

City of Cambridge

The Health and Hospital Committee held a public meeting on May 20, 1997, beginning at 7:20 p.m. in the Sullivan Chamber for the purpose of receiving an update on the status of plans for Neville Manor.

Present at the hearing were Councillor Timothy J. Toomey, Jr., Chair of the Committee, Vice Mayor Kathleen L. Born, Councillor Francis H. Duehay, Councillor Michael A. Sullivan, Councillor Katherine Triantafillou, and City Clerk Margaret Drury. Also present were John O'Brien, CEO, Cambridge Public Health Commission, Paul Hollings, Administrator of Neville Manor and Ellen Semenoff, Deputy Director of Human Services.

Councillor Toomey convened the hearing and explained the purpose. He introduced John O'Brien, CEO of the Cambridge Public Health Commission, and Paul Hollings, Administrator of Neville Manor.

Mr. O'Brien distributed materials regarding the Commission's proposal for Neville Manor. (Attachment A). Mr. O'Brien made a presentation of the proposal for transition for Neville Manor which is summarized in Attachment A. Mr. O'Brien stated that Neville Manor now has a \$2.3 annual deficit which is expected to increase. Medicaid rates have been frozen and are expected to decrease. There is a declining demand for nursing home beds. The physical plant needs significant renovations.

Mr. O'Brien then summarized the process in which the Commission engaged to develop a request for proposals for the space. He highlighted the criteria for choosing the successful proposal. At this point, the Commission is hopeful that there will be no displacement of current residents. Criteria included provision for the needs of current residents, needs of current employees addressed, continuation of long term and short term health care services, continuation of the geriatric health care mission at the Neville Manor site, continuation of CPH Commission role in governance, elimination of deficit financing, compatibility with the mission of the CPH Commission and integrity, experience and ability of the bidder.

Mr. O'Brien stated that there has been a working committee including himself, Paul Hollings, Eileen McGinnity and several others. The process of consideration has been very serious and rigorous. The proposal that has been put forward is seen by the Commission as extremely compatible with its mission. The proposal was submitted by a development team of the Cambridge Housing Authority (CHA), CASCAP, Inc., the Prism Health Group, Inc. and Affirmative Investments.

The proposal includes 80-100 nursing home beds, 40-60 units of mixed income assisted living, with the great bulk for low and moderate income elderly persons. Mr. O'Brien said that CASCAP has a great deal of experience with the development of housing for low and moderate income people. He explained the advantage of being able to use tax credit financing to keep the

units affordable. Debt service financing could be as low as \$200 per unit per month.

Mr. O'Brien explained that renovations to the nursing home would occur first. Through attrition and freezing admissions, the population is expected to be down to 95 residents from the current population of 140 by the time construction begins. The nursing home would continue to operate throughout the construction, which would take about three years.

Mr. O'Brien stated that frequent updates have been distributed to residents and staff. The Commission expects to reach agreement with the CHA development team very soon.

Mr. O'Brien said that the Commission will need a "determination of need" from the state, in order to recover costs as needed.

Prism Health Group, Inc. would take over the nursing home management during the rehab. Mr. O'Brien continued that there are many complex issues which must be worked through. Significant legal and accounting work will be required in the issue of a lease, in order for the project to qualify for the tax credit financing.

Mr. O'Brien then moved to the issue of employee concerns. He emphasized the weight that will be given to the current residents and employees. He stated that 55% of Neville Manor employees are from surrounding towns, 12% are from Somerville, the balance are from Cambridge. The Commission has had constructive dialogue with all the unions and is now in negotiations. A meeting of union employees with the CHA has been scheduled. These discussions will intensify in the next two-three months.

Mr. O'Brien said that there is a great deal of anxiety on the part of employees and residents. The Commission will not manage the facility in the future. Prism will manage it for the team.

Mr. O'Brien emphasized that there are still many issues to work through, and so it is quite likely that there will be some changes along the way. The Commission is looking at early retirement, severance packages, and bumping rights in order to develop a long list of options that hopefully can be customized for the individual employees.

Mr. O'Brien said that the proposal will bring a state of the art skilled nursing facility to Cambridge. He noted that zoning relief will be needed. Mr. O'Brien emphasized that a decision must be made about this facility. Soon one half of the total tax levy payment to the Commission will go to Neville Manor.

Councillor Toomey then opened the meeting to questions from City Councillors.

Councillor Triantafillou asked why the CHA was chosen and what experience they bring to this.

