catheter into the liver to suck this stuff out of there with a long tube that came out her side. They had wrapped a surgical tie around it and actually sewed it to the inside of her stomach so it would stay in place. Over a course of just a few weeks, they were supposed to be monitoring how much stuff was being drawn by the surgical bulb. It was a bulb that you had to squeeze it and it had a cover on it which would suction. They repeatedly lost the suction tube cover and of course it just wouldn't suck anything. Through the course of the stay and this was almost an everyday procedure with me. There was supposed to be a qualified nurse, not a nurses aide, a qualified nurse to monitor that bulb. This was per instructions from the surgeon which they had in writing. I never did see but one time a nurse come in there and monitor that bulb. The rest of the time it was always a nurses aide. I want to tell you about the nurses aides, most of them don't speak English or understand English. That upset me, too. The quality of care in an Ensign Group Home is next to nothing. They don't listen to the patient. They actually make the patient sicker. My wife lost sixty-five pounds in just a few short weeks. She had surgery earlier on the back of her neck and they went in through the front which caused scar tissue on her throat. With all the pills and medication that she was supposed to be taking, they were pretty big even for me, and the only way she could get them down was with applesauce. With any nursing home, hospital, or whatever that's a basic item. It is not a basic item with Ensign. They tried to give her a pill with water and occasionally they would have the applesauce. I don't know why they would run out. They tried to make her swallow these big pills with water, they would get stuck in her throat and she almost gagged to death three different times. One time she just about passed out before that pill came back out. After three episodes of this, my wife had decided that she just wouldn't take her pills that way.

They had a male nurse working there in the evenings. He was a Vietnam veteran probably from the medical field. He had some kind of mental problem. I don't know what it was but anyway he had decided she was going to take these pills with water or else and she had decided that she wasn't. Instead of her taking the pills, he just threw them on the floor and logged in on his log that she took the pills. The worst part about the whole thing was I was there from 8:00 in the morning until noon, I would go home and feed my dog, eat something and then go back about 3:00 or 4:00 and I would stay until about 6:00, 7:00 or sometimes 8:00 in the evening. I did that when she was in the hospital, too. She was in the ICU for almost three months. I found that they don't even change the bedding. They are supposed to be changing the bed everyday. I asked them about it and they said, "Oh yes, we changed the bed". I had seen marks on the bed and they can't be changing the bed. I put a mark on the bed and I came back the next day and I asked them if they changed the bed. And they said, "Oh yes, we changed the bed". My mark was still there. I put another one there. This went on three times before they changed the bed. I came in one morning to find this drain tube had just emptied itself on the bed. They hadn't changed that. Incidentally, one night she had diarrhea pretty bad on different occasions and one night she had a pretty sizable bowel movement and I was there when this happened. I got a hold of the nurse because that always bothers me and she said they would be in to take care of that pretty soon. Well pretty soon came and gone; and after I had gone, it was still there. They made her lay in her feces all night. That just burned my butt! It is not fair. It is nasty. It is immoral. They shouldn't be allowed to operate under those kinds of conditions. Nobody should be in that kind of a place. Another thing adding to this, in my opinion, they caused my wife an early death. It was imperative that they measure the stuff from that tube. It was imperative that they saw that it was draining. Everyday I would have to go in there and find the cork and hold it so it would suck. The thing about it is, in their carelessness they managed to pull the catheter out of her liver. Of course it wasn't going to suck anything. You can see where they had pulled it out and it was out of her stomach about so far where they had sewn it on the inside which means the catheter had moved that much out of position (Mr. Browse indicated the length with his fingers). Well, this mass that was in her stomach that was being drained out consequently increased and moved and blocked the bile ducts. I don't know if you know of anybody who has had their bile ducts blocked, they just turn orange. Before that happened though however, I just couldn't take it any more and I'm trying to say with carelessness like this, they were killing my wife instead of helping her get well. So I decided to pull her out of Ensign/Catalina and take her home where I was able to get some help. However, as the time went on she was supposed to go to the doctor to have another CAT scan or whatever they do, MRI, to see if that thing was still in position where it would be sucking. And on two different times the Ensign Group, and we had a doctor's appointment and I handed it to them at the desk; and they indicated that they would take care of it. Two times in a row for almost three weeks, they forgot to call somebody to pick her up and she was ready to go because I was there with her and ready to go with her. Every time she went to the doctor, I went with her because I want to know what else I should do if I needed to do something. As a result of all this stuff with the liver and the mass turning into a tumor and of course she lived about three months after I took her out of there. It turned into an inoperable tumor. Actually

physically what it did was it exploded in her stomach and of course it's just like this, cancer everywhere. That was the end of my wife.

I just don't feel that a group that maims their patients and they don't adhere to anything. I complained, I complained and I complained, they said, "We'll take care of it, we'll take care of it, we'll take care of it". It was never taken care of. The only way my wife got taken care of was when I took her out of there. I'll say I just don't feel this group is capable with handling of things. They were so understaffed there. You know they had like one nurse for forty people. Sure they had some nurses aides but you couldn't find anybody. Especially in the evenings if you had your call light going and you needed help, nobody came. I would wait for awhile, wait for awhile and then I would go out and look for somebody to come and help. You couldn't find anybody. I don't know where they go. I got tired of that and I called the Public Fiduciary and had her come over there with me for an evening and she observed just exactly what I'm telling you here today. It's just terrible! I'm sorry I don't have a bunch of stuff in writing but that is what happened to my wife and I ain't fouling.

Thank you.

Mr. DiFrancesco: Sir, may I ask you just one question? Was any of this reported to the Department of Health?

Mr. Browse: Yes, it was.

Mr. DiFrancesco: What was the outcome?

Mr. Browse: No outcome. I reported and called them and they referred me to another number which I called and called and called and finally I got a hold of Anita Royal. She said to keep trying and I never got any answers back. I reported everything clear up to the top management there in that facility day after day after day.

Mr. DiFrancesco: Did you also make a call to whatever the state agency would have been in Arizona?

Mr. Browse: Yes, I did.

Mr. DiFrancesco: Okay and you said that they didn't respond.

Mr. Browse: They responded by giving me another number to call which never responded.

Mr. DiFrancesco: Thank you and thank you for coming all this way.

Mr. Haste: Is there anybody else that would like to address the Board at this time?

Ms. Trowbridge: My name is Carolyn Trowbridge and I'm also from Pima County, Arizona, the city of Tucson. I'm the organizer for group homes and Nursing Home Watch. But I'm here to read a statement from the Public Fiduciary of Pima County, Anita Royal who was unable to come because of her duties in Pima County. I have copies for you except I left them in the hotel room but I'll give this copy to the Clerk and bring your copies back later.

Mr. DiFrancesco: Can you explain before you read that what is that position?

Ms. Trowbridge: The Public Fiduciary and it is explained in her letter. The Public Fiduciary is responsible for people that cannot take care of themselves.

Mr. DiFrancesco: Is this a state agency?

Ms. Trowbridge: It is a county agency.

Mr. DiFrancesco: A county owned agency?

Ms. Trowbridge: Yes.

Mr. Haste: They have a county department of health.

Ms. Trowbridge: We are a county run Department of Health and I'm actually the co-chair of the County Board of Health of Pima County. (Ms. Trowbridge read the following letter from Anita Royal)

My name is Anita Royal, and since my 1991 appointment by the Pima County Board of Supervisors, I have served as the Pima County Public Fiduciary. In my capacity as Public Fiduciary, my staff and I provide guardianship, conservatorship and probate administration services to approximately 650,000 Pima County residents and decedent estates. As court appointed guardian and/or conservator, this office is statutorily authorized, coordinate and supervise full panoply of medical, mental health, placement and other services to approximately 350 elderly and/or vulnerable adults residing in Pima County. Since many of our clients are among the most vulnerable citizens within our community it is critically important that the Office of Pima County Public Fiduciary ensure that they received quality service delivery and effective advocacy for their needs and best interests. As such, our overarching goals are to enhance our client's quality of life and ensure that they receive competent and high quality service delivery.

As you might expect, due to their advanced age and escalating cost of in-home care, many of our clients are unable to live independently within our community. Therefore, my staff spent an inordinate amount of time coordinating out-of-home placements for our clients. In providing placement assistance, my staff are placed in the unenviable position of having to rely upon adult care facilities and nursing homes to provide safe and quality residential care to our elderly and vulnerable clients.

Unfortunately, during the past decade, we have witnessed the acquisition of many of our locally owned and operated nursing care facilities by large corporate entities. Recently, Ensign Group purchased three local nursing homes in the Tucson area, Catalina Care, Waverly Park and Sabina Springs. Despite Ensign Groups many promises, these facilities continue to provide poor quality of care, have abysmal staffing ratios, lack competent and qualified certified nursing assistants (CNA) and other medical professionals and overall, are extremely depressing care environments. Due to safety concerns, my staff no longer authorize client placements in the Sabino Srping facility. Moreover, but for many of our clients' indigent status and the lack of alternative, reasonably priced facilities, the Office of the Public Fiduciary would remove all of our clients from both Catalina Care and Waverly Park Nursing Homes as well.

As Pima County Public Fiduciary, one of my major tasks is as departmental risk manager. In this role, it is my responsibility to identify, assess and remediate any potential liability risks. One of the potential dangers that is repeatedly reported by staff is the lack of qualified staff employed by the Ensign Group. Specifically, my staff is considered about the potential liability resulting from our placement of clients in facilities that lack competent staff which undoubtedly could result in medication errors, poor patient care, abuse and exploitation. Because many of our clients are "voiceless" and "powerless" without familial supports, my staff must vigilantly monitor these placements and our clients' welfare. This is especially true for those clients residing in Ensign Group facilities.

Apparently, the Dauphin County Commission, is in the process of considering an Ensign Group proposal to acquire your County nursing home facility. I urge you to proceed with extreme caution in selecting a provider to serve the needs of your most vulnerable citizens. While the Ensign Group's proposal may appear extremely attractive on its face, its poor track record is providing quality nursing home services should speak for itself!

Thank you for considering my comments. Should you require any additional information, please do not hesitate to contact me.

Respectfully,

*Anita L. Royal, Esq.
Public Fiduciary*

Thank you for considering my comments. Should you require any additional informational, please do not hesitate to contact me. Respectfully Anita L. Royal, Esq., Public Fiduciary.

Thank you.

Commissioners: Thank you.

Mr. DiFrancesco: I know this is not your letter but the Fiduciary's Office, would they be the ones to work with the Department of Health when these violations are taking place to make sure.....and I don't know if it is the Department of Health in Arizona but...

Ms. Trowbridge: They do. They work with the Arizona Department of Health Services (ADHS) which has the overall responsibility for what happens in nursing homes. The problem is that they are under funded, grossly under funded and they not only have themselves admittedly including the directors who dour that agency that they don't have enough staff to actually follow-up on all of the complaints in a timely manner or even to do the band-aid yearly inspections.

Two of the Ensign Facilities are well over the fifteen month leeway from being inspected. That is a concern to us also. We look at the larger nursing home issues in Pima County not just the Ensign Group. But it is the Arizona Department of Health Services and the Public Fiduciary Office that does work with that agency plus the Pima Health Systems which is a county agency that does the pass through of the Medicaid funds to nursing homes.

Mr. DiFrancesco: Thank you.

Mr. Haste: Is there anyone else that would like to address the Board at this time?

Ms. Culpepper: My name is Joyce Culpepper, President of District Council 90 AFSCME. I'm here to speak on behalf of the employees that work for Spring Creek. You have a group of people that are very dedicated. My uncle moved to Spring Creek when it was Dauphin Manor for four years before he passed away. He had a lot of health issues. While he was in the care of the employees of Dauphin Manor, Spring Creek now, he was very well taken care of. I have to admit that. We didn't have a problem, anything that was wrong, we went and they addressed it even to the point where when he was upset with one of his roommates, they moved him and then they told us that they moved him for his betterment.

Several years later, my mother gets sick. I couldn't get her into Dauphin Manor for some reason or another. I tried twice. I don't know if it was the income. I don't know what the situation was. So I had to seek private nursing care for her. She lived nine months at this private nursing care that has since been closed by the state because of neglect of their residents there. My mom had Alzheimer's. I know for a fact that it was hard on me and that is why I placed her there. While I was visiting her at this private nursing center, no one would be on the floor. I would stay until 8:00 at night. As a matter of fact, one night I stayed so late that I got locked in and had to get the security to get me out of there. I would stay to make sure that she was ready for bed. In the meantime, people would be on the floor, it was the Alzheimer's floor, they were hungry, they wanted snacks, they didn't have anybody to talk to them and I would go and talk to them. I would read a magazine to them. I would try to help them the best way that I could. Where were the people? I don't know. No water, no ice on the floor, I mean it was horrible and I reported it.

Now when I hear the fact what happened to Mr. Brouse's wife, I got very emotional because this is the month that my mom died and it was because of the neglect. She was on oxygen; she couldn't walk to good; they had her on a drug because she would get agitated because of her Alzheimer's. As far as I'm concerned, you need to take a hard look and don't hire a company that's not going to take care of the people. The people that live at Spring Creek are the ones that built this County through working. They are not rich people. They are people that lived a modest life. At one time it was called the "Poor House". I remember my mom talking about it when I was a kid. She never wanted to go to the "Poor House". It went up from that. It is not considered a "Poor House" because they do take care of the people. But what I want you to consider is the fact that they do have people there that are dedicated to the residents of Spring Creek. And please, if anything, I would suggest that you look at another company before you go to a company that you have people testifying here that do not look out for the welfare of the residents. Thank you.

Commissioners: Thank you.

Ms. Fuller: Good Morning, my name is Margaret Fuller. I have been a resident of Dauphin County for the better part of my life, all of my life as a matter of fact. And I too, am opposed to the closing of Spring Creek Nursing Home. I worked there back in 1967. We always gave the patients there the best care that we could give them. What I'm concerned about as is hundreds and hundreds of taxpayers, homeowners in this Dauphin County, is that I read somewhere about Continuum Care has only been in existence since April of 2006. I don't know what kind of track record that would be. I'm sure if somebody came to you for a job, I think you would want them to have more experience than four or five months for something this important. Do they own any other nursing homes that you can compare their skills, their abilities, and the type of care that our patients are getting at the Dauphin County Nursing Home now. I call it Dauphin County Nursing Home because that is what it was when I was working there. By what measure can you compare a company, their track record, when they have only been in existence since April 2006?

Also, are they even qualified to operate Spring Creek? What qualifies them to operate Spring Creek any more so than the people who presently are doing that? In particular, I'm taking about the workers. Because every time that I have gone there, I have friends that were there and I went to visit. They were always clean, the staff was always congenial, never had a problem. If I asked a question, I got an answer. If I didn't get it then, they knew where to get the answer from.

I think it is really sad that you just want to hand this over as a means of economics. That is why we put you people in office to find strategies and find ways by which you can work to find what will work. It is easy for us to throw our hands up and say, I quit! Anybody can say that. When you can figure out what the problem is find a strategy to fix the problem. I'm talking about resolution! That is what I'm talking about.

