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MICHAEL D. PERRIN
DEPUTY COUNTY EXECUTIVE

December 15, 2011

Honorable Paul Devane, Clerk
Albany County Legislature
112 State Street, Room 710
Albany, NY 12207

Dear Mr. Devane,

Pursuant to Section 309 (b) (iii) of the Albany County Charter, I hereby object to Resolution No. 508 of 2011, which expresses continued support for the Certificate of Need submitted to the New York State Department of Health pertaining to the development of a new nursing home facility.

Based on the recent actions of the New York State Department of Health to defer the County's Certificate of Need application, I urge the Legislature to re-evaluate and reconsider the building of a new County-operated nursing facility.

Impending but not yet disclosed Medicaid rate changes will likely have a negative impact on the financial viability of the Nursing Home. I do not see how any meaningful analysis of such a project can be made without reviewing the new rates and fully understanding the impact.

Further, the Legislature's budget actions this year have shown a strong tendency to reduce property tax revenues while strictly limiting the ability to properly staff the facility. The added personnel savings factor, together with increased cost savings countywide, will eventually force the closing of a nursing unit if the facility is to stay within budget.

In 2010, Albany County taxpayers subsidized the County Nursing Home with more than \$12.3 million. According to the analysis in the Certificate of Need application, a new facility will cost over \$70 million to build and will require an annual \$19 million subsidy by County taxpayers. Given the County's current financial state and the anticipated decrease in Medicaid reimbursement rates for the County Nursing Home, I do not see how the County can continue to operate a nursing home without significant double digit property tax increases in the coming years. Meeting the State's two percent property tax cap will not be feasible.

I, therefore, cannot support the proposed construction of a new County Nursing Home and I strongly advise the Legislature to reconsider their decision. In these tumultuous economic

times, it is critical the County re-evaluate its role in providing long term care. The County must continue the effort to extend long term care alternatives in the community.

Sincerely,


Michael G. Breslin

cc: Chairman Daniel P. McCoy, Albany County Legislature
Members of the Albany County Legislature
Jamie Kallner, Counsel to the Majority
Thomas Marcelle, Counsel to the Minority