Amending The Purchase Price For The Sale Of The County’s Certified Home Health Agency License And Long-Term Home Health Care Program License – Department Of Health

Resolved: That the purchase price for the sale of the County’s Certified Home Health Agency License and Long-Term Home Health Care Program License be amended to reflect the current market value.

Referred to: The Laws and Rules, Governmental Services Committee (Chairman Roberts and Legislators Fabiano, Maio, Ronk, Donaldson, Loughran and Robert Parete) and The Ways and Means Committee (Chairman Gerentine and Legislators Harris, Maio, Maloney, Gregorius, Provenzano and Rodriguez)

Legislators Richard A. Gerentine, Chairman and Donald J. Gregorius, Deputy Chairman of the Ways and Means Committee offer the following:

WHEREAS, Resolution No. 198 of July 20, 2010, authorized the sale of the County’s Certified Home Health Agency (CHHA) License and Long-Term Home Health Care Program (LTHHCP) License to Litson Health Care, Inc. dba WILLCARE, a licensed home health care service provider in Ulster County, and

WHEREAS, the sale of these Licenses has been pending due to delays of the license transfer approval by the New York State Department of Health (NYSDOH), and

WHEREAS, the Asset Purchase Agreement called for a total sale price of $1.4 million, and

WHEREAS, on December 8, 2011, the NYSDOH approved emergency regulations, lifting the moratorium on new home health care licenses, making available additional licenses for the operation of home health care and long-term home health care services, and

WHEREAS, the NYSDOH is transitioning these programs into a mandatory managed care environment, effective the spring of 2014 for the Hudson Valley, thereby decreasing reimbursements to service providers, and

WHEREAS, the State’s action has adversely affected the value of County licenses, which have now decreased significantly, and

WHEREAS, as a consequence of these actions, numerous counties that were in the process of selling their home health care licenses have had the sales transactions cancelled by the buyers, and

WHEREAS, the Asset Purchase Agreement between the County and Litson Health Care, Inc., contains standard language that requires that there be no material adverse change in the financial condition, assets, liabilities, operations or prospects of the Agency or the purchased assets prior to the closing date, and
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WHEREAS, the State’s action is a material adverse change as contemplated by the Agreement, and

WHEREAS, the County received the final approval needed by the New York State Department of Health to complete the sale on January 17, 2012, and

WHEREAS, subsequently the Purchaser has indicated its desire to renegotiate the purchase price contained in the Agreement given the State’s actions, and

WHEREAS, the County contacted its independent consultant, Holtz, Rubenstein and Reminick, to re-estimate the market price of the CHHA and the LTHHCP as it now exists, due to the actions of New York State, and

WHEREAS, the consultant has determined that a revised, fair market value for the CHHA and the LTHHCP, based upon current conditions, is approximately $400,000.00, and

WHEREAS, the Purchaser has indicated a willingness to pay $400,000.00 in cash at closing, now, therefore, be it

RESOLVED, that provided no moratorium exists in relation to the issuance of licenses for CHHA’s, as of the date of closing, the Ulster County Legislature does hereby consent to an amendment of the Asset Purchase Agreement with Litson Health Care, Inc., dba WILLCARE, to reflect a purchase price of $400,000.00, to be paid by the Purchaser in cash at the time of closing, and be it further

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

ADOPTED AS AMENDED BY THE FOLLOWING VOTE:

AYES: 20  NOES: 2
(NOES: Legislators Donaldson and Robert Parete)
(Absent: Legislator Aiello)

Legislator Gerentine motioned, seconded by Legislator Donaldson to amend the resolution adding “provided no moratorium exists in relation to the issuance of licenses for CHHA’s, as of the date of closing, to the first “RESOLVED” as indicated in bold font.

MOTION ADOPTED BY THE FOLLOWING VOTE:

AYES: 22  NOES: 0
(Absent: Legislator Aiello)

Passed Committee: Laws and Rules, Governmental Services Committee on April 16, 2012

Passed Committee: Ways and Means Committee on April 17, 2012

FINANCIAL IMPACT:
$400,000.00 – UNBUDGETED REVENUE DOLLARS 2012
Resolution No.       106       April 17, 2012

Amending The Purchase Price For The Sale Of The County’s Certified Home Health Agency License And Long-Term Home Health Care Program License – Department Of Health

STATE OF NEW YORK  
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 17th day of April, 2012, 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 19th Day of April in the year Two Thousand and Twelve.

Karen L. Binder, Clerk
Ulster County Legislature

Submitted to the County Executive this 19th Day of April, 2012.

Karen L. Binder, Clerk
Ulster County Legislature

Approved by the County Executive this ______ Day of April, 2012.

Michael P. Hein, County Executive