

FOR PUBLIC COMMENT

**Announcement of
Availability of Funding**

**INTERIM ACCESS ASSURANCE FUND (IAAF)
FOR SAFETY NET HOSPITALS**

ISSUED BY THE

NEW YORK STATE DEPARTMENT OF HEALTH

Key Dates:

Applicant Information Webinar: May 5, 2014

Comments Due: May 14, 2014

Applications Due: May 30, 2014

Applicant Information Webinar
May 5, 2014 2:00pm – 4:00 pm

CONTACT PERSON: Christopher Delker, Director
Division of Planning and Licensure
Center for Health Care Facility Planning Licensure & Finance
OPCHSM
iaaf@health.state.ny.us

OVERVIEW

The New York State Department of Health (DOH, Department) seeks comments on a proposed process for the awarding of funds to stabilize the financial position of safety net hospitals threatened with closure and assist them in transforming operations to integrated delivery systems as they develop partnerships supported through the Delivery System Reform Incentive Program (DSRIP).

PURPOSE

Funds in the amount of up to \$250 million are proposed to be made available under this announcement to assist individual hospitals in acute financial distress to maintain operations through March 31, 2015. Funding is intended to help the hospitals maintain vital services while they work toward longer-term solutions to sustainable health care services. A hospital receiving funding must collaborate with other providers to build more efficient and effective service delivery through reduced reliance on inpatient care and the strengthening of primary, ambulatory and community-based care appropriate to identified community needs. It is expected that successful applicants under this solicitation will work during the funding period with one or more other providers in their communities to develop strategies to create an integrated system of care that ensures access to preventive and primary care, and community-based services, that will improve the community's health, quality of care, and the financial stability of the applicant organization and others in the integrated system.

ELIGIBLE APPLICANTS

Applicants under this solicitation must be

- a public hospital, defined as a general hospital operated by a county or municipality, but not by a public benefit corporation; **or**
- a federally designated Critical Access Hospital; **or**
- a federally designated Sole Community Provider (SCP) hospital; **or**
- a safety net hospital, defined as a general hospital
 - with at least 30 percent of its inpatient discharges made up of Medicaid eligible individuals, uninsured individuals or Medicaid dually-eligible individuals; **and**
 - with at least 35% of its outpatient visits made up of Medicaid eligible individuals, uninsured individuals or Medicaid dually-eligible individuals; **or**
 - that serves at least 30 percent of the residents of a county or a multi-county area who are Medicaid eligible individuals, uninsured individuals or Medicaid dually-eligible individuals;

and for all applicants

- at serious risk of closure through March 31, 2015 as evidenced by
 - less than 15 days cash and equivalents; **and**
 - no assets that can be monetized other than those vital to the operation; **and**
 - the operator has exhausted all efforts to obtain resources from corporate parents and affiliated entities to sustain operations.

Eligible applicants must also commit to participate with other entities in the development of a proposal for funds under the DSRIP program that would require that they become participants in a system of integrated services delivery.

ELIGIBLE COSTS

Eligible for payment under this program are costs directly related to the operation of a facility, including but not limited to:

- Personnel (salaries, wages, benefits)
- Supplies and non-capital equipment
- Utilities
- Administrative services
- Communications
- Record keeping, data collection and information processing.

EXCLUDED COSTS

- Capital expenditures, including but not limited to:
 - Construction
 - Renovation
 - Acquisition of capital equipment, including major medical equipment.
- Consultant Fees
- Retirement of long term debt.

AWARDS

Awards under this solicitation will be made after the Department's analysis of the applicant's eligibility and financial projections. The Department, after its review of individual applications and the aggregate amount of requested funds, may award an amount to a hospital that is lower than the applicant's requested funding. Successful applicants will be subject to monthly Department monitoring of financial status and progress towards a defined financial stability work plan and with the commitment of participation in future project design and DSRIP transformation proposals. Monthly award payments will be based on the applicant's actual monthly financial performance during the period and the reasonable cash amount needed to sustain operations for the following month. Therefore, ultimate payments may differ from the initial award.

REVIEW PROCESS

Each application will be reviewed by DOH staff with expertise in health care finance, reimbursement, and delivery. Once eligibility for funding is confirmed, each applicant's current and projected financial status, proposed use of funds to maintain critical services needed by its community, anticipated impact of the loss of such services, and operational transformation plan will be reviewed in determining whether the applicant will be awarded funds, and the amount of the award.

PAYMENT PROCESS

Payments to awardees will be made on a monthly basis through the payment mechanism for payment of Medicaid adjustments. Monthly payments will depend on the recipient's monthly financial and activity reports, which include actual revenues and expenses for the prior month, projected cash need for the current and the coming month, and progress achieved toward reaching goals agreed upon with the Department.

PUBLIC COMMENTS

The Department welcomes comments on this proposed solicitation. Please submit comments electronically to iaaf@health.state.ny.us by 5:00 PM, **May 14, 2014**. Comments received after this date and time will not be considered.

The Department will review submitted comments as it finalizes the IAAF funding process. The final solicitation will be released on or about, **May 16, 2014**.

INTERIM ACCESS ASSURANCE FUND (IAAF) APPLICATION FOR SAFETY NET HOSPITALS

The 1115 Waiver provides funding for the IAAF program. This application is for IAAF funding, which ends March 31, 2015.