What is the relationship between Continuum Care and the Ensign Group? Can anyone of you tell us that?

Mr. DiFrancesco: Continuum is a spin off of Ensign Group. It would be basically a new independent company but it would be an east coast long arm affiliate. The people that would be forming Continuum were all part of Ensign and now have struck off with a new company.

Ms. Fuller: Well it seems like the other group didn't have such a good track record either. This is for the sake not only for the employees but for the sake of the patients. One thing about it, like I would tell my daughter, she would say, I don't want to die, I don't want to die. I said either you will get old or you will die but one thing you are going to die that's inevitable. You can't escape that. What I'm seeing here is this. Our patients and I'm talking about an extension of our community, because you know years ago we had families, you had your aunt living here, cousins, you had everybody and everybody was your mother, and everybody could beat your butt if you did something wrong; and that's the way we should look at these patients. They don't have to be our direct blood relatives but we feel a relationship and a kinship towards them because they are a part of the community. They were a part of where we came from. I think we are too quick to forget that. These patients are rather comfortable there with the staff. They haven't had any significant problems or anything like that. Like I said I wish you would work within the framework of trying to resolve whatever the issues are because I'm sure you could resolve them. I'm sure each and every last one of you were elected not just for your skill but for intelligent, your know how and your ability to fix things not just kick them out or throw them out or throw up your hands and say, that's it. It is costing us too much money, so we are going to get rid of it and bring somebody else in. There seems like there is a big question mark there. A big question mark. I'm talking about hundreds and hundreds of taxpayers and homeowners in Dauphin County not just Harrisburg. Their concerns are the same. I've talked to them. I've gotten signed petitions and believe me they are not up for this move. Not at all! Not for this group take over or another group taking over unless you can show some concrete proof in which according to the time that they have been in business, I don't think you have that. You should do something to resolve the issue rather than just put a big X on the issue.

Thank you for your time.

Commissioners: Thanks.

Mr. Haste: Is there anyone else who would like to address the Board at this time?

Mr. Kenneth Johnson: Good morning gentlemen. I'm the Residents' Council President for Spring Creek. Right now, I'm speaking for the Spring Creek patients today because they are concerned. They are very concerned. I spoke to a lot of patients and all of them are very concerned about what's getting ready to happen or might not happen, what is going to happen. They are pretty concerned. You got people over there that really want to do something. Stop whatever is going to happen because they feel that

we've been here. We've been through a lot and we think that we should be able to find another avenue so everybody could be happy. I know how things are money wise. But you got to look at the patients. I'm going to give you a person that I know real well, Jerry. He worked for the steel mill for years. He's a man that is proud. You know how proud people are. Proud people are, hey, what can I do? I would be glad to give you money out of my pocket. Could I write you a check? These are the patients. They're back there saying, what can we do? I know you have been there and you said all you had to say but these people are saying back there on their hands and knees. They are saying, if I got to go through this. What is next? What is next? I'm saying for myself I don't want the sale. I don't want it. But what I'm saying for those people back there, they don't want it. They want to have something that they can look back on and say, hey, this is our place and nobody can take it away from us. Nobody can take it away from us. We went through everything else, changes, and we're still here fighting. What do we have to fight for? We all worked. We all had a salary. We all put into it. I've worked and I know in everybody's heart if they knew that they could take a check out right now, everybody in this room would write a check out to help keep Spring Creek open. I know they would. And if you would ask the people here in Dauphin County they would do it, too, in a moment. I'm not saying this because I think it or it might happen, I'm saying it because the people want to do something for themselves. If you would ask them if they could help right now, they would. I'm just asking you guys to look at the patients. Look at the people that are over there right now. They are satisfied where they are at. They don't have any grievances. They like the workers. They like the nurses. They like the people that they work with. I want to know what is going to come about. Is it going to be worth it to sell or would it be worth it to keep it the way it is? What's wrong with just trying to see if we could just keep it the way it is right now. Sure we got problems but just like I heard before, big sale, anything that we could do to stop the worrying of people sitting back and saying; I can't stand this. I don't know what we can do. It is not just me; it is other people, too. If you ask any of the patients over there, they would tell you, we don't want to sell. We want to keep it the way it is. We want to be able to go to bed at night and be comfortable in our minds. You got people over there that are worried about everything else except themselves. They are sitting over there saying, what can I do? I told them, hey, let's see what they say. If it was you, your mother, or your dad, what would you do? Would you want to sell? Would you want to push people out because hey, it's the right thing to do at this time? Because I'm telling you, my God told me that I can do anything with him but I can't do nothing by myself. If we work together, we can do anything. But if we work separate, we can't do nothing. Thank you.

Commissioners: Thank you.

Mr. Haste: Would anybody else like to address the Board at this time?

Ms. Guyer: Good morning Commissioners. By now you all know me, Rose Guyer. In any event, I'm on my usual mission here trying to protect our people. This is a well known little statement called the Dauphin County Mission Statement. It's funny after all the time that I spend at Spring Creek I just happened to notice it the other day. In any

event, according to this Dauphin County Mission Statement that is endorsed by you Commissioners. One of the primary missions of the Dauphin County Government is to promote public health, safety and general welfare for all people. And in the core of the Dauphin County Vision is to improve the quality of life for all and to demonstrate respect and dignity of the individual. I really feel Spring Creek falls into this scope. They certainly are our society. They are individuals and we own them something. To sell the County home, Spring Creek, is to ignore your mission to the people of Dauphin County. Spring Creek was established shortly after the enactment of the poor house of 1805. Everybody is saying that it is over 100 years old; evidently it is over 200 years old. It has been under constant change to better suit the residents over these 200 years. Currently, we have a wonderful facility giving high quality care to the people. For over 200 years Spring Creek has been a safety net for the people when they became too frail to survive on their own. After 200 years of County control of Spring Creek, it is shameless of you, our Commissioners, to sell Spring Creek to a for-profit facility such as the Ensign Group. And from what we heard today, they certainly don't come with any kudos. It is because of the Dauphin County Commissioners' lack of attention to the financial problems that we have the big problem that we have today. If they had jumped on this when this first happened a few years ago, we wouldn't be in this situation. But it was just turned over to people that really didn't give a darn. You should have demanded responsibility and accountability a long time ago and nip it in the butt. If you sell Spring Creek the needs of our most vulnerable people of the future will not be met. I saw today's paper on the sale that they are going to guarantee fifteen years of taking care of the poor. Does that mean we will not have poor in fifteen years? I mean that doesn't make much sense. The other thing is; how do you enforce it? You say you are going to charge them \$500 a day for every bed they are not using for the poor. You can say that you are going to do this and you're going to do that, but can you legally enforce it? Look what has happened with the South Tower at Spring Creek. Everybody says that it is a deficient building. That is only three years old. When I brought up why hasn't there been a lawsuit two years ago, they said, how was it worded, that the contracts were almost criminal. Well what guarantee do we have for our people? I mean if you can't enforce something on the inefficiency on a brand new building how in the world are you going to enforce the things that you are writing up for this group? It doesn't make sense but it's an impossibility to enforce anything. You may request it but that doesn't mean that you're going to get it because if they can't make profit; they're not going to stick around here. Then we're going to be stuck with it again and what are we going to have? Are you going to try to start a new home, tear it down and have a big business park? There are a lot of things to look at here. I don't think that we're all looking at the same thing. I think you gentlemen are taking one facet by worrying about the taxpayers' problems that they have too many taxes. I don't like to pay taxes; nobody does but it is a fact of life. And if the people have to give more to support Spring Creek just like the lady who spoke before me, if they knew that money was going directly to Spring Creek, I don't think they would object. They pay union dues, pay United Way. I think the working man would be happy to give a couple of dollars. A couple dollars by a couple 100,000 people amounts to some bucks. I really think there are ways for us to turn this place around. It's not going to be easy but I don't think it is impossible. I agree with the lady when she says, you don't give up; when things get

tough the tough get going. We need you guys to help us turn this place around. I think all of us are willing to help. I think we could come up with some innovative ideas but we need a chance. To just turn this home down, I think is very, very wrong. I think it would be a shame on your character in the future. I won't live for fifteen years, I don't think, to see what is going to happen but I don't think the poor are going away. They will be with us always. And we, the people who have a little bit more than the poor need to contribute to their care. This is the most human thing that we can do. Otherwise their life is meaningless. I really think you gentlemen really need to reconsider as definite as a sale looks, I think it is tragic that we've come to this. I don't think it is too late to pull out. I think you need to think about your people and listen to what they are saying. Thank you.

Commissioners: Thank you.

Mr. Haste: Is there anybody else? (There was none.)

DEPARTMENT DIRECTORS/GUESTS

A. *Mike Yohe, Director of Budget & Finance*

1. *July 2006 through February 2007 Investment Account RFP's.*

B. *Mark Stewart, Esq., Wolf Block*

1. *Presentation on the potential sale of Spring Creek Rehabilitation and Health Care Center.*

Mr. Haste: Mark would you like to come forward?

Mr. Stewart: Good morning and for the record, my name is Mark Stewart, Special Counsel for the County in matters relating to Spring Creek. I thank the Board for the opportunity to be here this morning. It's certainly been a long road that myself and the other people in the working group on this issue have been down. Obviously, it is a road that we don't know the destination but I think that day is obviously coming soon and I think it is going to have a very positive ending.

Before I begin I just wanted to take a brief moment to thank the people who worked so hard on our efforts to present the information to you this morning, notably Scott Burford the Nursing Home Administrator has been outstanding; Steve Howe has contributed greatly to our efforts; Bruce Foreman and Chad Saylor also really have just done a yeoman's effort. I would also like to thank the Board for its leadership and guidance and you should be commended for what all three of you have done in this issue. Certainly, Commissioner DiFrancesco as the oversight Commissioner has provided leadership and guidance. Commissioner Hartwick has provided a very important and significant contribution to the dialogue on this issue with his Task Force. And the Chairman has always provided his thoughtful consideration and leadership. All of us

together have basically got us to where we are today and despite all that you have heard, I am confident based on our review that where we are today is a good place for Dauphin County, for its citizens and for the residents of Spring Creek.

One note before we begin is that you have been provided with a purchase and sale agreement. Obviously, you will be reviewing that over the next week and I will be available for any questions at next week's meeting. The Agreement is finalized to all core terms but it is always possible that a word or two will be changed between now and then. Of course you will be updated on all of that.

I wanted to visit briefly, turning to the first page, the process of how we got to where we are. It really began with this Board. In 2003 prior to coming into office when this facility was a County Home with many of the very same employees that we have there now, the facility was not performing. It was not serving the needs of Dauphin County citizens on a financial or clinical measure. Investigations were up, complaints were up, deficiencies were up and in fact, I believe 50% of the complaints against the facility were substantiated. Today that rate is 5%. At the time of your coming into office, you were well aware of these problems, a survey from the Fall of 2003 revealed serious deficiencies of the level that are called immediate jeopardy to the life and safety of the residents. We have and I'll get into this later, we have reviewed the government surveys for every one of the Ensign Facilities. There was not a single, of the 49 let me say that, they have recently acquired a couple more; there is not a single such deficiency for immediate jeopardy to the life or safety to the residents on any of the surveys for those 49 facilities on the most recent ones that are available from the government. These are not provided by the company. They are provided by the government. It is also the case that in 2003 our survey showed level three deficiencies which mean that there is actual harm to residents in the building. Over the scope of the entire 49 facilities, there were only three such deficiencies. So we had three at one facility when it was under County ownership and they had three over 49 facilities. So that is where we were and you'll also note that we were on provisional licensure from the State. This Board was dedicated to restoring the clinical care of Spring Creek and making it a first class facility for its residents. You took the steps and you did that. In our most recent surveys we had none of the threes. We have none of the fours. We have excellent care that is being provided at Spring Creek and that is a compliment to this Board, its leadership and the employees at the facility and Mr. Burford.

But the financial difficulties and challenges facing a county run facility and we talked about that when I was here in March. It's not unique to Dauphin County. It's experienced by a vast majority of county run facilities. Those difficulties remained elusive. So in 2005, the Board decided to explore its options. Those options included not just selling but they included staying open and actual closing of the facility. In terms of the sale a Request for Proposal was issued in December of 2005. It was advertised on line, it was advertised in print with two popular long-term magazines, it was advertised locally, and it was distributed through an industry contact list of the nursing home administrator. As you know we received four responsive inquires or bids to the RFP. The work group, mainly comprised of the people whom I thanked, conducted due

diligence and evaluations of all of those responders. We checked corporate backgrounds. We checked licensure and care data. We checked Officer of Inspector General complaints. We checked pending litigation. We did Dunn & Brad Street checks. We checked their financial data. We asked for proof that they could finance their offers. We checked their quality indicators. We asked for references. We had in person interviews with each of them where frankly we asked them hard hitting questions. Finally, Mr. Burford did site visits to I believe three of the four but it might have been all four. So there was very careful consideration done on the entire process to get us where we are today.

That process was guided by your policy goals and obviously you know what these goals are because you set them. There are six of them; ensuring high quality of care and quality of life for the residents; ensuring that there will be a commitment by any new operator to continue to serve the needy seniors of Dauphin County; a covenant or a commitment to maintain this facility as a nursing home for fifteen years; reducing the cost to taxpayers because frankly taxpayers have paid very hefty costs to support Spring Creek. You know the figure, it is nearly \$50 million over the last ten years; avoiding the displacement of residents at the facility; and finding a buyer who would have experience with diversity and serving diverse populations and have commitment to the community. I'm here to tell you today that I'm extremely confident with the proposed agreement that we have put before you. It satisfies all six of those goals.

Let's move to what has been talked about most this morning. The first one which frankly has been your most important one and that is high quality of care. It is something that you established as I said a track record on and that you are not going to compromise on. I'm here to tell you that Continuum Care and its affiliate, Ensign, have a solid strong track record of providing quality of care. You've heard antidotes and you have heard comments about that. I'll get into some of the details of those in a moment. I made my first statement based on an independent review that our group has done. We heard and read all of these allegations about Continuum and Ensign. The things that we heard this morning did not surprise us and they were not new to us. We looked into them. We investigated them. We heard both sides and in fact, I should point out that it was Continuum Care that first brought it to our attention. They self disclosed that these issues are out there. They don't hide from them and they are transparent about their operations.

Let me just digress if I may about my own background so that, I know you know this and I just want the public to be clear. Sitting here through this whole process, I have represented you and Dauphin County. I do not represent Continuum Care in any way. I have not advocated and we have not advocated for one single option. That was not our charge. You asked us to investigate all of them and we worked just as hard on the staying open option as we did on the other options. In fact, in March of this year, I came to you and presented a picture of what would have to happen to stay open and where the result would be. The picture we presented was strikingly similar to probably not as good as but strikingly similar to the picture that Commissioner Hartwick's Task Force, a collection of very intelligent and dedicated people provided the Board. And finally, I just

want to note that I come from the background of having been a regulator myself. As you know, I was a Deputy Attorney General, I was an advocate for consumers and charged with protecting them in the Commonwealth. So I do not take the investigation of these allegations lightly in any way, shape or form. That investigation included contacting regulators in other states, checking references, as I said interviewing and pressing the company on these very issues and visiting, not myself, but Mr. Burford, and actually seeing their facilities. As I mentioned, it also included checking the government surveys on *Medicare.gov* not from any Ensign response website or anything else for all of the 49 facilities that they had at that time. Those surveys showed superior care. Notably, they also show that the staffing of the Ensign facilities is either in line or exceeds the state and national average for staffing in all of the states that we checked and for all of the facilities that we checked.

