

## **CLARIFICATION**

### **HEAL NY Phase 15 RGA Medicaid Transition Funding**

#### **Applicant Eligibility**

A hospital need not be eligible for Medicaid Transition funding nor have submitted a Medicaid Transition Fund Business Plan to be eligible for funding under this RGA.

Funding for this RGA is authorized under the HEAL Legislation, PHL section 2818(4), “to provide necessary restructuring support to hospitals for transition to a new reimbursement methodology.” To be eligible for funding, applicants must meet the following criteria listed in section 2818(4)(a):

- (i) have a loss of operations for each of the three consecutive preceding years as evidence by audited financial statements; and
- (ii) have a negative fund balance or negative equity position in each of the three preceding years as evidenced by audited financial statements; and
- (iii) have a current ratio of less than 1:1 for each of three consecutive preceding days;<sup>1</sup> **OR**
- (iv) be deemed to the satisfaction of the commissioner to be a provider that fulfills an unmet health care need for the community as determined by the department through consideration of the volume of Medicaid and medically indigent patients served; the service volume and mix, including but not limited to maternity, pediatrics, trauma, behavior and neurobehavioral, ventilator, and emergency room volume; and, the significance of the institution in ensuring health care services access as measured by market share within the region; **OR**
- (v) be deemed to the satisfaction of the commissioner to have incurred operating losses resulting from the implementation of reimbursement rate reforms and other reductions enacted by a chapter of the laws of two thousand nine, to provide for the continued financial viability of the applicant. (*Emphasis added*).

Any operating losses incurred as a result of reimbursement reforms and other reductions as referred to in (v) above should be of a size sufficient to affect the financial viability of the hospital, as stated in section 1.3 of the RGA and as further detailed in section 2.4 (Selection Process).

In addition to the above criteria in (i) through (v), as applicable, applications will also be evaluated according to how well they meet the various factors listed in section 2.4 of the RGA.

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<sup>1</sup> The word “days” is a drafting error and should be “years.” This error is being corrected.