Mr. O'Brien said that the CHA has an expertise that far exceeded any other in the housing area and particularly with respect to elderly housing. Prism has a very excellent reputation for the provision of skilled nursing care. CASCAP has the affordable housing development and maintenance experience. The financial partner, Affirmative Investments, has the sophistication and expertise to do the tax credit financing package, and, indeed, did the tax credit financing for the Collin Morris Levine assisted living/nursing facility in Chelsea.

Councillor Triantafillou asked whether the CHA has partnership expertise. Mr. O'Brien answered in the affirmative and stated that the Commission has a very successful partnership relationship with the CHA already in the Windsor Street project.

Councillor Triantafillou asked for more information about the assisted living facilities that Affirmative Investments has financed. Mr. O'Brien agreed to provide this information for the committee.

Councillor Duehay noted the importance of regular reports to the City Council about the financing and progress. He stated that he believes the Commission is making the right choice; nevertheless the complexity and the shifting regulatory and financial structure of health care is a great concern. The City will need to have check points along the way, to ensure that Neville Manor is serving the needs of Cambridge residents.

Councillor Duehay asked if funds from the relatively new program that makes Medicaid available in assisted living situations would be utilized. Councillor Duehay noted that the decline in skilled nursing needs may well continue, even below the 80 bed projection at the moment. He suggested keeping adaptability to either use in mind during construction.

Vice Mayor Born asked about the reason for the change in need. Mr. O'Brien said that the driving force is the change in the health care area. There are less expensive ways to provide care for elderly persons, usually within the home.

Vice Mayor Born asked whether there is any comparison with de-institutionalization of mental health patients. When the state could not afford to run the institutions, the patients were released. There were supposed to be alternative community placements, but very little of that actually materialized.

Mr. O'Brien said that the growing costs are a big concern in the health care field. The biggest expense of Medicaid is nursing home care. With the increased cost has come a realization that higher quality care can be provided less expensively.

Vice Mayor Born questioned whether this is true in Cambridge, given the high cost of housing in Cambridge, which can make it difficult for elderly persons to stay in Cambridge.

Mr. O'Brien agreed that high housing costs are a problem in Cambridge and stated that the Commission is seeking to address part of this need in the low/moderate assisted housing part of the project. If this is success, perhaps there can be more.

Vice Mayor Born asked if this will be a public bid construction process. Mr. O'Brien said that he cannot comment on that at this time. It will become more clear as the financing package is developed.

Councillor Toomey stated his concern with the decrease in nursing home care when the elderly population is growing. He noted the City's long time affiliation and support for Neville Manor, and expressed concern with the loss of City oversight. He stated that private development is profit driven. Councillor Toomey asked if it would be possible for the City to still play an oversight role at Neville Manor. He emphasized that this will have to be a continuing dialogue.

Councillor Toomey then invited labor union comment.

James Cassidy, President of Local 195, stated that he has a very serious concern about the employees of Neville Manor. These employees are the poorest of the poor and they are upset. The meetings have not been the kind of meetings that should have happened. Local 195 members are not getting answers. They cannot get an answer on early outs. He emphasized the importance of keeping city attention on this. The union is losing positions. When people leave, they are replace with part-time employees without benefits. Nurses are having the same problems. Local 195 submitted recommendations for the proposals, and not one was included. The proposal is moving too fast. He urged the City Council to go take a look at the proposals. He stated that Local 195 will be glad to meet with the CHA which has good record of labor relations, but they want assurances that the employees will be employees of the CHA, that they will have jobs and benefits. Labor has asked to be a partner from the day the Commission was created. He has asked for Commission minutes and has never received them. The unions have a lot of work to do with Mr. O'Brien and his staff. He emphasized the importance of the City staying involved.

Mary Barry stated that she represents the nurses at Neville Manor. She stated that a year ago Neville Manor was rated 100% by the state in its survey on patient care. Now, morale is low because of the uncertainty. There will be fewer patients seeking to come Neville Manor due to the uncertainty. There will be disruption to the residents.

Jane Erickson, secretary of Friends of Neville Manor, stated that she is here on behalf of the Friends. The Friends are a very diverse group who do what they can for the residents.

The Friends also have concerns for the elderly. Some Friends still have family there; many have continued to stay involved after the family member or friend on whose behalf they begin this activity have passed away. The Friends are in limbo as well. Mr. O'Brien has been the greatest resource to the Friends. However, the organization has been ignored in this process. The Friends did not expect a seat at the policy-making table, but they did not expect to be ignored as they have been. The proposal in three places states that if it is not feasible to provide long term care, they will go ahead with assisted living and day care. Neville Manor is a beautiful building on lovely grounds. The plumbing is the big problem. Her aunt was in a large beautiful room. She would not want to be in one of those cells that they call private rooms.