Turning to some of the specifics that we heard about today; Mr. Browse, I don't sit here today with anything other than sympathy and concern about what I heard him talk to you about. We take those types of comments exceedingly seriously and I'll continue to investigate what he said today. As I mentioned, we checked every facility that they own in Arizona with the Department of Health, and with the Pima County Health System, and with the Maricopa County Health System. If that type of problem was there and it was rampant and it was all the time, it would be showing up in serious deficiencies on their government surveys. It would be showing up in the fact that they would no longer be able to get new licenses for new facilities in Arizona. They would be denied licensure. That is not what is happening. The Department of Health continues to license them. It is important to note that the Catalina Facility which was discussed and I believe was taken over by Ensign in June of 2003, I have in my hands and I believe that I actually showed you this before, an Arizona Department of Health Nursing Care Quality Rating Certificate for the Catalina Health Care System on its most recent survey by the Arizona Department of Health Services, it was rated A for excellent. It scored a 96 out of a possible 100 points. I also have a letter from the Pima Health System which is part of the County Health Department indicating this and documenting the 96% approval rating or quality care rating for that facility.

Mr. Haste: Who signed that letter, Mark?

Mr. Stewart: It was Maureen Felitz, Quality Health Coordinator. I'm not sure who signed the certificate but it was issued by it looks like the Assistant Director of the Department of Health Services Nursing Care Institutions.

Mr. Hartwick: Will you share that information with us?

Mr. Stewart: Absolutely and I will provide you with additional information in regard to the comments from Ms. Trowbridge and the letter she read from the Public Fiduciary, which frankly is interesting to me particularly since the Public Fiduciary works with the Pima County Health System which issued this letter stating that they scored a 96 out of 100 points. The Public Fiduciary according to the letter is appointed by the Board of Supervisors of Pima County. In October of 2005, that Board of Supervisors consisting

of members of both political parties voted 5-0 to renew the contracts for all three Ensign facilities in Pima County.

It was mentioned Waverly Park as one of the other facilities. Most recent survey, it scored 91 points out of 100. Sabino Valley was mentioned and on their most recent survey it also got an excellent certificate. It scored 98 out of 100. It is frankly hard to score any better than that on these quality care indicators.

Short staffing, we heard a lot about short staffing. I believe that I mentioned our review of the *Medicare.gov* reporting information indicates that the Ensign Group is in line with the state and national averages for all 49 of the facilities that we checked. There were some that were over and there were some that were under. The ones that were under were usually no more than several minutes. It could extend to as much as thirty minutes. What we also checked was how do they compare to Spring Creek. Spring Creek has a 3.2 hours per resident per day staffing quota. Is that the appropriate formulation, Scott?

Mr. Burford: Yes.

Mr. Stewart: From the available data that I checked for 42 of Ensign's facilities, only four were less than Spring Creek's staffing ratio which means that 38 of their facilities exceed the staff per resident care that our residents are right now getting at Spring Creek under Dauphin County ownership. I have that list and I'm happy to provide that list to the Board and obviously will. We believe that there is ample documentation based on our investigation that there is quality of care here. Certainly, I'm not going to comment about the folks who spoke today and my comments do not address them but I have visited their website of Ensign Watch and the Nursing Home Watch website and I have heard comments by their representatives at your prior meetings and frankly there appears that there is an ax to grind over the union, non-union issue. I'm just going to put it out as that because that is what it appears. There is dated data being used to back up claims. There are claims made without data indexing and it is just there and apparent. Ultimately, quality of care, everybody that we interviewed, every operator said that quality of care drives success in the long-term care industry. Ensign has been licensed 54 times in California, Washington, Texas and Arizona. All of the departments of health in those states couldn't be wrong all 54 times. At least in regard to the 49 that we checked at that time, they were 49 for 49 for success and profitability. They have never sold or closed a single facility that they took over despite the fact a takeover in some of the facilities they have turned around. One of the folks mentioned profits and I think four times the profit of other people in the industry and they should be put back into the building. Ensign's ratio of reinvestment is 97% of its profits. I should also point out that the company is 80% employee owned. So the portions that are not reinvested are being shared with their employee owners.

Moving on, the commitment to serve the indigent and we believe that this goal has also been met. Ensign has a record on this and we have reviewed numerous of their facilities whose Medicaid or MA rates were in the range of 70%-70%. They have

facilities in the low income areas of Arizona. They have facilities in the heart of Los Angeles, California. They serve indigent people and still make it work. As part of the agreement, they have ensured that 216 beds will be made available for MA eligible or needy seniors. Let's talk about the number because it was pointed out that, that number is only about 53% of 404 beds. Well, as you know, this County has no intention of operating this facility at 404 beds. This County was prepared and is prepared if it retains ownership to recertify those beds down to 308 beds. So 404 is not an adequate number. You also know and I understand that not all Commissioners agreed with this and it was not authorized by a vote of the Commissioners but it was recorded at the prior meetings that the Nursing Home Administrator's strategy to control costs was to move to a 212 bed facility total. I understand that was not subject to a Board voting and there is some disagreement about that with the Board whether that should continue or be the strategy. But let's say that we operate at 308 beds, 308 beds any facility at an optimum rate of occupancy is 92%. So we are talking about 283 persons. 216 is 77% of 283 residents so Continuum will be providing at least as much access to this long-term nursing care as the County will provide if it maintains the home.

Mr. Hartwick: Give me a chance to talk about it when we get through the presentation.

Mr. Stewart: Ultimately, I'm happy to answer any questions but even if we were at 308 beds all filled, you're talking about 70% of the beds being MA. Frankly, Scott can speak to it but 92% is pretty much the optimum occupancy of a facility.

Enforcement of this commitment, how are we going to enforce this? Are we really going to make them pay penalties? Yes, it is in the contract. They are required to maintain the bed level and if it falls below they are required to solicit from Dauphin County primary referral sources including Dauphin County Area Agency on Aging for eligible Medicaid (MA) residents. I'm frankly very confident that there is always going to be residents to be referred. If by some fantastic situation there aren't needy residents in need of the facility, then that is factored into the enforcement scheme. But if and everyone knows there will be and they are required to maintain the level if they do not maintain the level, they have 30 days to cure it and get it back up there and if they do not do that, it kicks in at \$500 per bed per day. If it is not cured after 60 days, it goes up to \$1,000 per bed per day. Those monies are paid to Dauphin County and can be utilized by this Board to further the greater health and welfare of its citizens. There is also a commitment, the baby boomers are coming, should there be an exigent circumstance or the County determines that there is a very high need for MA residents to have nursing care. There is an agreement that the company will use its best efforts to provide priority admission if in its best judgment it can do so to eligible MA residents up to 308 beds. This is obviously one of the commitments that is not ironclad as you heard me say best efforts and using good judgment. It is not ironclad like the 216. It is a commitment that they are making to do everything that they can for the needy seniors of Dauphin County and it is something that frankly if you go forward with this deal we'll see how it turns out and see if they are going to put their money where their mouth is and be a partner. I'm very confident that there will be.

Commitment to operate 15 years, we have in the agreement a commitment and I'm taking about these commitments, I don't want to get to legal but they are not just contractual commitments. They are going to be in a deed restriction, which means that the commitments will run with the land or attached to the land and anybody who owns the land during these 15 years will be obligated to comply with them. They are not going to be able to get out of it by selling it or some other business mechanism. This stuff attaches to the land and it is enforceable for the whole period. The commitment here is to operate at least or at a minimum of 250 beds for long-term nursing care and related services. The 250 bed mark obviously leaves more room for them to provide related services above that. But what we are talking about is 250 of the 404 beds must be offered for long-term nursing care services. How will we enforce this? Well, it is in the agreement. They've agreed to specific performance and what that means is that Dauphin County and if they don't comply with it and they have less than 250 beds, you go to the Dauphin County Court of Common Pleas show them this agreement and get a court order mandating that they comply affirmatively with this requirement. They don't do that, they would be in contempt of court and I think we all know what Judge Clark does with people who end up in contempt of court. That is the commitment to operate for 15 years.

The goal about reducing cost to taxpayers, it was mentioned that taxpayers and the County will receive \$15 million in new revenue from this transaction should you chose to do it. \$12.5 million of that is paid at the time of closing. \$2.5 million is paid in 2009. That balloon payment is secured not only with a purchase money mortgage but with the actual money being put in an escrow and being there for everybody to see, touch and feel. If there is any default on that promissory note the escrow agent releases the money to the County. So that balloon payment is very real and is not something that is not going to happen. There will be \$3.2 million in annual savings eliminated which was part of the subsidy to the Home from the general fund. Approximately, and these are approximate numbers that I received from County staff, \$4.5 in annual savings on health care and pension costs to the taxpayers. There will be additional savings realized on workers compensation, unemployment compensation costs, much of which are attributable to the Home and of course the costs in the potential liabilities of being a nursing home operator. The deficiencies, the law suits, and other various types of claims that the County is forced to defend as part of its operations.

No displacement of the residents, that goal is obviously met. This is not a situation this Board will have avoided this situation where the facility would need to be closed where residents would need to be relocated and potentially add some distance from their family members. I think it is also relevant to note that Continuum Care even though there is a 15 year minimum is 250 beds they plan to operate the facility as a 404 bed facility. They operate nursing homes, you'll hear from them they are nursing home providers, and that is what they do and that is what they intend to be a first class one here in Dauphin County.

Experience with diversity and commitment to the community, they provide quality of care and employment opportunities to diverse communities throughout California, as I

mentioned Los Angeles, Arizona, and Texas and all the states that they are in and even Washington. They have expressed and you can hear it from them their commitment and their strong intention to be a good citizen of Dauphin County and a partner with this County. Those are the goals and how they propose to meet them. When we come to the summation which is let's look at the choice before you and where we began. As noted we began with the county taxpayers spending over \$50 million over the last ten years to subsidize the home. The County will face an ongoing annual subsidy of \$3-\$7 million. Our report we worked to get it down to \$3.2 million. When I was here on March 27th it was based on a variety of assumptions. Commissioner Hartwick's report I think beat me a little bit on that and reduced it even further but it is roughly around the \$3 million figure again based on assumptions. Those numbers could go up as high as \$7 million if all the assumptions are not reached. And again the County has restored quality of care to Spring Creek from its provincial days.

Where could we go, where could we end up? Maintain high quality of care. Ensure long-term care needs are met for the citizens of this County for 15 years. Maintain or enhance access to care by needy Dauphin County seniors. Protect the taxpayers with an approximate \$23 million one-time revenue and savings as well as millions in annual savings each year going forward. And gain a new community partner and corporate citizen.

That is the end of my presentation. I'm happy to answer any questions. If you would like to hold them I believe the gentlemen from Continuum have a brief presentation about them and who they are. We can answer now or later.

Mr. Haste: Why don't we go into the presentation and we'll ask questions later.

Presentation to Dauphin County by the Continuum Care Holdings, Inc.

Mr. Blalack: Good morning Commissioners and participants. Thank you for the opportunity to speak to you today about Continuum Care and our excitement about our possibly being your partner in the ownership and operations of Spring Creek. I would like to introduce myself. I'm Chas Blalack and I'm the CEO of Continuum Care. On my left is Alex Paluch who is the Chairman of the Board and the President of Continuum Care and Clay Christensen who is the Chief Operating Officer for Continuum.

I would like to take just a brief amount of time to help you understand who we are and what we think we can do as your partners at Spring Creek. Continuum Care is a company that is committed to the optimal care of the elderly and the infirm "one facility at a time". It is a company that was founded in partnership with the Ensign Group a leading operator of 54 long-term care facilities in the western United States. We are headquartered in Westport, CT with a geographic focus in the eastern United States.

The Continuum Care business model is a model that is focused on building businesses again "one facility at a time". It is a very important understanding because it is a commitment on our part that when we take over a facility that we spend the dedicated

energy and efforts to be able to assimilate that into a successful business as we have done several times before. We are employee empowered. We are de-centralized and we are a company that is focused on a service center approach. That is where we provide world class best practices to each one of the CEOs who runs these businesses to help them to provide world class care. Our model is based upon results which are clinically, operationally, and financially successful.

The key factors of success in our business model are really some very simple principles. First and foremost is our absolute commitment to finding, training and supporting great people who provide excellent care to the community and the residents. We have a quest for learning. That's something that is an effort on our part to learn from everybody, all constituents. We worked on a shared information basis. That is something that we have done very openly with Mark and anybody in this process. We celebrate the clinical and operational success of each one of our operations as they occur. We are very successful in the assimilation skills in the acquisitions that we have.

The guiding principle for who we are is really summed up in three categories. And that is our focus is on world class people. We find world class people to help take on these responsibilities and in doing so they provide optimal clinical care at each one of those facilities through their team of people. In doing that, that drives operational success. Everyone wants to be part of the winning team and operational success is something that drives a further capability to find world class people and the cycle begins again with new facilities that we acquire.

Mr. Paluch: I want to reiterate what Chas has stated. We are committed to a community based approach to delivering care to the community that we are involved in. We have a history with Ensign of being successful as Mark has described 49 out of the 49 facilities that we historically owned in the past. Recently we acquired five new facilities out west. Again, we had a tradition of marked improvement both clinically and operationally the facilities that we operate. As Chas has indicated we are focused mostly on identifying outstanding people to operate the facilities. We invest a significant amount of time, energy and money in training and educating the staff and bringing up their level of skills to operate the facility more effectively. In this vain, we have an amenable record of maintaining employees at our locations which is important bar none of the industries especially in the long-term care space. A few antidote Information about that is that we traditionally at Ensign, with the industry averages the turnover is almost 100% annually of administrators, and at Ensign it is less than 10%. In the Director of Nursing category, the industry average turnover is over 150%, and at Ensign it is 13%. The other industry average for the other employees at the other locations is well over 100% and Ensign's average in category is less than 55%. Based on this emphasis to training and educating our people about best practices in the operation and care for the elderly and infirm, we have a commitment that is demonstrated by the performance by the entities out west of optimal care as the component of overall care and delivery of optimal performance in the facilities. Quite honestly the other issue here for us is that we are by definition a community based approach where we want to evaluate the needs and requirements of the citizens of a particular community. We're

very excited about the partnership here with Dauphin County and the other constituents here in the community.

