



Department of Health

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Executive Deputy Commissioner

August 5, 2015

Mr. Arthur Gianelli
President
Mount Sinai St. Luke's Hospital
Mount Sinai Hospitals Group
1111 Amsterdam Avenue
New York, New York 10025

Dear Mr. Gianelli:

On March 11, 2015, the New York State Department of Health (Department), the Office of Mental Health (OMH), and the Office of Alcoholism and Substance Abuse Services (OASAS) were pleased to respond to the request for waivers from certain regulatory requirements submitted by Mount Sinai Hospital, in its capacity as lead for the Mount Sinai Hospitals Group PPS (MSPPS) under the Delivery System Reform Incentive Payment (DSRIP) Program. In that letter, we notified you that your waiver request 34.11 related to reimbursement, required additional review. We are pleased to inform you that your request has been approved.

Pursuant to Public Health Law (PHL) § 2807(20)(e) and (21)(e), and in connection with DSRIP Project Plans and projects under the Capital Restructuring Financing Program, which are associated with DSRIP projects, the Department, OMH, OASAS and OPWDD may waive regulations for the purpose of allowing applicants to avoid duplication of requirements and to allow the efficient implementation of the proposed projects. However, the agencies may not waive regulations pertaining to patient safety nor waive regulations if such waiver would risk patient safety. Further, any waivers approved under this authority may not exceed the life of the project or such shorter time periods as the authorizing commissioner may determine.

Accordingly, the regulatory waiver approved below is for projects and activities as described in the Project Plan application and any implementation activities reasonably associated with those activities. The regulatory waiver may no longer apply should there be any changes in the nature of a project. It is the responsibility of the PPS and the providers that have received waivers to notify the relevant agency when they become aware of any material change in the specified project that goes beyond the scope of which the waiver was granted. Further, the regulatory waiver approved is only for the duration of the projects for which it was requested.

The approval of regulatory waivers are contingent upon the satisfaction of certain conditions. In all cases, providers must be in good standing with the relevant agency or agencies. Other conditions may be applicable as set forth in greater detail below. The failure to satisfy any such conditions may result in the withdrawal of the approval, meaning that the providers will be required to maintain compliance with the regulatory requirements at issue and could be subject to enforcement absent such compliance.

This approval is for the specific regulatory waiver request described below.

34.11 Mount Sinai 2.a.i, 2.b.iv, and 4.b.ii

10 NYCRR Part 86 Subpart 86-1

Background and justification provided in your request:

All MSPPS selected projects will require the development of a clinically-integrated health system with seamless coordination of care. In particular, Projects 2.a.i, 2.b.iv, and 4.b.ii will drive a restructuring of hospital services to improve population health by serving outpatient needs in the community while increasing access to specialized services requiring an inpatient setting. Over time, this will result in the reduction of excess hospital capacity, supporting a focus on providing high quality evidence-based inpatient care when medically appropriate.

Consistency of financial reimbursement for services to Medicaid patients across the MSPSS will be essential to achieving the necessary facility restructuring and integration. A clarification of 10 NYCRR 86-1.31 would support MSPPS's hospital partners in achieving this consistency. General hospitals joining under the common control of the same active parent entity for purposes of creating a more economical common enterprise should qualify as a merger, acquisition and consolidation, as used in 10 NYCRR 86-1.31. Payments for such hospitals should be calculated based on the Subpart 86-1 rate factors of the hospital with the highest pre-combination rate. This would allow all combining hospitals to operate under consistent reimbursement rates, while reinforcing the Department's commitment to supporting providers during this period of system transformation.

Response to waiver request:


Determination: Approved for a 3-year rate adjustment.

In cases where waivers are approved, the agencies will send letters directed to the providers, who will otherwise be responsible for complying with the regulatory provisions at issue. Providers further will be advised that agency staff who conduct surveillance activities will be notified that these regulatory waivers have been approved; however, they should maintain a copy of their waiver letters at any site subject to surveillance.

Please note that the Department will continue to publish on its website a list of regulatory waivers that have been approved to assist PPSs in determining whether additional waivers may be appropriate for the activities within a PPS. Additional requests for waivers, as well as any questions regarding the foregoing, may be sent by e-mail to DSRIP@health.ny.gov with "Regulatory Waiver" in the subject line.

Thank you for your cooperation with this initiative. We look forward to working with you to transform New York's delivery system.

Sincerely,


Howard A. Zucker, M.D., J.D.
Commissioner of Health