Jim Sullivan, member of Local 195, stated that he wonders whether any of these places such as the Chelsea facility had a union before the rehab that survived the changes.

Diane Cullen, stated that her father is a resident of Neville Manor. Neville Manor does need improvements. Her concern is that this is going to drag on and no improvements will be made. This uncertainty and anxiety should not go on forever. What happens if the City Council says no?

Councillor Toomey said his major concern is the current residents and employees, as well as the long history of City commitment to Neville Manor. The City Council wants to make sure that the right thing happens to Neville Manor and that current residents will have a place in Cambridge as they grow older. The City Council wants to be sure that it has as much information as possible as it considers this difficult decision.

Mr. O'Brien stated that it is important to continue moving along this path. The worst course would be for the administrators to be unable to make a decision and do nothing. He added that Neville Manor cannot pay the same wages and benefits to future employees. It is among the most expensive nursing homes in the state. He stated that he does expect to be able to find reemployment for the current employees at satisfactory compensation.

John Bowles, Cambridge, stated that he is an employee of Neville Manor, but he is speaking as a resident of the importance to Cambridge residents of knowing that Neville Manor will be there for them. Neville Manor feels like the City of Cambridge; it is a microcosm of the City of Cambridge. He stated that he has great faith in Mr. O'Brien and that this is a well thought-out proposal. However, he questions what will ensure the commitment to the residents of Cambridge if it becomes privatized.

Margaret Callahan, Blanchard Road, asked where is the community voice to speak for the residents if the City is no longer involved.

Mr. O'Brien stated that the contractual arrangement will ensure accountability. In addition the CHA has a very long track record of accountability to the City, and CASCAP also has a good record.

Councillor Sullivan stated the importance of considering the residents above all. He said that what is in this proposal is what the City should have been doing all alone. There has been much discussion of the continuum of care. It seems to him that this is lopping off one end of the continuum. Councillor Sullivan said that Neville Manor is the residents, the employees, the Friends of Neville Manor. Eight million dollars goes into the Public Health Commission from Cambridge taxes.

Mr. O'Brien said that the Commission would be abdicating its responsibility to the residents to just keep on asking for more money to keep Neville Manor as it is. The status quo is not sustainable. He believes the proposal offers the best protection for the continuum of care. He pointed to the example of the Belmont Home in Worcester, which is now an excellent facility.

Councillor Sullivan expressed his concern with ensuring that the high quality health care now here remains after Mr. O'Brien leaves. He asked what protections for City involvement are built into the proposal.

Mr. O'Brien said that the whole financing scheme is hinged on the conveyance of a long term lease, which will need City Council approval. For the sale of investment tax credits, the developer will need a long term lease.

Councillor Sullivan credited Mr. O'Brien with the survival of Neville Manor up to now. He asked how the City Council can know that this proposal provides a long term guarantee, in light of the changing availability of funds.

Mr. O'Brien said that the lease provides the best assurance. He also said that the Commission will want a seat on the board.

Councillor Sullivan asked whether the City could end up with a majority of board members, appointed by the City Manager.

Mr. O'Brien said that this could be entertained in negotiations. In addition, he noted that the City Manager appoints a majority of the CHA board members. In response to a question from Councillor Sullivan, Mr. O'Brien said that he would look at adjusting the timeline to ensure that no current residents are displaced.

Councillor Sullivan noted the remarks of Ms. Erickson about the social interaction that takes place in rooms with more than one occupant and asked about privacy vs. social interact. Mr. Hollings stated that most nursing home rooms today are built for two residents, with common areas for larger community interaction. There is not much demand for the three and four bed rooms that Neville Manor has.

Councillor Sullivan requested that there be a mechanism for more regular reporting on developments regarding Neville Manor.

Mr. O'Brien stated that the Commission will send the City Council copies of the bi-weekly briefings that Paul Hollings distributes.

Councillor Toomey encouraged more dialogue with the unions and the Friends of Neville Manor.

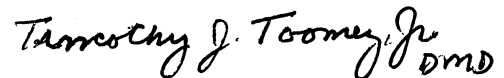
Councillor Triantafillou said that in the hospital process, all of the players seemed content; this does not seem to be the case with Neville Manor from the testimony at this hearing.

Mr. O'Brien said that he will work on this.

Councillor Toomey thanked all those present for their attendance.

The meeting was adjourned at 9:35 p.m.