I'm going to talk about the legacy we have here in Ensign and why we expect to be very successful here in Dauphin County. Ensign as a company represents the life works of an individual by the name of Roy Christensen who is also a member of the Board of Continuum Care. Roy is reputed to be the founder of the skilled nursing home industry. He founded his first facility in 1964 and has been involved in the industry ever since that date for over 40 years. His son, Christopher, is now CEO of Ensign. So it is classically a family business and their commitment to care for long-term for the elderly and infirm is continued on from father to son. Chas Blalack who is CEO of Continuum is also one of the initial investors in the Ensign Group's efforts. I, myself, have 20 years of investing in the health care industry and services space. I now would like to turn the microphone over to Clay Christensen, one of Roy's other sons who also is successful operator of the space.

Mr. Christensen: First of all, I'm grateful for those who have spoken and I want them to know that the passion that I share obviously that they share in this quality of care I won't get into why I got into this industry but it is in a nutshell due to that same passion. I will say as a license nursing home administrator in a couple of different states, I have gone in and taken over four different Ensign Nursing Homes. All of them operationally, not viable, all of them struggling clinically, some of them former immediate jeopardy surveys in many cases substandard care leading all four of them with either excellent quality ratings, no substandard care, lower than average state deficiency surveys. Berit Kuntz will be joining me who is with us now on our operating team and is the Vice-President of Clinical Services. She has been a Director of Nurses. She has been a licensed Nursing Home Administrator with 25 years of experience serving as a Vice-President of Clinical Services in multinational organizations. A couple of other people that are with us, we have a licensed nursing home administrator that used to be the head of the Department of Health. She became fascinated with what our facilities were doing in that area. She oversaw the survey team that would come in and examine these facilities. She became fascinated by it, joined our organization, became a licensed nursing home administrator and is currently licensed in the state of Pennsylvania. As well as another operator, Matt Rhoman who his story is fascinating in a state where he operates, the Department of Health made a list of the ten worst facilities in that state. The facility prior to takeover was the worst rated facility in the state where he operates. He recently just finished a phenomenal survey with an excellent quality rating after his turn around effort. We do as he said, we really focus on making sure that we get quality people and the way to focus on quality people are at the local level and have the performance that we've shown.

Mr. Blalack: Also I would like to articulate a little more clearly the relationship between Continuum and the Ensign Group. Ensign as an organization was one of the cofounders of Continuum Care as an investor in our organization and effectively we have the east coast expansion affiliated with what Ensign's mission was out in the west coast. This was reflected by the fact that both Roy Christensen and Christopher

Christensen two of the founders of the Ensign have joined our Board and are giving us advice on counsel and direction regarding the activities of our efforts here in the east coast. Continuum contracts with the Ensign Service Center for best practices and best processes in administrative, operational and a variety of other support issues right now. Essentially what we are doing is taking what is kind of a best practices approach to what Ensign has perfected in the back office and administrative approach and going to use them in the east coast activities as well.

Mr. Paluch: I want to summarize by saying that we are very sensitive to the policy objectives here in Dauphin County. The success of our activities and Ensign's activities historically have always been based on a community based grass roots approach to providing care to the elderly and infirm in the communities that we are involved in. As our mission states, we do it "one facility at a time". We're looking at Spring Creek as the platform for us to offer a long-term care facility at 404 bed skilled nursing home facility which is our amenable task offering in Dauphin County. But our plans are to evaluate the market place and to offer additional care in services to the elderly and infirm and the residents of Dauphin County on a long-term basis. We're already doing evaluations and providing on a directed basis physical therapy, home health care, specialized pharmacy and other disease categories, wound management and congestive heart failure based on the needs and the public constituency here in Dauphin County. You heard a lot about our commitment over a 15 year period. Our commitment is to build a series of businesses and offer a series of services that will serve the community here over well beyond and at a minimum of 15 years giving how we evaluate the market place here in Dauphin County. That is our summary and presentation. I would like to thank you for your time here to evaluate this opportunity and we look forward to the opportunity to serve you residents of Dauphin County and to become as Mark said, be corporate citizens and we look forward to the opportunity. Thank you very much.

Mr. DiFrancesco: Realistically, I have no questions. I'm been an active part of this process since day one. Some of the points that I wanted to point out Mark covered very well. This facility when this Board was elected into office was in very bad shape. Over the course of two years, again I sit here and I take great offense when people talk about the last two years if they are implying mismanagement because there was no mismanagement over the last two years; we cleaned that up. We got the building focused. It was the private consultant that helped us do that and get us back on track where we are today with a clean record. Over the past two and one-half years, there is not a group in this County that had been more neutral and more committed and more energetic in turning that building around than this Board of Commissioners. Nobody has been more committed to that call. Prior to that, I will openly agree that there was mismanagement that was rampant and widespread. I will also agree with Mrs. Guyer's comments and I've said this in the past had that been jumped on seven, eight or ten years ago whenever it started probably the course and future of Dauphin County's home would have been different but in fact it was not jumped on. Basically where we are today is that this Board spent a lot of time and effort, has been dedicated to turning the building around, the image of presentation that often is given is not completely accurate. There was widespread inefficiency going on outside of management. I

remember many times walking through that building over the past two, two and half years where little things that really reflect the bigger issues were not being done. People couldn't seem to abide by the state regulations, as simple as putting charts on one side of the hallway rather than on both sides of the hallway and showers that were junked up. This Board and through our oversight was very committed to turning that around making sure that everybody got on the same page, working in the same direction; and we did that because of our great concern and our commitment to our moral obligation to make absolutely certain that the folks that live in the facility did in fact have a good quality of life; which they did not have prior to two and one-half years ago. So we come to the point where we are today, I heard a lot over the past two weeks about giving it more time, we can overcome these things. Well we worked very hard over the past two and one-half years to overcome these things. This Board of Commissioners has had a firm commitment with no boundaries, wide open. We would sit down and talk to anybody, we would sit down and work with anybody, in fact a handful of people from the facility did step up and they did provide some good examples. Those people were smacked down from people working inside that facility. This has not been lightly taken nor can anybody qualify this as us throwing up our hands and quitting. This is the outcome of a very intense evaluation process that lead us to this point in a very neutral fashion as opposed to any bias. We evaluated, we did our homework, we put the best team on the court, they did a great job reviewing it. If I were to sit here and ask you questions today, I would have to ask you questions about unsubstantiated allegations. While I feel very much for your loss, absolutely I feel very much for your loss; there is absolutely no evidence that has been revealed through any network and it is very hard for me to ask questions about unsubstantiated allegations. They may or may not have taken place but I have no concrete evidence that they had. Every bit of homework that we have done, has lead us to the point to say, you are a good solid company, with a good solid track record that will improve the quality of life for our residents. The other piece of it again and I'm going to stress even though it is more question time than comment time is that fact that when we get up here and we talk about the financial aspect of this and the burden to the taxpayers; it is all good and fine to make it so simple and cavalier as to say, it shouldn't be about money; it should be about people. I said this time and time again and I will reiterate it because I'm offended every time it comes up. This is about people. This is very much about the people living at Spring Creek, the residents, and this is very, very much about the people living in Dauphin County on a fixed income who can't afford another couple bucks that they may lose their home. We have a responsibility to look out for them as well. They are no more or less important than the residents that are living in the facility right now. So I will stress again for the record, this Board has been dedicated to that facility and we have worked hard to make sure that it got turned around. Our partnership with CHR was very much responsible for turning that building around for the quality of care. You want to go back and start pulling records and looking at citations it was pretty ugly. We've got a great management team in place. They've been part of this whole process. They've done great homework. The presentation that is being made today and the decision that will be made in the coming days or weeks is one that has; we gotten to this point through a tremendous amount of very diligent hard work. This has not been a lighthearted strategy. This in fact is where this Board gets to shine by using its wisdom,

its leadership and stepping out and saying, look we truly want what is best for this community. What is best for this community apparently today is the deal that we have in front of us. I really don't have any questions, Mr. Chairman, but I will retain the right to ask some should some questions come up.

Mr. Hartwick: I have some initial comments and then some questions. The gentleman who spoke from the Resident's Council when you were talking about a proud steelworker, that made me think of my dad. He lost his pension at Bethlehem Steel and lost his health care benefits. My mother had to go back to work in order to provide benefits for my father. If we make a decision to sell today, I can't guarantee that my father is going to have a place to go when it comes time for him to have skilled nursing care. We talked about trying to put together a plan and I've got to commend Commissioner DiFrancesco first. He is a good man who has all the right intentions and a respected colleague of mine we just may differ a little on philosophy. I believe one of the fundamental philosophies of county government is to care for its most indigent residents. Although we need to do it in an era where money is shorter and money is tighter in a more efficient and different way. We shouldn't throw up our hands and I don't think the Board has thrown up their hands. We, particularly with the Task Force that I put together we left nothing to review. I believe it is the responsibility of the leaders to solve the problems. I believe it is the responsibility, it's easy and it's a strange position to be in quite frankly because I'm always the guy being criticized for putting forth the problem and now I'm here in a role criticizing the other side for the plan they put forth. I've also had a plan that's running on parallel tracks that is there to insure that people from my community, people like my father, people from places where I live have a place to go with quality of care that is consistent with my beliefs and with how I feel the quality of care should be given. I worked a day out at Spring Creek. I changed the bed linens of one of my best friend's mother. To understand how that relates to me personally is something that is one of the reasons that I feel so strongly about this issue. Let me tell you, there is enough blame to go around. There is more than enough blame to go around. We have arrived at a point today where we are going to make a very challenging and difficult, what I think is probably going to be the most important decision made by this Board of Commissioners during this term of office.

One of my biggest concerns that I have and quite frankly has been through the process of the Task Force has been is there going to be enough beds for those medical assistance patients who are going to be in need of skilled nursing care with the population right now at about 50,200 and expected to go to about 70,000 in the year 2010 with the assurance of 216 beds. Let me just discuss that number a little bit. We have reduced and continue to reduce bed size at Spring Creek. The first one was based upon approval of the Board but we have and I don't remember recalling to take an action to do this, but we banned admissions. We got no body new coming into the facility which really assist us in meeting one of the policy goals that was set forth by the Board of Commissioners by not displacing any residents. It may not be that there may be additional needs but we are reduced to a size right now which is manageable in a takeover situation that will allow probably displacement of residents. That was planned.

It was coincidental. It was whatever the case might be, that is the position that we are in.

In reviewing where we are going to be at in 2010, I don't have enough hard data to be able to understand what the long-term skilled nursing care needs are going to be in this county. I've asked the Area Agency on Aging and I had a meeting with our director yesterday, a number of questions because let me tell you if this facility is sold the Area Agency on Aging is going to have to define a new role in trying to find placement and involvement with individuals who are in need of skilled nursing care in places if in fact the facility is not available. You're at your maximum and there is a need that goes beyond what they will have to be involved in the placement and understanding what those needs are. We're right now going through an assessment of trying to understand what that need is going to be in the future and God I wish I had in front of me to make that decision. I would be requiring you to be a whole lot higher than 216 beds. I assure you that. I have a feeling that once we get that under control and we get to the 216 bed limit and the need for skilled nursing grows expediently, I am really concerned about where these individuals are going to go in a Human Service System. That system right now is so beaten up by funding cuts and changes in priorities from the federal and state level that we can barely serve existing population let alone deal with a long waiting list. In our Mental Retardation/Mental Health System, Children & Youth, Prevention, we see our needs and the amount of juvenile crime skyrocketing because of those priorities. How in fact are we going to have a Human Service System be able to take care of the needs of our most frail residents in the case that they need skilled nursing care in the future and if I make a decision to sell that facility how can I insure that is going to be the case as we move forward in the future. That has been my fundamental argument. That is my fundamental concern as I sit here today, I can't say that, that concern has been really, really taken care of to this point. I understand that and I agree with Commissioner DiFrancesco. He has spent a lot of time at the facility and he has done a lot of work at the facility to address quality of care issues and a number of other issues and he has done a very good job. The issues that haven't been addressed have been the financial ones. The financial ones are the ones that will continue to put us in a position to really be faced with this very difficult decision. I've put together a plan and it is close, actually Mark and Scott sat on my Task Force, and trying to come up with creative ways to find additional new revenue, try to find creative ways to solve problems out at the facility. One of the central components involved union concessions. I'm a little disappointed that we waited until today to get them. I would have liked to have had them a little bit before hand, Judy, and that's the truth. We received them Monday and I wanted to have a chance to evaluate whether or not we got to the \$920,000 prior to today to be able to say this one step of the plan. But I haven't just waited for that. I've been in contact with the Governor's Office and the Department of Public Welfare about carve outs, CCAP about the money that is going to be available for the renovations, so as Commissioner Haste has defined these decisions are moving at two parallel tracks. Well I assure you that the one that I can control we'll continue to work on and continue to provide some successes to show that this in fact could occur because quiet frankly the financial burden of our community and I agree with Commissioner DiFrancesco, there are people who are getting taxed out of their own homes. How do you balance

the need for those individuals paying high property taxes for the needs of our most frail residents? I believe we have a fundamental obligation to take care of our most frail residents but we need to do it realistically and we need to control costs and run it efficiently. That has been the approach of the Task Force and that has been the approach that I have had from the beginning of this process. We are hopeful to report next a number of successes from the Task Force to be able to assist in making a decision as we run on our parallel tracks for whether or not the facility is sold. I believe we have individuals who have served here and believe the best interest of our constituents and quality of care and insuring that this facility is here long beyond when we leave and is your fundamental ability as well and responsibility.

In fifteen years, do we not expect skilled nursing to be in need here in Dauphin County after 15 years? I suspect a need will even grow after 15 years for skilled nursing. Will those medical assistance beds ever grow? This is our ability to make sure that you have a commitment to us contractually to allow us to make sure those medical assistance patients who come to the Area Agency on Aging who need placement have a place to go. Because when we make the decision today or next week or whenever the decision is made I can't make that guarantee anymore. I think one of the other questions that I have and I'll ask a couple of them. How do you plan to recoup the world class employees in this local market area? One of the fallback positions that I had with the Task Force was to have an independent review from members of the community and members of the Task Force of a contract that is now proposed between the County and Continuum Care to be able to ask the questions about what are your total requirements, about market pressures, about issues that exist. We think here in central Pennsylvania, the areas that you always talk about and that I hear about that you deal with large medical assistance populations are in the inner city. A lot them are in the inner city. Quite frankly Dauphin County is a diverse county. It has many different places from the rural, to the suburban, to the inner city and it is a different type of market environment that you may be used to dealing with the high level of medical assistance needs that we have right here in Dauphin County. I was hoping to have that opportunity to talk about how you plan to address that? How you plan to address what we see in Pennsylvania as a huge shortage of nursing? There is a huge shortage in medical personnel. How are you going to be able to retain and keep qualified workforce from the time that you open your doors because as you can see today the spotlight is going to be on you? The idea that this is going to be not something that we're not going to remain consistent, I know the Board will too. They will be as active as I am in trying to make sure that you hold to your commitments and make sure that you're providing the level of care that you promised us in the contract. Excuse me for being a bit cynical when people sit in front of me and promise me things during contract time and when the deal is done, it becomes a brand new story. I've got a lot of experience with consultants and other folks in enforcement contract provisions that I haven't seen enforced since I've been in the County. I need to make sure that the spotlight needs to be on you for this quality of care. And you know you have a plan it takes to recruit and retain qualified employees. What is your market niche going to be? How do you plan to be successful with four other nursing homes that went out of business in this market region in the last year and half? There are a lot of unanswered questions.

