

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

Filing Date: **2004-05-18** | Period of Report: **2004-05-18**  
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### FILER

#### **NEW YORK HEALTH CARE INC**

CIK: **1018354** | IRS No.: **112636089** | State of Incorporation: **NY** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **001-12451** | Film No.: **04816882**  
SIC: **8082** Home health care services

Mailing Address  
1850 MCDONALD AVE  
BROOKLYN NY 11223

Business Address  
1850 MCDONALD AVE  
BROOKLYN NY 11223  
7184210500

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K  
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 18, 2004

NEW YORK HEALTH CARE, INC.

-----  
(Exact name of Registrant as specified in its charter)

|   |                             |   |
|---|-----------------------------|---|
| NEW YORK  | 1-12451                     | 11-2636089                              |
| -----   | -----                       | -----                                   |
| (State or other jurisdiction<br>of incorporation) | (Commission<br>File Number) | (I.R.S. Employer<br>Identification No.) |

|  |            |
|--|------------|
| 1850 McDonald Avenue Brooklyn, New York  | 11223      |
| -----                                    | -----      |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: (718) 375-6700  
-----  
(Former name or former address, if changed since last report)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) - (b) Not Applicable

(c) Exhibits.

99.1 New York Health Care, Inc. Press Release dated May 18, 2004.

Item 12. Results of Operations and Financial Condition

On May 18, 2004, we issued a press release to report our financial results for the quarter ended March 31, 2004. A copy of this press release is attached to this Current Report on Form 8-K as Exhibit 99.1. The information contained in this report and the attached press release is "furnished" but not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEW YORK HEALTH CARE, INC.  
(Registrant)

By: /s/ Jacob Rosenberg

-----  
Jacob Rosenberg  
Vice President and Chief Financial Officer

Date: May 18, 2004

NEW YORK  
HEALTH CARE  
[GRAPHIC OMITED]

FOR IMMEDIATE RELEASE  
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NEW YORK HEALTH CARE ANNOUNCES FIRST QUARTER RESULTS  
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Brooklyn, NY - May 18, 2004 - NEW YORK HEALTH CARE, INC. (THE "COMPANY") (OTC PINK SHEETS: BBAL) today announced financial results for the quarter ended March 31, 2004.

Net patient service revenues were \$11,506,458 as compared to \$11,994,489 in the first quarter of 2003. The net loss for the first quarter of \$1,227,584, or a basic and diluted loss per share of \$.05, includes net income of \$43,000 from the operations of the home healthcare segment, offset by a net loss of \$1,271,000 from the BioBalance segment. For the three months ended March 31, 2003, the operations of the home care segment showed net income of \$143,000 while the BioBalance segment had a loss of \$1,278,000. In the first quarter of 2003, several non-cash loss charges including \$17,869,000 attributable to the impairment of goodwill and noncash compensation approximating \$753,000, resulted in a net loss of \$19,004,862, or a basic and diluted loss of \$.79 per share.

Commenting, Jerry Braun, President and Chief Executive Officer of New York Health Care, stated, "We are proceeding toward our goal of divesting the home healthcare business and arranging funding for the BioBalance segment, making a discussion of home healthcare business irrelevant for today's news release."

The BioBalance Corporation is a specialty pharmaceutical company focused on the development of novel treatments for various gastrointestinal (GI) disorders that are poorly addressed by current therapies via accelerated regulatory pathways. These disorders include Irritable Bowel Syndrome (IBS), inflammatory bowel disease and diarrhea caused by antibiotics, chemotherapy or AIDS. BioBalance operates as a wholly owned subsidiary of New York Health Care, a home healthcare company with which it merged on January 2, 2003 in a Stock Exchange Agreement. The combined entity trades on the OTC Pink Sheets under the symbol BBAL. Additional information is located on the company website at [www.biobalancecorp.com](http://www.biobalancecorp.com).

**SAFE HARBOR STATEMENT** In addition to historical information, certain of the statements in the preceding paragraphs, particularly those anticipating future events, financial performance, business prospects and growth and operating strategies constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements may be identified by words such as anticipate, believe, estimate, expect, intend, predict, hope or similar expressions. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements, including, without limitation, satisfaction of approvals and conditions applicable to the transaction described above, the Company's ability to implement its strategies and achieve its objectives and the risks and uncertainties described in reports filed by the company with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, including without limitation, cautionary statements made in New York Health Care's 2003 Annual Report on Form 10-K, its latest quarterly report on Form 10-Q and current reports on Form 8-K.