For the Committee,



Councillor Timothy J. Toomey, Jr.
Chair

**CAMBRIDGE CITY COUNCIL
HEALTH & HOSPITALS COMMITTEE
MEETING**

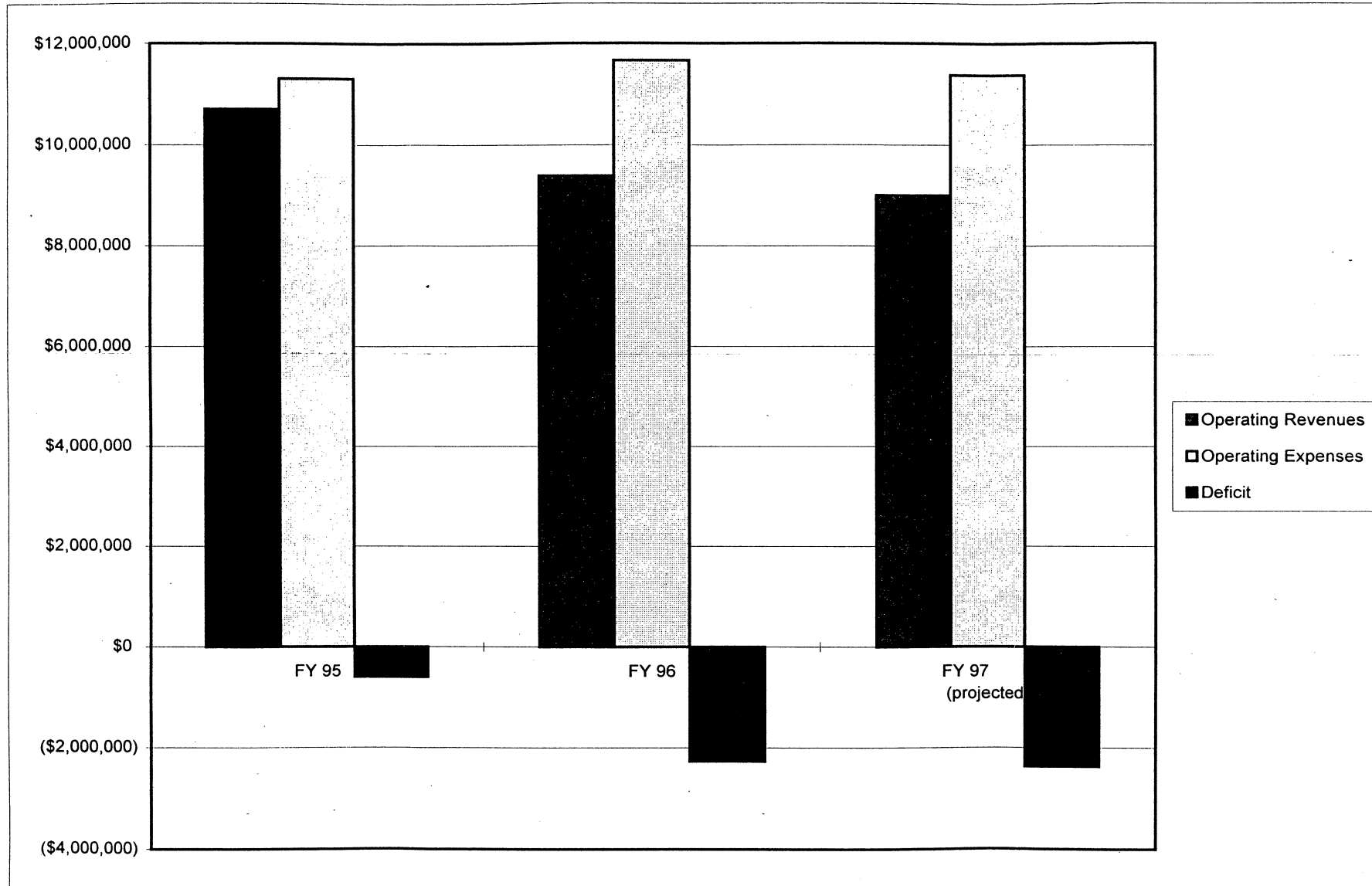
**NEVILLE MANOR:
PROPOSAL FOR TRANSITION**

MAY 20, 1997

NEVILLE MANOR: THE NEED FOR CHANGE

- **Annual deficit at \$2.3 million in FY 96. Expected to grow beyond \$3 million in future.**
 - **Medicaid rates frozen since 1991**
 - **Medicaid rate decrease forecast in 1998**
 - **Neville Manor is one of the most expensive homes in the state**
- **Service Mix No Longer Meets Cambridge Citizens' Needs**
 - **Declining demand for nursing home beds**
 - **Increasing number of alternatives for elders**
 - **Assisted Living**
 - **Home Health**
 - **Home Care**
 - **Hospice**
 - **Transitional Care Units**
 - **Specialty Units**
 - **Empty beds**
 - **Lack of affordable Assisted Living**
- **Physical Plant in Need of Significant Renovation**
 - **Not competitive - prospective residents and their families looking elsewhere**
 - **Lack of privacy and amenities**
 - **Inefficient, awkward layout**