I'm concerned today and I'm going to stay firm in my position in not supporting the sale of the home. I will also say this and I'll say it publicly, I will be the last person who wants to see you fail. I don't want to see you fail. I want to see you succeed if in fact you take over the facility. You know why, because the impact on the County if you fail is going to be twice as bad as the impact that we see now from our general fund dollars in Dauphin County. I want to see you succeed. Am I going to be able to make sure that you succeed? I can't make that commitment. Would you be willing in the next week to sit in front of the Task Force to be able to review your contract, for them to ask some questions and have some answers about some of the issues that I raised today with our personnel and budget office and a number of other folks rather than just the team of folks we've put together on behalf of the County? I would like to see an independent review and I made that suggestion before and it really was not received extremely well. I would like to ask you that publicly. I'm going to ask you several questions if I could while I have the opportunity. I would appreciate it.

Mr. DiFrancesco: In all fairness, I think you should ask those questions specifically. I couldn't follow them.

Mr. Hartwick: Okay, I guess the first question was how do you plan with the employee and market pressures here with shortage of nursing and skilled care labor folks? How do you plan on recruiting because you know how the work force is? You're going to have some challenges that you're going to have to face in recruiting quality employees to produce the world class quality care which you have said that you're going to do. You'll have to do that in a time when the spotlight is going to be shining directly on you. How do you plan on addressing those issues?

Mr. Blalack: That is a great question Commissioner and one of the things that you've talked about and a group of you have accomplished is through leadership. The focus with Ensign Group and with Continuum Care is exactly on that. It is finding world class people to be part of a process in delivering world class care. It comes from leadership. We're bringing in a team of people who are already established, successful leaders in other facilities. So we are starting with somebody who has a track record of being successful. So the first part of that process is through a leader who has demonstrated success. Clay who is our Chief Operating Officer will be working with that person and that person will be the person who will be ultimately responsible for the facility. It starts there and it branches into everybody. In the early part of our presentation, we talked about our commitment to not only find people but then once we find them to train them and provide them with the opportunity to grow in their career. That is a key component of our success. Alex spoke about the turnover ratios and if you remember in the presentation there is a market difference between the turnover ratios with the Ensign Group and other facilities, why? It's from a number of reasons. People stay with the Ensign Group and Continuum Care because we do provide world class leadership. We provide world class care as your team of people have found out on their own through a very heavily regulated industry. They've looked at and come to know factually those care capabilities of the Ensign Group. So when you pull it together it is a group of world

class people who have demonstrated success working with a group of people to train them and provide them with the resources which is our service center that we talked a great deal about in providing them resources in any number of areas to be able to deliver that world class care and that's an ongoing process. We also talked about our commitment to learning. We're a learning organization. Roy Christensen who is the founder of this industry in 1964 has never stopped. It is a commitment on our part. We know that we don't have all the answers but what we do know is that we've learned a great deal and in today's environment we've been enormously successful. Forty-nine of the 49 facilities when this process started were facilities that were by and large troubled facilities both clinically and financially. Those facilities now do not have that; they are both clinically successful and operationally successful. So we have a track record of being able to accomplish this by that process. So in answer to your question, we're going to follow the established practices that we've done over and over again here in Dauphin County.

Mr. Hartwick: In the other facilities that you've taken over have been in other locations, in Dauphin County we may not have the same number or same quality employees. Have you done any local market assessment?

Mr. Christensen: We're in multiple locations where we are the only facility in the area where there are small towns, northern California; Willits, California; Ukia, California; there are diverse areas. I believe they spoke to the urban population obviously to help put the concern of who we will be serving and we are committed to serve. Yes, we are in all different locations. I do want to quickly comment, too, I think it is great that you are in a facility and I think that you walked a day in their shoes, I think there are few things that are more valuable to finding solutions and to determining how you turn around a facility. It's a key part of our organization to make sure that we are working in all parts of the organization. One of the facilities where I operated I'll mention, 25% of the nursing positions in that city were vacant meaning they could not fill them. There were not enough nurses to take care of that. The facility as we walked in suffered the similar issues that Spring Creek suffers by way of agency, extensive agency usage. Within one year, we have zero agencies. We have a line of nurses waiting to come in and it was nominated by the staff the only long-term care facility in the city out of 17 to be nominated for the "Workplace Excellence Award". It's something where when you give ownership to the staff and when you truly care for the staff; when you work side-by-side with them; that is where people want to work.

Mr. Hartwick: I don't disagree with that. You said this was a nursing facility that was maybe the only one in the area. In Dauphin County we've got a number of privately owned nursing homes that compete for that same labor force. I think that is sort of a big challenge that I have is understanding....

Mr. Christensen: Seventeen nursing homes in Dauphin County. You're mixing that up with other facilities. I'm pointing out that we have facilities in very rural areas and we have facilities in the inner cities.

Mr. Hartwick: The second question would be the medical assistance issue. You said and I forget how you arrived at the number, but it was 70% of the current number of beds that we have right now at the facility. How did you contractually get to the number of 216? There is 243, I'm just trying to recall from the top of my head; you committed to 70% medical assistance what we currently have. Is that how you worked it?

Mr. Stewart: There are 308 beds. That is what our budget is based on if we stay in the business that's the number of beds that we will have from DPW because we will decertify those 96 beds. They will essentially be gone. You know we talked to DPW and they won't be coming back. They start at 308. Nursing homes at their optimum condition typically are 92% occupied which is 283 residents of 308 beds; 216 is approximately 77% of that number. Seventy-seven percent, frankly when we met on March 27, we were below 77% at Spring Creek as our census dropped as you know it's been dropping, I think we are at 242 people now but the MA population and percentage went up 88% maybe even 90% at one point. So that has gone up as the census dropped but when we met and when we were at I believe around 283 then we were below 77% as far as the MA percentage. That's how we got there 77% of what we will be operating at if the County maintains ownership.

Mr. Hartwick: And if in fact the need grows we have to figure out as a Board and if we have a need beyond that and you are at your maximum capacity Area Agency on Aging is not as familiar with the roles with long term-care residents outside of the county. Where in fact in the Human Services System are they going to fall?

Mr. Stewart: We're not going to be going forward at 404 as you know.

Mr. Hartwick: Are you going to recertify any new beds?

Mr. Stewart: No they will be there.

Mr. Hartwick: So they will be keeping 404 on line?

Mr. Stewart: That's where the priority admission covenant of the agreement comes in whereby if the County determines that there is a heightened need for MA people to be placed it can request that MA eligible residents get priority admission bumped up.....

Mr. Hartwick: A gentleman's agreement but nothing contractually.

Mr. Stewart: It is in the contract and it will run with the property but its enforceability is not like the other requirements. But that's up to 308 beds.

Mr. Paluch: We anticipate that we go to the maximum and in fact we think it a significant opportunity to have 404 beds certified here in Dauphin County. And should the need ever arise and we'll be working closely with the County should you like that, if there is a need for additional beds; our plan is to be partners with the County and if we have to, partner with you regarding new facilities to serve the community in some

respect. For us this 404 beds is only the beginning here for our commitment to serve the community on an ongoing basis.

Mr. Hartwick: We'll make sure the spotlight is the quality of care.

Mr. Paluch: We welcome the scrutiny.

Mr. Hartwick: How did we ever arrive on the ban on admissions, is that something that the Board did or that something that was done just by the administration?

Mr. DiFrancesco: The current reduction?

Mr. Hartwick: When we went 308 down to 280 down to now 243, I don't remember us ever making the decision.

Mr. DiFrancesco: We didn't make that decision that was more or less an informal policy decision that could be changed at any time. That was more or less again as we have gone through process with staffing being further stressed because of recruitment being hard while we are having this public discussion, etc. It was just a matter of operational ability. But at any time the Board could have spoken up and opened up the doors.

Mr. Hartwick: We always had this debate and I don't want to have it publicly about de-correlating loss of revenues based upon your inability to reduce your expenditures and how that affects the bottom line in the budget which I know has been a financial mistake. I didn't know how we got to that point because the loss of revenue certainly hasn't correlated in reduction of expenditures.

Mr. DiFrancesco: We talk about a ban on admissions, but in reality if we probably had to turn away even one case per week; if the Board recalls back in 2005 I guess it would have been after the ban on admission was lifted and I can't remember, Scott, was it 2004 or 2005?

Mr. Burford: Are you speaking specifically to the ban on admission from the Department of Health?

Mr. DiFrancesco: Exactly.

Mr. Burford: That was at the end of 2003 through the year of 2004.

Mr. DiFrancesco: So in 2004 when that ban was lifted that's the time prior to this Board making a decision to go from 404 to 308 and one of the reasons that we decided to that was because there literally were not enough demand on the beds to have 404 bed facility at that particular time.

Mr. Hartwick: Not if your private pay nursing homes closing suspect the timing, the demand has gone up but we had not allowed admissions, am I correct?

Mr. Burford: We have allowed admissions on an emergency basis for those who are at risk out in the community to themselves or others.

Mr. Hartwick: So only 302s are in?

Mr. Burford: Pardon?

Mr. Hartwick: That is what the term is in mental health.

Mr. Burford: Any crisis intervention is what you're speaking to? No, this goes beyond that. This would go beyond some sort of evidence need that this person is at risk regardless of whether there is a 302 or any other sort of intervention by AAA. Often times here in the past several weeks, a couple of months we have admitted residents under hospice care as well because either the caregiver at home has reached their limit and needs alternate placement, we have reached out and worked with them as well. To say that we completely stopped admissions would be misleading.

Mr. Hartwick: I know you don't have any plans to do this. I'm sure you'll have a quick answer for me but it would be nice to know what happens if in fact you can't make it in this market area you suspect that can happen. I know as you look at me you think that's laughable but it's a concern of mine. What in fact happens if for three short years you're not able to turn a profit in a way that you need to obviously that is going to put a squeeze on the case mix. It's going to obviously maximize other revenue generating opportunities which concerns me about quality of care, among other things, but if in fact you can't make a go of it, do you pack up and leave and what are the consequences?

Mr. Blalack: In being involved in this process with you and going through the RFP process, we've spent a good amount of time trying to understand what the operating realities are of this business. What we've done is that we've put together our concepts in a very detailed plan as to what we will be able to do in working with this facility on the go forward basis. We feel very confident that we're going to be able to be successful here. That level of success is something that none of us know because you raised a very important point which is that understanding about the market demand is something I think that all of us are yet to really understand. We're very excited about that possibility. Alex talked about a number of different areas, physical therapy, home health care, Alzheimer's, specialized pharmacy. Those kinds of things we don't have an understanding yet but what we have done is we've really looked at this facility from the eyes of our operating experience. We're very confident that we're going to be able to be successful here; first, clinically and secondly operationally. Because of that I think we might be able to have our eyes opened to the needs of the community and find other ways to deliver care. Don't know what those are yet but I don't know another way to be more direct in answering your question. We're very confident that we're going to be very successful as your partner here.

Mr. Hartwick: Next week I plan to bring in a number of successes related to the plan. I just wanted to ask you, what is your concurrent health care that you provide to your employees?

Mr. Blalack: It is different here in the east coast than it is in the west coast. We work with Lockten Insurance. Lockten is the group that provides the introduction to the right carriers in the west coast. And we're very close to finding who those carriers are. They are working on this concurrently. It's clearly something that if we become your partner and we purchase this facility we will be rolling out a benefits package to all the employees in the first week that we're in the facility. That is something that is very much a part of our process.

Mr. Christensen: Obviously for any concern that you may have, health, medical, dental, vision, 401 K, all of that, that is all very standard in our process. It is part of and we think it is obviously in the central part of being good at what we think we're good at attracting all the right people. So it will have a substantial outcome.

Mr. Hartwick: The reason I'm concerned is because there are a lot of people in our community that are employees out there and they are relatively low paid and to accept additional reductions of benefits I don't know how that correlates in a well productive workforce. I was wondering what type of coverage that you offer. Again we can be specific outside of here but I would like to find out what your offering as a package plan.

Mr. Stewart: If I could just touch on two of the additional questions. In regards to what happens if they don't make it, certainly their answer went to their experience. In terms of the contract, what happens if they don't make it? Essentially should they decide to sell and this was one of the terms that I didn't go over, as an additional safety net the County will have the right of first offer. They will be required to give us notice of their intention to sell. The County will have a period of time in which it will be exclusive right to essentially make the offer to buy the facility back. As contractual requirements run with the land, they will have to comply with them if the sale happens within the fifteen years. The contract also insures that the County will essentially be a third party to any future sale that also has contractual rights that it can enforce as if it were a party to whatever that subsequent sale may be. Additionally, a real quick touch, I had referenced it during my comments and Commissioner Hartwick mentioned it by how the finances were difficult and essentially what wasn't able to be restored at this facility. I just wanted to remind you of the information that we provided on March 27 regarding the fact that this is not a unique situation for Dauphin County. This was from data from the Pennsylvania of County Affiliated homes, their most recent data and we presented it at that time; but six of the forty-one county homes were profitable. All the rest, 35, were not.

Mr. Hartwick: Also a statement, Spring Creek was founded 120 years ago fundamentally to take care of the people who needed it the most. I think there is some amount of tax revenue that should be going to support those individuals to assure their

quality of care and that to me is the baseline of our obligation as County Commissioners to make sure that care is provided that, that is the position that I have.

Mr. Haste: I think most folks know I was sort of the neutral one on the Board for a while. George clearly was wanting to keep it in County ownership. Nick had identified early he thought it was in our best interest to sell. I had held out hope. My head told me that it could probably run privately better. My heart was actually with the nursing home. George talked about going out and working in the nursing home. When George was sixteen years old getting his permit for his car, I actually was out doing the same thing because the union walked out of the facility. We had to go out and at that time I was Chief Clerk and we were ordered out to do work. So I spent a couple shifts doing that. I actually developed some very good friendships with residents out there. I took them fishing, did a lot of things and was disheartened when the Greenbelt got their way and closed the pond. At the facility at one point in time there was a great park and pond where the residents could fish. The Greenbelt felt it was wiser to close that and move McDonalds from the car lot to where the residents used to fish. There are no bones about it Barry Ramper was a good friend of mine and has been a close ally of mine throughout the years; his commitment to that facility and Jim Hetrick prior and some of the other folks. So I had a long relationship with the folks out there and really had hoped that this facility would stay. I was the one who went to John Vartan and sat down with John Vartan after Sally had gotten the okay for John Vartan to put money into rehab the facility and the lobby to make it a respectable place for people to come.

The previous Board chose to do away with a lot of those and go to a high rise which I think was a mistake to begin with. There were a lot of mistakes that were made that has brought us to this point.