Applicant Information

Applicant: Name of Operator _____			
Facility Address _____	City _____	NY	Zip _____
Operating Certificate Number _____	Federal Employer ID Number (FEIN) _____	NYS Charities Registration Number _____	
Authorized Contact Person	First Name _____	Last Name _____	
Contact Title _____			
Facility Address _____	City _____	NY	Zip _____
Phone _____	Fax _____	Email _____	

Eligibility Category

Indicate for which of the following categories the applicant qualifies:

Public Hospital defined as a general hospital operated by a county or municipality, but not by a public benefit corporation

Federally Designated Critical Access Hospital (CAH)

Federally Designated Sole Community Provider (SCP) Hospital

Safety Net Hospital defined as meeting at least one of the following two (2) requirements:

Medicaid, Uninsured or Medicaid Dual eligible patients comprise at least 35% of all outpatient visits **and** Medicaid, Uninsured or Medicaid Dual eligible patients comprise at least 30% of all inpatient discharges.

Provided services to at least 30% of the Medicaid, Uninsured or Medicaid Dual eligible population residing in the target county or counties for the 12 month reporting period indicated below.

Fill in the end date for the most recent reporting year for which you submitted cost reporting data to the New York State Department of Health and on which your eligibility statement and application are based:

Month	Year
_____	2012
_____	2013
_____	2014

Certification to be signed by the Hospital Board Chair or Secretary:

I hereby affirm that I have reviewed all material submitted as part of this application and that these documents contain accurate information to the best of my knowledge. I certify that the applicant hospital is in compliance with sections 405.2, 610.3 and 610.4 of Title 10 of NYCRR. Additionally, on behalf of the applicant hospital, I commit to participate with other entities in the development of a proposal for funds under the Delivery System Reform Incentive Payment (DSRIP) program that would require that applicants become participants in a system of integrated services delivery.

Notarized Signature

Date

Printed Name

Title

New York State Department of Health

INTERIM ACCESS ASSURANCE FUND (IAAF) APPLICATION

Financial Information and Justification

Amount of funding requested, and supported by attached budget, to maintain operations through March 31, 2015. Funding may not be used for capital projects, retirement of debt, consultants or program expansion. \$

Submit all of the following:

- Project Narrative (see below)
- Latest Full Audited Financial Statements
- Latest Internal Balance Sheet, Income Statement, and Statement of Cash Flow
- 2013 Breakdown of Utilization (Inpatient and Outpatient by payer and service line, as applicable)
- April 1, 2014 – March 31, 2015 Budget by Month (form attached)
- April 1, 2014 – March 31, 2015 Monthly Utilization Projections

Certification to be signed by the Chief Financial Officer or equivalent

I hereby affirm that the hospital applicant has available resources of less than 15 days cash and/or equivalents, that I have reviewed all financial documents submitted as part of this application, and that these documents are accurate to the best of my knowledge.

Notarized Signature

Date

Printed Name

Title

Project Narrative

Describe the applicant's overall financial status, scope of services and service model. This should include background and projections of the applicant's finances, level of financial need to maintain vital operations, the justification for the amount of funds requested through March 2015 and the consequences of not receiving the requested funds, and other sources and amounts of financial assistance the applicant can pursue, including but not limited to corporate parents and affiliated entities. Include a list of foundations, referral arrangements, shared service agreements, and active or passive corporate relationships. This project narrative should also include a description of the geographic area and population served and of the need for services provided by the applicant. (Narrative may be attached and may not exceed 5 pages).

**Instructions for
Interim Access Assurance Fund (IAAF) Application for
Safety Net Hospitals**

Submission: Eligible applicants must submit two complete original and signed applications, along with two hard copies of the application and two copies on separate flash drives. These electronically readable flash drives must include a complete copy of the application, readable in Adobe's .pdf format.

Applications should be submitted to the following address:

Mr. Christopher Delker
Division of Planning and Licensure
Grants Support Unit
Corning Tower Room 1805
Albany, NY 12237

For applicants that currently meet the eligibility criteria stated in this announcement, applications should be **received** at the above address no later than **3:00 p.m.** on **May 30, 2014**.

Applicants that become eligible for IAAF support subsequent to May 30, 2014, may submit their applications whenever changes in their cash situation and/or volume of services to Medicaid, uninsured or Medicaid dually-eligible individuals result in their meeting the eligibility criteria.

Applicant Information and Eligibility

Name of Operator: This should be the name of the corporate entity that is the operator of the hospital as it appears on the facility's operating certificate.

Eligibility Category – Most Recent Reporting Year: This should be the end date for the 12-month period preceding the most recently submitted cost report, (e.g. December 31, 2012; March 31, 2013; June 30, 2013; December 31, 2013, etc.).

Project Narrative

Justification for Funds Requested: Describe in specific terms the current financial status of the facility, including projections through March 31, 2015. Describe in specific terms all activities to be supported by requested funding and the basis for the amounts shown in the individual line items. Describe also how the overall request is critical to the continued operation of the facility, including the specific consequences if the requested funds are not approved.

Area Served: The area served by the applicant should be described in defined terms, such as Zip codes, Census tracts, or county or municipal boundaries, rather than imprecise designations such as “neighborhood” or “market area.”

Need for Services: This should include demographic and health status information for the population served by the facility and information on the availability (or lack thereof) of other health care services in the area. The applicant’s services and utilization should be described in terms of such factors as visits, admissions, occupancy rates, payer mix and other measurable indicators.

Affiliations: Applicants should describe any affiliations with other facilities—such as foundations, referral arrangements, shared service agreements, or active or passive corporate relationships—that may bear on their capacity to participate in DSRIP-supported partnerships and integrated services delivery systems if sustained by IAAF support in the interim.