Neville Manor Deficits (FY95 - FY97)



SELECTION CRITERIA FOR CHOOSING THE SUCCESSFUL PROPOSAL

- **Provision for the needs of the current residents of Neville Manor in the least disruptive manner possible.**
- **Needs of current Neville Manor employees addressed to the extent possible.**
- **Continuation of long term and short term health care services to the residents, especially those whose needs are not met in the private sector.**
- **Continuation of the geriatric health care mission at the Neville Manor site, through identification of alternative means of service provision.**
- **Continuation of a CPHC role in governance.**
- **Elimination of the need for the CPHC to provide deficit financing.**
- **Compatibility with the mission of the CPHC.**
- **Integrity, experience, expertise, skill and ability of the bidder to successfully carry out their proposal.**

THE DEVELOPMENT TEAM

CAMBRIDGE HOUSING AUTHORITY

675 Massachusetts Avenue

Cambridge, MA 02139

- **Dan Wuenschel, Executive Director**
- **John Stainton, Director Planning & Development**

CASCAP, Inc.

678 Massachusetts Avenue

Cambridge, MA 02139

- **Michael Haran, Executive Director**

PRISM HEALTH GROUP, INC.

695 Atlantic Avenue, Suite 11

Boston, MA 02111

- **Steven Garfinkle, CEO**

AFFIRMATIVE INVESTMENTS

33 Union Street

Boston, MA 02108

- **David Ennis, Vice President**

*Synopsis of Redevelopment Proposal submitted by Joint Venture
Team of Cambridge Housing Authority, CASCAP, Prism Health Group
and Affirmative Investments.*

SUMMARY OF PROPOSAL

- **Development of a continuum of care on the Neville Manor site to include nursing home beds (80-100), mixed income assisted living (40-60 units), and adult day health. Each program will contain a component dedicated to care of those with Alzheimer's Disease.**
- **Of the assisted living units, 50% would be reserved for low income elders, and 20% would be reserved for moderate income elders. The remainder would be market rate.**
- **Complete renovation of the existing building, with the addition of some space to increase privacy and space for skilled nursing facility residents.**
- **Continued operation of 80-100 nursing home beds during construction and renovations.**
- **Creation of a new not-for-profit entity to own the health care services. Prism Health Group would manage the nursing facility, starting several months before the change of ownership.**

TIMELINE

All timelines are tentative until a binding contract has been signed between the Cambridge Public Health Commission and the Joint Venture Team.

May - July 1997	Negotiations toward development of a binding contract. Contract to be signed by early August.
October/November 1997	Prism Health Group to assume responsibility for management of Neville Manor.
May 1997 - May 1998	Gradual reduction in census at Neville Manor to the number of beds that will be operated during construction. Most of the reduction is anticipated to occur through attrition.
May 1998	Transfer of ownership. Start of construction and renovation of the nursing home section of the building.
January 1999	Completion of nursing home construction. Residents transferred to completed nursing home. Construction begins on Assisted Living facility.
December 1999	Completion of Assisted Living construction. Occupancy of assisted living units is begun.

**NEVILLE MANOR STAFF BY
CITY/TOWN OF RESIDENCE**

<u>City/Town</u>	<u># of Employees</u>	<u>Percent</u>
Cambridge	70	32.6%
Somerville	26	12.1
Other Towns:	119	55.3

**NEVILLE MANOR
FULL TIME EQUIVALENTS**

<u>Position</u>	<u># Of FTE's</u>
Certified Nursing Assistants	74.5
RN's/Supervisors	19.0
Laborers	14.4
LPN's	14.4
Utility Food Workers	8.5
Maintenance	4.0
Houseworkers	3.0
Recreational Therapists	3.0
Social Work/Admissions	3.0
Business Office	3.0
Nursing Management	3.0
Ward Clerks	2.5
Laundry Workers	2.4
Telephone Operators	2.1
Administrators	2.0
Cook	2.0
Clerical	2.0
Staff Development	1.0
Physical Therapist	1.0
Utility Aide	1.0
Human Resources Administrator	1.0
TOTAL	166.8

A report was received from Councillor Timothy J. Toomey, Jr., Chair of the Health and Hospital Committee, for a meeting held on May 20, 1997 for the purpose of receiving an update on the status of plans for Neville Manor.

In City Council June 2, 1997

Report Accepted.
Placed on File.