Even some of the votes that I have made up to this point in time on how we've gone, I don't know in hindsight if I would have made the same votes. But it doesn't matter we are at the point where we are now and I have to say in the last six weeks, one of my biggest disappointments though really is and George stuck his neck out, was from the negotiating from union leadership. A month ago there was a press conference saying that there was going to be concessions of \$900,000 some. The next day or a couple of days later they went to the bargaining table and that was pulled away. Even today we got this letter and everybody is running around saying there is \$956,000 of savings. We had our folks run the numbers and at best we come up with \$560,000. There is nothing in this that says what those amounts are going to be. When George said he was cynical about contracts and some of the contracts that we've had in the past so am I. I'm very cynical of this one. There just does not seem to be that desire other than blame it on past problems to save this. Everybody keeps saying let's wait, let's wait, let's wait. We have waited 18 months now, close to 18 months to resolve some of these problems and we've gone nowhere. That bothers me greatly. In the past some of those folks are people that I've talked to and counted on. I worked hand-and-hand with the union when I was Chief Clerk and Personnel Director of what was going on there. I do not see that same commitment today. I think it is unfortunate.

When I took a look at which way to go, there were three points that I wanted to make sure that happened. I want to make sure the residents would be taken care of. I wanted to make sure that the employees had a decent place to work and I wanted to make sure that the taxpayers were taken care of. In looking at this and you can take any nursing home if you want to focus on, and make them look like the worst nursing home under the sun. You can take ours, even our nursing home who got Nursing Home of the Year Award a couple of times; if you go back just years prior we were on provisional. You can pick any nursing home and make it look bad. You can take any nursing home and make it look good. I think what we have to do is look at all the data combined and I've done that. I've looked at the websites that everybody said to look at. I've looked at your websites. Mark has told me about the *Medicare.gov* websites. Then when I saw the other services that you are thinking about bringing here, those are services that if we continue to run this can't provide and probably wouldn't do it very efficiently even if we tried. The out-patient services that you plan on bringing there and some of the other ancillary medical services. We thought about this and Nick and I talked. Nick went to the VA and tried to get the VA to do some of these very same things in this facility. They chose not to. You said you are willing to try it. Looking at some of the things that we have to do, the services we carry out as a county government the ones that we are most successful in, the ones that we count on and it goes right back to your Human Services contracts, they are partnerships between us and a private entity; where we as a county have run them and not done it well and haven't done it efficiently. This is a partnership that we are looking to go into. We're not running from our residents. We're not throwing our hands up and walking away like some sit here and say. We didn't take the easy way out. We took the hard way out and we looked at this. I, for one, had hoped that we could keep it in County ownership. I am convinced now that it is best for the residents to move it on because I think you could provide better care than what we've been able to do. I think there are going to be other services that you'll provide to our residents. As our residency grows there are additional needs and demands that are going to be there. You're going to provide some of those very services that are going to be needed in this community that we can't provide. So I feel comfortable with that.

When it comes to the employees and when I looked at it, there appears to be a lot of union versus non-union bashing. One of the things that I looked at when I saw that you were employee owned, 80% of yours is employee owned; I happened to have worked for a company that was in that same boat, employee owned. It was the best place that I ever worked in my life. The work ethic, the concerns of the employees, the commitment that they made to it was second to none because everything that they did they were part owners in. It wasn't someone else's problem; it was their problem. It wasn't something they could hide under a contract or have to go to someone else to negotiate for them. It was their problem. They can make improvements. They can make suggestions. And they failed or they succeeded based upon the company. You know what and I've said this to some employees that I had a long talk with, five years from now those who are committed about this, I think they are going to thank us because you are going to be able to give bonuses, you're going to be able to give incentives, you're going to be able to give ownership that we can't give to employees now. Those who want to hide under

something else won't do better. But those who are committed about their own self and doing a good job, I think will be better off.

It is clear the taxpayers win in this deal. As Nick said and people make light of it, every time that we sit here and if we have to raise taxes that debate has been here because we know that there are people who lose their homes when taxes are increased. One of our desires is to make sure that our residents are taken care of in the home; our employees are taken care of; and the taxpayers. Those residents are taken care of. It is clear if we continue on the track that we are on, the taxpayers aren't being taken care of. A few remember this but I remember sitting here as Chief Clerk when it made front page of the Patriot News where the Deputy Sheriffs had to carry a lady out of her home because she lost her home because she couldn't pay her taxes. I remember how brutal that was. In fact, the short period of time I was a Legislator I had two pieces of legislation passed both to protect people on fixed income when they lose their homes because of that. I can't sit here in due conscience having fought to have that legislation passed and not be concerned about the people who lose their homes when their taxes are increased as well. Everybody who sits out there and says that this Board has not taken this seriously, has not looked at it and looks at us throwing up our hands; they just don't know what they are talking about. Personal insults and attacks just don't go very well with me. This Board has worked very hard. Commissioner Hartwick has worked very hard and stuck his neck out and I think people have let him down. Nick has worked very hard at trying to turn this around and it didn't work either. This is not an easy decision for any of us but I think in the end we will make the best decision that we can for those three entities. We're not looking at one group over the other. In my mind it is the residents, it is the employees and it is the taxpayers. I'm going to cast a vote that I think does the best for all three categories and not single one group out and make them better than any one of the other three. You can find few people and when they talk about the heart strings being tugged at for the people at that facility; I still have friends at that facility. I still have friends working at that facility. I wish we would be at a different point. Circumstances didn't get us there; but from this point forward we're going to make the best decision that we can make.

The only thing that really concerned me today was staffing concerns. I will be a real pain in the butt, too, if I hear that the staffing levels aren't up. I think you could do it fully staffed. I think you can do it with committed employees. A lot of that goes to committed employees makes staffing easier when games aren't being played with schedules and things like that. I appreciate what you have there. I didn't get a chance to go through the contract. I will do that. I did go through the proposals on the table by concessions and I know Dave will be working on them a little bit more. I think people need to understand this Board has been very committed at getting to the point where we are at. I thank you for everything that you've done. I thank you for even coming into this environment and saying that you're willing to be a partner with us. It is new territory for you. I think you will do well. I think you'll find if in fact you're true to your word about this wanting to be a community partner; I think you're going to find this is a great place. Dauphin County is a great place to live and to work. I welcome you here.

Mr. Stewart: Thank you.

Mr. Haste: Are there any other questions?

Mr. Stewart: In terms of the staffing and how it compares...

Mr. Haste: I know I have seen the chart. I will just keep watching it.

Mr. Stewart: Okay, this was a little bit even new information as far as how we put it out.

Mike Yohe – Presentation of July 2006 through February 2007 Investment Account RFP's

Mr. Haste: Mike Yohe will you please come forward?

Mr. Yohe: I'm here today to discuss the results of the RFP that we sent out in early May for our investment pool of banks that are going to participate in our investment account. I sent out to eight different banks, six of the eight did respond to the RFP. You can see at the bottom Mid Penn and PA State Bank did not respond. What we are trying to do is identify three banks to continue our policy that we've had in place for a year now. Three banks that will bid on a monthly basis for our money the winning bid will get 50% of available funds and the two will get 25%. The last six months from January through June of this year the three banks that have participated were Graystone Bank, Commerce Bank and Sovereign Bank. The front page that you are looking at is the rankings that I put together after getting all the bids in. The second page is just some historical data that I used to formulate the rankings. Graystone Bank came in with the number one bid for the second time in a row. They based their bid on the average of the previous month one month LIBOR rate and then they added twenty-five basis points to that. So if you look on the back page, I went back two years basically looking and I'm applying this rate not to the short term but over the last two years. This was the best performance of the three bids that were submitted. The only problem with Graystone Bank once again since they are just starting out, they want to limit their funds to \$20 million and I did talk to Andrew Samuel and he confirmed that the \$20 million would probably be in place for the whole eight months time. If you remember when we started in January, they wanted ten and then we bumped it up to twenty. I was looking for that again and he said we better keep it at twenty through this eight month term. They still came in with the number one bid. So they would have essentially the \$20 million probably for the whole term of eight months.

Mr. DiFrancesco: Mike, do you know what their assets are right now?

Mr. Yohe: No, I do not. I know they are growing quickly in the beginning enough that they doubled their deposit amount. I really couldn't talk him into can we go any higher...

Mr. DiFrancesco: That is more protection for us.

Mr. Yohe: I want to point out also that they collateralized our investment a little differently than the other banks. The other banks are larger. They have a large investment pool, collateral pool, our collateral is backed on that. They go through this certificate of deposit account registry service (CDARS) which they put out. There is this company that will actually purchase \$100,000 CD's on our behalf. It has worked well. There have been no problems. It has been fully secure but it is a little different. We actually get two interests each month. We get an interest on the money that they are holding on account and we get an interest amount from those CDARS pool. It has been working. I have no problems with that.

The second ranking was Commerce Bank. They actually bumped up their basis points on the 91 day T-Bill from 30-45. It is good they did because that kept them in the running. As you can see the average, basically the rankings are on the average rate for the last two and half years. That is the way I rank them.

Mr. Haste: You took the formula that they gave you and went back over time.

Mr. Yohe: Exactly, you see the most recent quote actually Community Banks is the highest as of May of this year but over long term I ranked them over the last two and one half year performance. Community Banks their last bid was only plus 15 basis points and they left out the last round. They bumped it up to 40 basis points. There is a difference between Commerce Bank's bid and Community Bank's. Commerce is the current 91 day T-Bill plus 45. Community is the average of the previous month plus 40. Also, there is a little more distinction, Community the T-Bill rate has a discount rate and an investment rate which differs about seven or eight basis points each month. Commerce Bank uses the discount rate as their index which is about seven or eight basis points lower than the investment rate which Community uses. That's why even though Commerce is offering five basis points higher; their index is just a little bit lower on a monthly basis than Community's. So they were very close. The top four are all very close. Sovereign their bid is current one month LIBOR plus ten basis points. Actually Sovereign has been high for the last two months. We've been using them. But they didn't chose to bump up their basis points; the other two both Community and Commerce both stepped up their additional basis points and pretty much pushed Sovereign just barely out. Sovereign again did not send me a complete fee either. Twice I asked, when am I getting the rest of the information; and I never got it. So it made my decision a little bit easier because they never really completed the RFP.

Mr. Hartwick: For that amount of money I don't see why they wouldn't be all over it. That concerns me.

Mr. DiFrancesco: Banks all the time try to increase deposits and try to decrease deposits based on what their needs are so they may go aggressively for one quarter and the next quarter not have any interest at all in the public money.

Mr. Hartwick: But their sense to professionalism is to get back to him for the RFP. We would want them to do future business with the County.

Mr. Haste: They've had some shakeups over there.

Mr. DiFrancesco: They have.

Mr. Haste: With their acquisition. I get a sense they are still trying to figure out who is in charge.

Mr. Yohe: I was glad to see they actually did come out. If you look at this and everything I looked at they would have been fourth anyway. It's not going to be a pleasant phone call for me to tell them that they are out of the mix.

Mr. Hartwick: It means that they are going to have to compete and get back to us within the ratio. That's the message of competition.

Mr. Yohe: Citizen's Bank, they gave us two different quotes and came up a little bit short and PNC, also came up a little short. My recommendation based on the response that we got would be to award to Graystone, Commerce and Community for the period of July 2006 through February 2007.

Mr. Haste: Will we have that on the agenda for next week?

Mr. Yohe: Yes. Do I have permission to let the banks know based on this conversation?

Mr. Haste: Contingent upon the vote next week.

Mr. Yohe: Exactly, but I'll just let them know where they stand. Any other questions? (There were none.)

PERSONNEL

Ms. Sinner: The first item in the personnel packet is the salary board requests. Do you have any questions on any of the items listed in the packet? (There were none.)

In the personnel packet, Commissioner Hartwick what was your question?

Mr. Hartwick: What was the request to fill the vacancies at Juvenile Probation?

Ms. Sinner: With the exception of the one transfer, no one is moving into those positions yet. They just wanted to get permission to fill them.

Mr. Haste: Are these the ones that just became vacant recently?

Ms. Sinner: They've had several vacancies recently.

Mr. Hartwick: The problem is we still don't know what is going to happen with the Administration money. That is going to have a significant impact on our budget to know what the priority positions are and I know juvenile crime is up but we need to figure out a way to make sure that we manage those vacancies and that it won't have a negative impact on the general fund money by the end of the year.

Ms. Sinner: I also have an addendum. Both in the personnel packet and the addendum include hires for the District Attorney's Office; part-time law clerks and I'm requesting that a vote be taken today to approve those. That will be #18 & 19 in the personnel packet and #2 in the addendum.

Mr. Haste: Is there a motion?

It was moved by Mr. Hartwick and seconded by Mr. DiFrancesco to approve #18 & 19 in the personnel packet and #2 in the addendum; motion carries.

Mr. DiFrancesco: Scott, can we do that today or can it wait?

Ms. Sinner: We don't need a vote on that today. I just wanted to include it.

Mr. DiFrancesco: I just wanted to make sure we weren't getting into a bind.

PURCHASE ORDERS

Mr. Baratucci: Commissioners there is nothing unusual about the purchase order packet except for a few budget items that we'll have to take care of. If you have any questions, I'll be happy to answer them otherwise we can forward it to next week.

Mr. DiFrancesco: I just assume that every digital camera that we buy gets a little County sticker on it that it's accounted for because I see an awful lot of cameras every week that we purchase.

Mr. Baratucci: I believe this is one for Information Technology, right?

Mr. Hartwick: Yes.

Mr. Baratucci: I'm sure Mr. Guenther will make sure that happens.

Mr. DiFrancesco: Thank you, sir.

Mr. Hartwick: Could you just explain the Records Improvement Funds and what package of software that you are requesting to purchase there, 11 of 21?

Mr. Guenther: The product is Document Management Solution, that is what we use in the Prothonotary's Office to image and file all the electronic images of all civil court records. We have now taken the on base package and extended the function out other

offices. Children & Youth is already using it to image their case records and tying that into your existing system so they would have on-line document images. We are going to take that with financial information as well and start reducing the paper costs.

Mr. Haste: Out of Act 8 Funds?

Mr. Guenther: It is all coming out of Act 8 Funds, no general funds dollars.

Mr. Hartwick: Thank you.

Mr. Baratucci: Any other questions?

Mr. DiFrancesco: Under Aging, air conditioners on pages 16 of 21, what exactly does that fall under?

Mr. Hartwick: Those are actually from emergency funds that are made available for seniors who may be of low income that suffer from heat exhaustion and don't have any other option. We have a program by which we go out and purchase personal air conditioners to make sure that they don't have.....

Mr. DiFrancesco: So these would be stored until the time of need as opposed to these being purchased for homes that need them now?

Mr. Hartwick: We have some that are in storage and we have a need for twelve additional ones.

Mr. DiFrancesco: Thank you.

Mr. Haste: Bob did an inventory about two weekends ago.

Mr. Hartwick: It's been three weeks ago.

Mr. Baratucci: Is there anything else? (There was none.)

TRAINING PACKET

Mr. Haste: Chad, I don't believe there is anything in the training packet.

