



Summary of Public Comments on the DSRIP PPS Lead & PPS Lead Financial Stability Test

- 1) The form references a final application with a Microsoft Excel template for completing the application. When will the final application and Microsoft Excel template be released and what will be the deadline for the submission of the application and completed template?

Response: The final DSRIP PPS Lead & PPS Lead Financial Stability Test with the accompanying DSRIP PPS Lead & PPS Lead Financial Stability Test Excel Tool will be available on Monday October 27, 2014. PPS Leads will be required to submit the completed application including all narrative, financial, and additional supporting documentation by Friday November 7, 2014.

- 2) Please provide an explanation of how the ratios in Phase I and Phase II of the financial stability test will be calculated.

Response: The DSRIP PPS Lead & PPS Lead Financial Stability Test Excel Tool contains a Glossary that defines the formulas for each of the Phase I and Phase II ratios.

- 3) When will the final thresholds for the Phase I metrics of the financial stability test be established and how will they be calculated? Will the thresholds be based on one or two standard deviations from the statewide average?

Response: The final thresholds for the Phase I metrics of the Financial Stability Test have been included in the DSRIP PPS Lead & PPS Lead Financial Stability Test Excel Tool that will be available on Monday October 27, 2014. The thresholds have been calculated at one standard deviation from the statewide average based on New York specific data submitted to the Department of Health.

- 4) The requirement in Phase III of the financial stability test for the PPS Lead to monitor the executive compensation of its partners is not reasonable. Additionally, there are already state regulations in place that limit the amount of state funds or state authorized payments to provide services as well as IRS requirements for not for profit providers that accomplish this goal.

Response: The Phase III requirement for the PPS Lead to monitor the executive compensation of its partners has been eliminated from the PPS Lead Financial Stability Test section of the DSRIP Project Plan application.

- 5) The calculation of the change for the 2013 to the 2014 YTD data is not applicable due to the differences in the time periods covered in each (12 months versus 8 months).



Response: The calculation of the year-to-year changes have been removed from the DSRIP PPS Lead & PPS Lead Financial Stability Test Excel Tool.

- 6) Will consideration be made for the potential differences in accounting requirements under FASB versus GASB in evaluating the PPS Lead Financial Stability Test metrics?

Response: PPS Leads should report their financial information for the DSRIP PPS Lead Financial Stability Test as it appears on their audited financial statements. Any PPS Lead that does not pass the financial metrics will have the ability to submit additional documentation for consideration by the Independent Assessor in support of their application to serve as the PPS Lead. This documentation may include the notes to their audited financial statements that would indicate differences in how line items on the financials are determined.