

Authorizing And Approving The Sale Of The County's Certified Home Health Agency License And Long-Term Home Health Care Program License And Authorizing The Chairman And/Or County Executive To Sign Asset Purchase Agreement

Legislator Walter Frey, Jr., Chairman of the Health and Human Services Committee and Co-Sponsors: The Governmental Services, Environmental and Administrative Committee (Chairman Roberts and Legislators Belfiglio, Fabiano, Petit, Ronk, Richard Parete, Robert Parete, Rodriguez and Shapiro) offer the following:

WHEREAS, this resolution has been submitted by the County Executive on behalf of the Department of Health, and

WHEREAS, Ulster County government is facing unprecedented revenue shortfalls that could lead to significant increases in the local tax levy if actions are not taken to decrease spending, and

WHEREAS, the Ulster County Department of Health operates a Certified Home Health Agency (CHHA) and a Long-Term Home Health Care Program (LTHHCP), which are licensed by the New York State Department of Health, and

WHEREAS, these programs require County subsidization, and

WHEREAS, these programs are similarly operated by private entities elsewhere within Ulster County, and

WHEREAS, the County owns certain licenses for the purpose of operating these programs, and

WHEREAS, the Ulster County Executive has recommended the sale of these licenses and the closure of these programs, and

WHEREAS, the sale of these programs will eliminate the County's annual subsidy, thereby saving taxpayers money, and

WHEREAS, the sale of these programs will also result in a one-time infusion of cash that will help to reduce anticipated operating deficits for the County, and

WHEREAS, a search has been conducted for qualified buyers, in accordance with New York State laws and the County's Procurement Policy, and

WHEREAS, Litson Health Care, Inc., dba WILLCARE, has been selected under this procurement process as the successful bidder for the CHHA and LTHHCP licenses, and

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WHEREAS, WILLCARE is already a licensed home health care service provider in Ulster County, and

WHEREAS, the County Executive intends that, through this sale, there will be no loss of services to the Ulster County community, and

WHEREAS, the total sale price is \$1.4 million, of which \$1.1 million is payable in 2010; the buyer will pay the remaining \$300,000 after two years in a balloon payment at 7% interest, and

WHEREAS, it is anticipated that it will take several months for the New York State Department of Health to finalize all approvals that are required in relation to this transaction, and

WHEREAS, the 2010 County Budget projected closure of these programs by June 30, 2010, and

WHEREAS, under the terms of the Asset Purchase Agreement, the County will enter into an interim management agreement with WILLCARE, which will allow WILLCARE to assume responsibility for provision of services to the programs' patients until final licensing approvals are obtained, and

WHEREAS, under this agreement, WILLCARE will receive the revenues that come to the county for the services WILLCARE delivers, and

WHEREAS, the 2010 County Budget must be amended to increase revenues and appropriations so that these revenues can pass through to WILLCARE, and

WHEREAS, there will be no increase in county contribution as a result of this budget amendment, and

WHEREAS, the Governmental Services, Environmental and Administrative Committee has met and reviewed said request with a majority of the members voting approval, and

WHEREAS, the Budget and Finance Committee has reviewed the proposed sale of the CHHA and LTHHCP licenses to WILLCARE and hereby recommend that the Ulster County Legislature approve this transaction, now, therefore, be it

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RESOLVED, that the Ulster County Legislature hereby authorizes and approves the sale of the licenses to operate a CHHA and LTHHCP to WILLCARE for the sum of \$1,400,000.00, in accordance with the terms and provisions of the Asset Purchase Agreement and all of those portions of the agreement including the instruments, documents and transactions contemplated or related therein, in the form to be filed with the Clerk of Legislature or as modified with the approval of the County Attorney, and be it further

RESOLVED, that the Chairman of the Ulster County Legislature and/or the County Executive is hereby authorized to sign the Asset Purchase Agreement and any and all further instruments or documents contained therein or related to the sale of these assets, and be it further

RESOLVED, that the Ulster County Budget is hereby amended as follows:

CREATE

A3-2203-1685	Medicaid - License Transfer
A3-2203-1686 (Rev. #'s)	Medicare - License Transfer

INCREASE

A3-2203-1685	Medicaid - License Transfer	\$ 400,000.00
A3-2203-1686 (Rev. #'s)	Medicare - License Transfer	\$ 100,000.00
A4-2203-4400 (App. #)	Other Fees for Prof. Services	\$ 500,000.00
A2-0000-3205	Fund Balance Reserve	\$1,100,000.00

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and move its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES: 25 NOES: 4
(NOES: Legislators Donaldson, Robert Parete, Shapiro and Zimet)
(Absent: Legislators Frey, Richard Parete and Provenzano)
(Legislator Petit left at 8:00 PM)

FINANCIAL IMPACT:

2010 ADDITIONAL BUDGET APPROPRIATIONS:	\$500,000.00
2010 ADDITIONAL BUDGET REVENUES:	\$500,000.00

ADDITIONAL UNANTICIPATED 2010 REVENUES FROM SALE:

\$1.1 MILLION

ANTICIPATED 2012 REVENUES FROM SALE:

\$342,000.00

0723

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STATE OF NEW YORK

ss:

COUNTY OF ULSTER

This is to certify that I, the undersigned Clerk of the Legislature of the County of Ulster have compared the foregoing resolution with the original resolution now on file in the office of said clerk, and which was adopted by said Legislature on the 20th day of July, 2010, and that the same is a true and correct transcript of said resolution and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the County of Ulster this 22nd Day of July in the year Two Thousand and Ten.

/s/ Karen L. Binder
Karen L. Binder, Clerk
Ulster County Legislature

Submitted to the County Executive this
22nd Day of July, 2010.

/s/ Karen L. Binder
Karen L. Binder, Clerk
Ulster County Legislature

Approved by the County Executive this
29th Day of July, 2010.

/s/ Michael P. Hein
Michael P. Hein, County Executive