Mr. Saylor: No.

ITEMS FOR DISCUSSION

Mr. Haste: I see we have a request for a vote today for a Grant Agreement between County EMA and PEMA. Is there a motion?

- A. Grant Agreement between Dauphin County EMA and PEMA for a

FY06/07 Hazardous Materials Response Fund in the amount of \$209,154.47. (**A VOTE IS REQUESTED 6/21/06)

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to approve a Grant Agreement between Dauphin County EMA and PEMA for a FY06/07 Hazardous Materials Response Fund in the amount of \$209,154.47; motion carried.

SOLICITOR'S REPORT

Mr. Tully: Nothing to add to the report but happy to answer any questions that you might have.

Mr. Hartwick: There are two contracts that I need and I'll get them from Fred.

REPORT FROM CHIEF CLERK/CHIEF OF STAFF – CHAD SAYLOR

Mr. Saylor: I have nothing to report unless you have any questions of me.

COMMISSIONERS' COMMENTS

Mr. Haste: Is there anything else to be brought up by the Board? (There was none.)

PUBLIC PARTICIPATION

Mr. Haste: We are again at the point in time for public participation. Is there anyone in the audience that would like to address the Board?

Ms. Trowbridge: Ms. Trowbridge again from Pima County. This was a very interesting presentation by the Continuum Group and Mr. Stewart about Ensign and the issues involved getting information about how nursing homes are actually run. There are a couple of things that I would like to mention where someone indicated that the state couldn't be wrong. I believe it was Mr. Stewart that said the state can't be wrong and having all of these folks and all these nursing homes and all these wonderful workers. The state can be wrong and often is. In California last summer the LA Times did a series on best reporting about the problems that the California Department of Health Services has and actually overseen nursing homes in that state. They don't have enough people. They don't have enough money. Their key in that article was information about several Ensign Homes that the state of California hadn't shown appropriate oversight. The State of Arizona is even worse I think actually in terms of the amount of money that's allotted by the state legislature to the Department of Health Services. There are two DHS folks in Pima County. Pima County is as big as some states. It has twenty-two nursing homes. It has hundreds of adult care homes and there are two inspectors to take care of all the issues of licensure, following up on complaints and all sorts of issues. They are notoriously bad at it. Again, as I mentioned two out of three Ensign nursing homes in Pima County are way out of compliance in

terms the state actually coming in and doing the year-to-year or fifteen month inspections that they are supposed to do and are mandated actually by the federal government. The truth is major incidences that create immediate jeopardy for patients or that which has inflicted actual harm on patients. Waverly Park, one of their homes in 2004, was levied against the largest fine at the time for actual harm to a patient. That was in 2004 a year after Ensign took over Waverly Park and that was an actual harm situation.

You were also right you can always make a nursing home look bad because the quality of nursing home care in this country is terrible. We do not treat our elderly, infirm and frail people very well in this country. We don't allow enough linen; we don't allow time; we don't allow enough oversight; and we do not take care of these people in this population. That is not just the elderly it's also disabled people. That's one of the issues in Arizona but 80% of all nursing homes have a wonderful record. And they're not wonderful. There are 135 nursing homes in the state of Arizona and 80% of them are not wonderful excellent facilities. But that is the rating that they have from our state Department of Health Services.

Nursing Home Compare which is the website from CMS has some interesting information on it. It's only as good as the information that the state Departments of Health provide to Nursing Home Compare. And if the inspectors are not able to get out to these nursing homes and actually do the inspections they are supposed to and follow-up on the complaints from patients and patients' families the information is not all that valuable. What Nursing Home Watch does and what I do and what most of what my job is, is talking to patients of families and solicit information. In talking to them about the problems they've had in nursing homes not just the Ensign Homes but all of the homes in Pima County. You know most of them I ask and talk to them about well did you take that complaint to the Arizona Department of Health Services which is where they are supposed to go? They've called and they tried and they've written and they complained and they've talked; all of these complaints are supposed to be dealt with within 45 days. Typically it's several months before somebody can go to the nursing home and find out what actually happened. By then the personnel is different, by then circumstances are different and it is very, very difficult to have any kind of a complaint verified by the Department of Health Services. It's a scandal. I spent a lot of time last year dealing with the state legislature trying to get them to actually come up with more funds for the Department of Health Services so that we can actually have some real oversight of the nursing home industry in the state of Arizona. In Pima County there are twenty-two nursing homes and as a county we have our own County facility. We're not for profit. All twenty other nursing home facilities in Pima County are for profit and that I really, really think is part of the problem with nursing home care in Pima County because there really is no accountability to the public in facilities that are profit making. You talk about having things that you're working on doing unfortunately the nursing home industry in our country is really focused on making that profit.

Staffing is a serious issue and actually the Ensign in California is being sued by patients because they do not actually in several of their homes provide a designated number of

nursing care hours. I think the suit was filed in April. In Arizona they go by the Medicaid designated number of hours. The state of Arizona doesn't have any staffing requirements in the hospitals either but they certainly don't for nursing homes. So there are no rules about what staffing you have to have and one of the biggest complaints with patients and employees in Ensign facilities is the staffing issue. They do not use agency which is actually a good thing but it's not when you don't have staff when someone calls in sick or you just haven't been able to fill that position. We have a shortages in Arizona just like everywhere else, a severe nursing shortage. If they don't call an agency that means you work a double or you do a back to back or you work seven days a week. That is also a problem. The County Fiduciary does not operate on antidotes. She has investigators on her staff. She has case managers on her staff. She has quality assurance people on her staff that goes to these nursing homes and follows up on the 350 patients that she mentioned in her letter. Her assumption as she designated in her letter is that after Waverly Park was purchased it was in terrible shape. I admit it was in absolute terrible shape when Ensign bought it and when they bought Catalina. You know what all these people in the Public Fiduciary Office say, they didn't get better. There wasn't a turn around. The services, the conditions, the staffing didn't improve. They are still the same poor quality nursing homes.

Mr. Stewart mentioned the October decision in part of the Board of Supervisors, we have five supervisors in Pima County, probably need more because it's a big county, to give Ensign the three contracts for its three facilities. In October all 18 facilities that get Medicaid funds were up for contract renewal for nursing home care. It was an interesting time. I testified at the meetings about why shouldn't we just have the contracts come up that you really, really do need to do some investigations, follow-up on some of these complaints, look at some of these issues yourself, the supervisors and the county Health Department themselves go out and maybe look at some of these facilities and see where the public's money is going and how are these patients being treated. Initially we asked that they put a hold on the Ensign contracts until they could follow-up on some of these complaints or have more information rather than just passing off on the contracts without doing that. I think that is the Board of Supervisors job is to really do that kind of oversight, get that kind of information, shine that bright light on facilities because of the use of public funds. We actually, Nursing Home Watch, agreed with them that because of the shortage of beds, we have a terrible shortage of nursing home beds in Pima County even with these 22 facilities. We have a large population of elderly in sunny Arizona. We need a lot of care. We agreed to close down these three facilities or any of these facilities because of problems would be the wrong thing to do because where do they go. Patients don't have any place else to go. Also, at that meeting on October 11, the Supervisors, and who is now the Chairman of the Board, made a motion and it was unanimously passed by the Board of Supervisors, as Mr. Stewart said Democrats and Republicans, that the Pima Health Systems with given some resources from the state and anywhere if they could do inspections for a period of six months every other week to gather data about what is actually happening in nursing homes in Pima County because the state isn't doing its job. Of course the state came back and said that's nice we would love to help because we don't have enough resources, we have nothing to share, we have no money, we have no people,

we have nothing; but if you find out any information we would really like to know what it is so we can act on it then. That was because of the concern on the part of the Board of Supervisors in Pima County that there are some bad actors out there. All the nursing home care is pretty poor in Pima County but there are some places that are worse than others. And they are still in the process of dealing with that data that was collected. It actually didn't work out the way it was going to because nobody has resources in these times. It's still in the process of being looked about how we have more control over these private institutions. How, we being the public, have any control over what actually happens in these facilities in terms of how dollars are spent and how our patients are treated, our loved ones are treated.

The issue of ownership and health insurance maybe it's 80% employee but it is not the 80% ownership does not reflect who actually does the work or actually provides the care in nursing homes because CNAs are not part of that. The Certified Nursing Assistants who provide the care are not part of that. Health insurance and dental, they do offer a good package. In Tucson among nursing homes, it's probably one of the most attractive packages which did encourage people to come and work at Ensign Homes. The only problem is if you actually try to use it. It doesn't seem to always work out just as well for employees as they thought when they took the job. It is one of the reasons people also leave Ensign because of problems with the system.

Mr. DiFrancesco: Can you elaborate on that a little?

Ms. Trowbridge: Well I had employees tell me that when they actually tried to use the system there seems to be all sorts of barriers and its probably the company, that's not Ensign, that is the health insurance company; but I think you really do need to look very carefully as to what that benefits package is if you want to talk about how the employees that are going to work at this facility are treated. I think you really need to look at it.

Mr. Hartwick: Is that in fact true that the CNAs are not part of the employee owned business?

Mr. Blalack: I can't tell you the breakdown. I don't have access to the breakdown of Ensign. I don't know if there are CNAs. I know there are because I know of one, there are maintenance workers that are a part of it so I would love to say yes but I can't speak to that.

Mr. Hartwick: You know CNAs run the facility. You want to make sure they are involved in the employee owned.

Ms. Trowbridge: In the issue that Mr. Haste raised about the pro-union or anti-union or union bashing back and forth is something that always comes up. There are no organized facilities in the state of Arizona. There is not one nursing home and there is actually not one hospital that has a union contract so it really isn't an issue in the problems that we're having in Pima County. These attacks to several people were sort

of an interesting responses because two of the Board members were unbelievably insulted by that because they felt that they were being pressured in an unfriendly manner. In fact one of the members of the Board actually told them that he was personally insulted. That rather than dealing with the issues of problems of nursing home care in Arizona, Pima County that wasn't really this discussion going on. All it was this inflammatory attack. They come with some very nice binders with a lot of information, colored pictures and the whole nine yards. One of the other supervisors sort of took it apart and took all the anti-union stuff out of this. This is supposed to be information about Ensign itself. It was something about an inch and half wide of information, an inch of it was about union bashing.

Mr. DiFrancesco: It's very important, would you qualify was it union bashing or was it responses to union allegations?

Ms. Trowbridge: There is no union so it was union bashing.

Mr. DiFrancesco: A lot of what I've seen so far had been definitely unions bashing of this company. There is a difference between actually bashing the unions and responding to things that may have been placed on the website. I just want it to be clear that I understand what you are saying.

Ms. Trowbridge: I think this gentleman thought it was union bashing because he made them take it back. All he wanted was information about Ensign. He didn't want all the anti-union rhetoric because he felt personally attacked himself, also. You know sort of the thing was that they weren't smart enough to figure things out on their own. They had to be kind of bashed into understanding what the issue is.

I think that is about it. I just want to say the same thing that I did to the county Board of Supervisors in Pima County is that I think you really need to look beneath the surface of what Ensign is offering and what Ensign says it does. I think it is really important that you look into the health insurance issue, the staffing issues, what's real and what really happens on the ground. That's what I do is I talk to the employees. I talk to the families. I talk to the survivors. And that's a different story often. Thanks.

Mr. DiFrancesco: I mentioned one of the quandaries that we're in is that there is nothing that we can point to that is sort of unbiased in some way evidence and of course the easiest place for us to turn is to governmental entities. We just can't find anything that gives us real good substance. The one thing now that I'm listening to you I think we have a real advantage in Pennsylvania is the fact that our regulators are very aggressive and trust me, I can't even tell you how many phone calls have been made from our facility when the regulators are there, the same day, next day, I don't know how quickly they come in but they come in and the issues are followed up on. Bad performers in Pennsylvania will not exceed in Pennsylvania. That's hands down and they certainly won't succeed in Dauphin County because as Commissioner Hartwick has already mentioned whether it is through AAA or through this Board's hand directly,

we're not going to allow that to happen. One thing it sounds as if our regulatory environment is much stricter than others.

Ms. Trowbridge: Absolutely.

Mr. DiFrancesco: That will not succeed here.

Mr. Hartwick: The idea of the Medicaid funds or Medicare funds coming before the Board of Commissioners to approve that contract, we'll still provide some oversight. Could you just explain to me what the Commissioners actually have to approve in order for the nursing homes to operate in that area?

Ms. Trowbridge: They actually have to approve whether.....the way it is set up the money of course goes to the legislature then it goes to the Department of Health Services and then it goes out to the counties. The Board of Supervisors has to make the decision which facilities won't get the money goes through Pima Health Systems. So that is essentially the contract.

Mr. Hartwick: Similar to what we do with almost all the Human Services. We are the pass through for those funds. Is that similar to anything that we do in the nursing home industry or are they directly to the nursing home?

Mr. Haste: You have county Boards of Health that regulate hospitals as well as nursing homes?

Ms. Trowbridge: Well actually the state legislature decided that the county Boards of Health had no power at all so what we mostly do on the Board of Health is try to vest a little bit of power from the other governmental agencies in order to do something.

Mr. Haste: I think when they started, didn't they regulate hospitals, etc.

Ms. Trowbridge: Yes, they did.

Mr. Haste: Their system is different than ours.

Mr. DiFrancesco: An interesting question to ask in those counties what authority does that give them? I don't know if any around here have full fledged Boards of Health.

Mr. Haste: Our state is different, our state is a commonwealth. You only have what power the legislature gives you; whereas, probably in Arizona, you have the power unless the legislature takes it away from you.

Ms. Trowbridge: Which they did.

Mr. Haste: Right.

Ms. Trowbridge: Particularly because Pima County which was a little thorn in the side of the legislature was more active and actually doing oversight and controlling hospitals and nursing homes. They gutted any kind of regulatory legislation years ago.

Mr. Hartwick: I'm just thinking out loud in ways to continue to play an active role ensuring citizen concerns, issues, quality of care or still being addressed by some sort of authority.

Mr. DiFrancesco: Ultimately through AAA, we have the Ombudsman and obviously the County has a lot of influence over the regulators which is the state. We can go in at any time based on complaints and any claims of issues that may be going on. I would guess that we would be very aggressive in that front.

Mr. Hartwick: We contract with the groups like CMU and there are ways for us to go and change the executive director if in fact they are not performing well. We don't have any ability to regulate or provide oversight from the County which concerns me.

Mr. DiFrancesco: It would be the same when we contract with other entities.

Mr. Hartwick: We can, we can choose to not to fund them. If they aren't doing a good job we can say as the Board of Commissioners that their quality of care sucks. We get an outcry from the community, we can say.....

Mr. Haste: If they don't perform their job, the state won't license them.

Mr. DiFrancesco: This is actually far better because it's not a matter of funding. It is a matter of being shut down and stopping business.

Mr. Hartwick: I'm just thinking out loud and trying to keep a hand.

Mr. Haste: Is there anybody else?

