

**Announcement of
Availability of Funding**

**VITAL ACCESS PROVIDER ASSURANCE PROGRAM (VAPAP)
SAFETY NET HOSPITALS
SAFETY NET HOSPITALS IN NEED OF APRIL/MAY 2015 CASH ASSISTANCE**

**ISSUED BY THE
NEW YORK STATE DEPARTMENT OF HEALTH**

**For Hospitals Needing April/May 2015 Cash Assistance:
Expedited Applications Due: April 9, 2015 by 5:00 p.m.**

**For All Others:
Full Applications Due: April 30, 2015, by 5:00 p.m.**

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PURPOSE

Funds in the amount of up to \$245 million are made available under this announcement to individual hospitals in severe financial distress to enable these facilities to maintain operations and vital services through March 31, 2016, 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 consistent with the goals of the Delivery System Reform Incentive Payment (DSRIP) program. It is expected that successful applicants under this solicitation will develop a transformation strategy during the funding period that will ensure future fiscal sustainability while providing essential services to their communities.

ELIGIBLE APPLICANTS

Applicants under this solicitation must be

- a public hospital, defined as a general hospital operated by a county or municipality, but not operated by a public benefit corporation; **or**
- a federally designated Critical Access Hospital; **or**
- a federally designated Sole Community Hospital; **or**
- a safety net hospital, defined as a general hospital (but not operated by a public benefit corporation)
 - 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

- in severe financial distress through March 31, 2016 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.

Awards will not be made without submission of a VAPAP application. 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. Such plan shall be approved by the department and shall demonstrate a path towards long term sustainability and improved patient care. Awards made may be in an amount lower than the funding requested.

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.
- Bankruptcy related costs.

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.

MULTI-YEAR TRANSFORMATION PLAN

No later than September 30, 2015, VAPAP recipients must secure Department approval of a multi-year transformation plan that is aligned with DSRIP program goals and objectives, and demonstrates a path to long-term sustainability and improved patient care. If a VAPAP recipient fails to submit a transformation plan that is acceptable to the Department, the Department may suspend or repeal an award.

Further details regarding the expected content and form of this plan will be provided to applicants later in April 2015.

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 in determining 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, actual use of VAPAP funds, projected cash need for the current and the coming month, and progress achieved toward reaching goals agreed upon with the Department.

REQUIREMENT TIMELINE

Expedited applicants need only submit the one page certification by the April 9, 2015 due date. Expedited applicants will supplement their submission by April 30, 2015 and include the balance of all documentation required of a full application.

**EXPEDITED VITAL ACCESS PROVIDER ASSURANCE PROGRAM (VAPAP) APPLICATION
SAFETY NET HOSPITALS IN NEED OF APRIL/MAY 2015 CASH ASSISTANCE**

This application is for VAPAP funding, which ends March 31, 2016.

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 Hospital (SCH)

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
_____	2013
_____	2014
_____	2015

Certification to be signed by the Hospital Chief Executive Officer or Designee:

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. I also understand that as a condition of receiving VAPAP the applicant must secure Department approval, no later than September 30, 2015, of a multi-year transformation plan. 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

**VITAL ACCESS PROVIDER ASSURANCE PROGRAM (VAPAP) APPLICATION
SAFETY NET HOSPITALS ASSISTANCE**

This application is for VAPAP funding, which ends March 31, 2016.

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

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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
_____	2013
_____	2014
_____	2015

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. I also understand that as a condition of receiving VAPAP the applicant must secure Department approval, no later than September 30, 2015, of a multi-year transformation plan.

Notarized Signature	Date
Printed Name	
Title	

VITAL ACCESS PROVIDER ASSURANCE PROGRAM (VAPAP) APPLICATION

Financial Information and Justification

Amount of funding requested, and supported by attached budget, to maintain operations through March 31, 2016. Funding may not be used for capital projects, retirement of debt, consultants or program expansion.

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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
- 2014 Breakdown of Utilization (Inpatient and Outpatient by payer and service line, as applicable)
- April 1, 2015 – March 31, 2016 Budget by Month (form attached)
- April 1, 2015 – March 31, 2016 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 (Not to exceed 5 pages, in 12-point font or larger)

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 2016 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
Vital Access Provider Assurance Program (VAPAP) Application for
Safety Net Hospitals

Submission: Applications are to be submitted electronically. Applicants should submit their Word and Excel application documents directly to vapap@health.ny.gov. Pages requiring signatures and notarization may be scanned.

For applicants that currently meet the eligibility criteria stated in this announcement and require cash assistance in April / May 2015, applications must be received no later than **5:00 p.m. on April 9, 2015**. The Expedited Application should be completed.

For all other applicants that currently meet the eligibility criteria stated in this announcement, applications must be received no later than **5:00 p.m. on April 30, 2015**. The Full Application should be completed.

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, 2013; March 31, 2014; June 30, 2014; December 31, 2014, etc.).

Project Narrative¹

Justification for Funds Requested: Describe in specific terms the current financial status of the facility, including projections through March 31, 2016. 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

¹ Not to exceed five pages, in 12-point font or larger. Information in pages beyond the five maximum will not be reviewed.

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 integrated services delivery systems if sustained by VAPAP support in the interim

Proprietary Information and FOIL

In submitting VAPAP applications, hospitals may request that proprietary information in the submitted document be exempt from disclosure under the New York State Freedom of Information Law (FOIL). All such requests are reviewed on a case-by-case basis, if and when a FOIL request is received for the particular application. In those instances, the Department reaches out to the applicant to afford them the opportunity to state what is proprietary in the application and why. The applicant's response is then reviewed by the Department's legal staff and a determination made as to whether the information is exempt from disclosure.