(more)

CONTACT: -or- INVESTOR RELATIONS COUNSEL:  
 New York Health Care The Equity Group Inc.  
 Jerry Braun, President & C.E.O. Linda Latman (212) 836-9609  
 (718) 375-6700 www.theequitygroup.com

The BioBalance Corp.  
 Dennis O'Donnell, President  
 (212) 679-7778

(See Accompanying Tables)

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New York Health Care, Inc. News Release  
 May 18, 2004

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NEW YORK HEALTH CARE, INC. & SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF OPERATIONS  
 (UNAUDITED)

|   | For The Three Months Ended<br>March 31, |                 |
|---|---|-----------------|
|   | 2004                                    | 2003            |
| <S>   | <C>                                     | <C>             |
| Net patient service revenue                                 | \$11,506,458                            | \$ 11,994,489   |
| Expenses:   |   |                 |
| Professional care of patients                               | 9,187,896                               | 9,706,778       |
| General and administrative (excluding noncash compensation) | 2,949,425                               | 2,453,730       |
| Noncash compensation  | 3,690                                   | 734,811         |
| Total general and administrative expenses                   | 2,953,115                               | 3,188,541       |
| Product development (excluding noncash compensation)        | 427,584                                 | 94,996          |
| Noncash compensation  | (170,304)                               | 17,709          |
| Total product development                                   | 257,280                                 | 112,705         |
| Goodwill impairment   | -                                       | 17,869,339      |
| Bad debts expense   | 120,000                                 | 15,000          |
| Depreciation and amortization                               | 223,049                                 | 114,488         |
| Total operating expenses                                    | 12,741,340                              | 31,006,851      |
| Loss from operations  | (1,234,882)                             | (19,012,362)    |
| Non-operating income (expenses)                             |   |                 |
| Interest income   | 12,307                                  | 8,217           |
| Interest expense  | (5,009)                                 | (717)           |
| Total non-operating income (expenses), net                  | 7,298                                   | 7,500           |
| Net loss  | \$ (1,227,584)                          | \$ (19,004,862) |

|   |            |            |
|---|------------|------------|
| Basic and diluted loss per share                | \$ (0.05)  | \$ (0.79)  |
| Weighted and diluted average shares outstanding | 24,939,776 | 23,912,406 |

<FN>

(1) On January 2, 2003, The BioBalance Corp. ("BioBalance") acquired New York Health Care in a transaction accounted for as a reverse acquisition. Although New York Health Care is the name of the surviving public corporate entity, and BioBalance is its wholly-owned subsidiary, the Company's financial statements reflect the historical results of BioBalance, prior to January 2, 2003 and the consolidated results of operations of the Company subsequent to the acquisition date of January 2, 2003. The Company's condensed consolidated financial statements have been retroactively adjusted to give effect to the reverse acquisition on January 2, 2003. At that time, the Company amended its certificate of incorporation increasing the number of authorized common stock from 50,000,000 shares to 100,000,000 shares and preferred stock from 2,000,000 shares to 5,000,000 shares.

(2) As a result of the merger, the Company recognized goodwill of \$18,750,000, related to the home care business. Based upon an independent valuation of this business versus its purchase price, the Company recorded a non-cash, non-recurring impairment to goodwill charge of \$17,869,339 and a non-cash charge of \$753,000 resulting from an accounting charge due to the issuance of variable options.

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CONSOLIDATED BALANCE SHEETS  
ASSETS

|  | March 31, 2004 | December 31, 2003 |
|--|----------------|-------------------|
|  | (Unaudited)    | (Note 1)          |
| <S>  | <C>            | <C>               |
| Current assets:  |                |                   |
| Cash and cash equivalents  | \$ 5,261,192   | \$ 7,337,896      |
| Due from lending institution   | 336,644        | 208,721           |
| Accounts receivable, net of allowance for uncollectible amounts of \$498,000 and \$397,000, respectively | 6,928,585      | 6,577,283         |
| Unbilled services  | 80,844         | 100,114           |
| Prepaid expenses and other current assets  | 451,314        | 319,195           |
| Total current assets   | 13,058,579     | 14,543,209        |
| Property and equipment, net  | 131,772        | 145,898           |
| Goodwill, net  | 900,587        | 900,587           |
| Other intangible assets, net   | 5,777,882      | 5,971,622         |
| Other assets   | 77,464         | 67,652            |
| Total assets   | \$ 19,946,284  | \$ 21,628,968     |

LIABILITIES AND SHAREHOLDERS' EQUITY

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| Current liabilities:                  |              |              |
| Accrued payroll                       | \$ 1,244,228 | \$ 1,786,044 |
| Accounts payable and accrued expenses | 6,010,702    | 5,849,732    |
| Due to HRA                            | 4,123,261    | 3,756,507    |
| Due to related parties                | 940,526      | 1,190,526    |
| Income tax payable                    | -            | 24,394       |
| Total current liabilities             | 12,318,717   | 12,607,203   |

Commitments and contingencies

Shareholders' equity:

|  |               |               |
|--|---------------|---------------|
| Preferred stock, \$.01 par value, 5,000,000 shares<br>authorized; Class A Preferred, 590,375 authorized,<br>issued and outstanding | 5,904         | 5,904         |
| Common stock, \$.01 par value, 100,000,000 shares<br>authorized; 24,943,821 shares issued and 24,939,776 outstanding               | 249,438       | 249,438       |
| Additional paid-in capital   | 32,512,678    | 32,679,292    |
| Deficit  | (25,130,980)  | (23,903,396)  |
| Less: Treasury stock (4,045 common shares at cost)   | (9,473)       | (9,473)       |
|  | -----         | -----         |
| Total shareholders' equity   | 7,626,567     | 9,021,765     |
|  | -----         | -----         |
| Total liabilities and shareholders' equity   | \$ 19,946,284 | \$ 21,628,968 |
|  | =====         | =====         |

</TABLE>