Mr. Gash: Many of you know me, my name is Dave Gash. I was a staff representative out there and represented the people for years and years. I will go back to the glory days when it was the Nursing Home of the Year. I'm sitting here and I'm very surprised by the Commissioners' position that somehow the union is to blame. Being Nursing Home of the Year, we used to go around me, Mark Blacksten, and Gary Bullock and talk to every member because Barry Ramper asked us to. We have Nursing Home of the Year all those years. I was able to represent the people there and fight for them. Jeff who was the Chief Clerk was able to fight for the County. We never lost sight of the fact of what we were there for, that was for the residents. I am shocked to hear what I'm hearing today. All you guys before you even took office, you heard from the union members how bad that place was being run. For you guys to sit here now and say that it is the union versus management. That is incredible! When I used to go out to that nursing home them residents knew me better than they knew their County Commissioners. They knew what cases I was working on. When Barry Ramper had to

leave and there were people sitting in his office, he would put me in charge of the people because he knew I cared about them. For you guys to sit there and say that, is unbelievable. I heard Mr. Stewart's unbiased remarks. He says that he is a county employee and he's just looking at the facts. Can you gentlemen tell me how much he is getting paid as a special counsel?

Mr. DiFrancesco: We can pull that out and give it to you.

Mr. Gash: Would I be accurate to say between \$15,000 & \$20,000 a month?

Mr. DiFrancesco: The firm.....

Mr. Gash: Bill should know.

Mr. DiFrancesco: We can pull that for you.

Mr. Tully: It depends on the month.

Mr. Gash: Okay, would that be a ballpark figure?

Mr. Tully: The last two months.....

Mr. Gash: So my unbiased opinion him doing business for this sale, is \$15,000-\$20,000 a month?

Mr. DiFrancesco: We've asked him to do a tremendous amount of work.

Mr. Gash: I can just imagine. This thing where we some how didn't cooperate is unbelievable. You guys were told in detail. I remember we talked to you, Jeff, Judy Heh and I a year or two ago. We thought the place was being run so bad that we thought it was intentionally being run into the ground to be sold. We were told that you didn't think that was going to happen. I'm not challenging your integrity.

Mr. Haste: We've had all kinds of talks. When it comes down to put something on paper, it has not happened Dave and you know that well!

Mr. Gash: No I don't know that well.

Mr. Haste: Yes, you do, then you need to!

Mr. Gash: I don't know that well! I don't know that well! I think there is plenty of blame to go around.

Mr. Haste: There is!

Mr. Gash: I have not heard anything about him being oversight and him failing. There is plenty of blame to go around.

Mr. DiFrancesco: Tell me because I'm going to open up soon. When I open up, I have facts, too.

Mr. Gash: I think when I talked to the members and I was their rep the whole time. When I talked to the members I was pleased that you got the oversight. They had told me and I'm getting this second-hand, at first you wanted to hear and then you didn't want to hear. You have become that you listen to these people that you got to run the County Home at the time. I'm really genuinely concerned as to what we came to you about. I'll not challenging anybody's integrity.

Mr. DiFrancesco: Yes you are. You are!

Mr. Gash: It's not on the backs of the workers. It is not the union's fault.

Mr. Haste: It is shared, Dave! It is shared! You hear me, it is shared. We both have suffered in this. That is what I say and for you to sit there and say it's not part of the union's fault, you're not telling the truth either. It is shared. It is both sides and that is what I said. We both got to this point and I wished we hadn't. But we're now at this point. George has been asking six weeks to have something substantial and we don't have it. We still don't have it! We had a letter but we still don't have it.

Mr. Gash: I'm not part of that and somebody else can speak on that. I'm sure that Mary or somebody else will. I'm surprised that we are sitting here today saying that the union, I can't speak firsthand knowledge to what had happened while I wasn't the rep there. When I worked there, we worked hand-in-hand with the County to ensure the rights of the residents. I know that we had been very, very sincere when we went to you guys initially with all of the problems. What made me angry today, it's like this is the first that you heard it and you realize that there are problems, etc. You can look and shake your heads.

Mr. DiFrancesco: Dave, that isn't at all how it happened. You were right when we first came into office, we had a great working relationship and we talked. And then we came into office and we sat at the table and I specifically did have oversight. At that time early on, I said it is imperative. I went around and talked to every shift. I went around and talked to groups of people and I said it is imperative that you "labor" as well as everybody else are a part of this process, to sit down at the table and have a seat. Most of the time but not all of the time, the labor's voice was not present when they were begged to come to the table. And the few times that good things did come out from the "labor" and I'll sit here and you may not like this; but I will separate the conversation between talking about AFSCME's performance and talking about AFSCME's members that work in the facility. I will separate that out because the issue that I have tends to be more with the leaders out there because when good things did happen over time when the employees who do the frontline work, stepped up and said we have ideas and they

were embraced; they were literally smacked down and disrespected by other employees. Now whether or not they are willing to stand up in your membership and share those concerns with you and have you represent them among the membership, I can't change that. But I know these people came to me and told me about it. I begged for two years, be a part of the solution and for two years I had people not care about the residents but care about protecting the overtime; care about protecting the call-offs, and care about protecting the people who didn't come to work! You know what happened for two years I met with shifts on a regular basis giving employees direct access going out there on the midnight shift, going out there in the morning shift and going out there on every single shift. The only people that came in and the only thing they talked about was the staffing levels. It wasn't from a perspective of let's sit down and look how can we do this more efficiently. How can we do this better? It wasn't that kind of conversation in a very positive way. It was constant complaints about staffing levels. I don't know how many times the facility got called to the Department of Health because of the staffing levels. Every single time it was an unsubstantiated complaint. We were under the microscope and we were able to turn that building around. I want to give credit to every single one of your members out there. I want to give credit 100% to the frontline workers who are doing that very tough job and in a very compassionate way every day. I've said that from day one. I've never wavered on that. Your members are a God sent to this community. These people care tremendously for the individuals out there. It's not about that. What it is about is for the past two years when we were begging to be a part of the solutions, nobody came and answered the call. As a matter of fact, most of the people that I had to work with were counter productive. They tried to shoot down things. If you had been there, maybe it would have been different. I've known you for a long time. I could talk to you. But I guarantee as we sit here and if you want to start pointing fingers, I've said this all along from day one, it's nobody in particular. But let me tell you what, when we came into office and we sat down and I evaluated management and I evaluated middle management, they're not there any more. I took care of my problem and I begged you to be part of that same solution process and the union leaders wouldn't do it. So that is reality! I'm not pointing fingers specifically at you.

Mr. Gash: I felt I needed to get up and stick up for the people that I represented and I care as much and maybe more than the Commissioners do for the residents. I'm not backing up from it.

Mr. DiFrancesco: That's fine! The people you represent, the employees, I'll go to bat with you 100%, absolutely.

Mr. Gash: I'm glad to hear that because I don't know. I'm not so sure.

Mr. DiFrancesco: Well, you can do whatever but I've been above board and very open the whole time.

Mr. Hartwick: And I stay clear on my position.

Ms. Heh: I really think we had a working relationship with the Commissioners. I don't think this is the place but I welcome the opportunity for us to all get in a room and let's talk about it because I really think that we both can throw the knives. I just don't want it to happen right here.

Mr. DiFrancesco: It's not good for the residents.

Ms. Heh: We do care about the employees and I have acknowledged openly that if we could go back and do things differently, I think we would have. But we did tell you from day one, that the management consultants were driving this into the ground.

Mr. DiFrancesco: But they weren't driving it into the ground! They may not have been coming up with the solutions but they weren't driving it into the ground.

Ms. Heh: Well, if they are spending \$3 million and I think I have the numbers from Scott Burford on agency nurses, if that's not driving it into the ground part of it could be as a result of the staffing but the other part is, is their problem.

Mr. DiFrancesco: I agree we do need to sit down and talk. The problem is we need to talk in a fair fashion. We need to acknowledge everything that is going on and not point to certain aspects to improve our position.

Ms. Heh: I've always stepped up to the plate and I'm not afraid to. I think we would welcome the opportunity. We gave you a proposal and someone is questioning the numbers. We went into negotiations, we sent someone in and we've only been able to get two sessions, I believe. So we haven't had enough time.

Mr. Haste: You had eighteen months!

Mr. DiFrancesco: And many, many meetings.

Ms. Heh: Yeah, I'm talking about just recently and then the verification of the numbers that Jeff has. I mean if you can tell us and we have papers from you prior how much the cost savings would be for the varies and to turn around this is more than we were talking about a year ago, Nick. You're right about it with \$620,000 and that was one holiday. There are three holidays there and they're telling me that's less than we originally talked about. We need to get in a room. Let's put all the cards on the table. We have financial advisers, John Baer, for example, bring him in. We both trust the integrity of his numbers. Bring him in.

Mr. Haste: We asked you to do that a month ago and it still hasn't happened.

Mr. Hartwick: Judy, I want to be fair here because and when Dave looks directly at me and starts to attack me. I'm the one that decided to keep the facility and I put my neck on the line to try to do it and you still want to blame me! You're looking at me and telling me and Dave is trying to blame me. Look, Judy, I haveyou have...and against my

better judgment against legal counsel at times, I don't want to say this publicly, but I've sat down with you and I tried to give all the things that we need in order to work a contract. I think I had at least the ability to work the contract out. No one was going to listen to anything until we saw some successes and the one thing we could have controlled was us getting together a lot of you, starting a momentum and starting this argument going in a different direction because we could have reduced the general fund obligation to the facility. You chose not to do that! We got something on Monday! I need time to be able to figure it out, to make it convincing to my colleagues. I'm only one vote and I made my position clear! I made it very clear throughout this entire process! I know where my heart lies! I know where my constituency is and I know who I'm representing! I'm very clear on where my heart is! There has never been a question about that! The question is, what have I had to work with from now till then to try to change somebody else's opinion? Quite frankly you've had Sally Klein tell you, you had Barry tell you, and you had me tell you the same people you're mentioning today! So give me something to work with and I didn't have anything until Monday this week and evaluation of it until late day yesterday! How am I suppose to.....

Ms. Heh: Didn't you have an evaluation yesterday?

Mr. Hartwick: Late yesterday was when I actually saw your proposal. I asked as soon as I got a proposal to the personnel office, this is the truth and stated for public record, I asked the Personnel Office when I got this, give me an evaluation of the numbers and talk about how clear this is going to be to the \$920,000 that I need for my plan. This morning I got a rough estimate of what your numbers were with no supporting documentation. So I have no idea....

Ms. Heh: What is the rough estimate? Is that the \$500,000?

Mr. Hartwick: Again, this is not a negotiation session! This should have been done months ago. I should have gotten involved and you should have done it and have a compelling argument for me to present, two separate tracks.

Ms. Heh: I acknowledge it and I've heard Jeff say we both made mistakes. Let's get in a room. Let's iron this out because....

Mr. Hartwick: It might be too late for that.

Ms. Heh: Depending on what direction we take, we need and will be looking for a solution to the problems out there. I suggest this is not the forum and if we get into discussing where the numbers come from, they came from you. We want to have the opportunity to show you that.

Mr. Hartwick: A lot of those things you voted down 165 to 1 in the last contract negotiations, some of those same things, could we sell this to the membership? That's another question. Now is not the time but we're at a point where everybody has a

position. How are you going to make a compelling and convincing argument if people are already positioned?

Ms. Heh: You have to live with the decision you make. Nobody has a crystal ball to see into the future.

Mr. Hartwick: And I don't like what the future looks like but I'm only one Commissioner.

Mr. Haste: Is there anybody else that would like to address the Board?

Ms. Schwanger: My name is Mary Schwanger and I serve as the President of Harrisburg Region Central Labor Council. Just for the record, I'm here today representing the Central Labor Council which serves the six county region surrounding Dauphin County. We represent more than 20,000 union members in Dauphin County alone. Several months ago after listening to reports from AFSCME local president, Velma Prather, concerning the possible sale of the Dauphin County Nursing Home to a private for-profit company, the delegates of the Harrisburg Region Central Labor Council voted to go on record opposing the sale. Last month the delegates reviewed information that was provided to us by Nursing Home Watch and heard comments from Mr. Browse concerning his wife's death after her stay at the Ensign Nursing. We are now even more committed to opposing the sale especially to any owner affiliated with the Ensign Group. Dauphin County has seen the closure of at least three private sector union and non-union skilled nursing facilities in this County. Our delegates are very, very concerned about the possibility of this sale leading to the future closure of Spring Creek. How will a private for-profit company succeed in Dauphin County and Pennsylvania when others who had the experience in this area failed, including Susquehanna Rehabilitation and Nursing Center, Villa Theresa, and the Rehabilitation Center that is owned by Pinnacle Health? These are long-term corporate residents of this area who are used to the regulatory environment in this area. Dauphin County residents deserve to continue to have a County Nursing Home with public oversight that ensures that our 100+ year facility exists a 100 years from now, not fifteen years. Why does the oversight Commissioner believe that he doesn't have a responsibility to ensure that the County Home exists into the next century when other previous Commissioners have taken that responsibility seriously? How far will county residents and taxpayers have to travel to visit family members in skilled nursing facilities when we face the shortage of MA bed space in Dauphin County? Are we simply not going to treat and serve the poor, elderly, sick and infirmed in Dauphin County in the future because there isn't enough bed space and because there isn't a desire to spend taxpayers' money to support those services when we spend it on prisons; golf courses; when we spend it on the work release center; and we spend it on renovations of county offices?

Mr. DiFrancesco: Scratch the golf course.

Mr. Haste: No tax dollars are spent on the golf course.

Mr. DiFrancesco: You need to get that out of all your letters, too, because we don't spend any money on the golf course.

Ms. Swanger: In the past was money spent on the golf course?

Mr. Haste & Mr. DiFrancesco: No.

Ms. Swanger: Where are our priorities if we don't support our seniors, our sick, our infirm, and our most vulnerable citizenry? Your vote will define your political legacy. Will you be the Commissioners who sold the County Nursing Home and open the County doors to the Ensign Group or will you continue the 100+ year tradition of supporting the County Nursing Home? Thank you.

Mr. Haste: Is there anybody else that would like to address the Board?

Ms. Guyer: Am I allowed to have a copy of the proposal of the sale?

Mr. Haste: Do you mean the document that we received today?

Ms. Guyer: The terms, etc., am I allowed to have one of those? I really would like to....where would I get it?

Mr. Haste: Chad.

Mr. DiFrancesco: We'll make sure you get it.

Ms. Guyer: I would like to get it. I've been here a long time....before I leave?

Mr. Haste: We'll have someone make a copy.

Ms. Guyer: Thank you.

Mr. Haste: Is there anybody else that would like to address the Board at this time?
(There was none.)

ADJOURNMENT

Mr. Haste: Is there a motion to adjourn?

It was moved by Mr. DiFrancesco and seconded by Mr. Hartwick to adjourn the meeting; motion carries.

Transcribed by: Julia E. Nace, Asst. Chief Clerk
June 21, 2006

Respectfully submitted,

Chad Saylor, Chief Clerk Chief of Staff

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