

Nirav R. Shah, M.D., M.P.H.
Commissioner

NEW YORK
state department of
HEALTH

Sue Kelly
Executive Deputy Commissioner

January 26, 2012

RECEIVED

Mr. Daniel P. McCoy
Albany County Executive
112 State Street, Room 200
Albany, New York 12207

ALBANY COUNTY
EXECUTIVE OFFICE

Re: Project # 102376 Albany County Nursing
Home – Construct a 200 bed replacement
facility and certify a 30 slot adult day health
care program

Dear Mr. McCoy:

The Certificate of Need (CON) application noted above is under review by the New York State Department of Health. The project was advanced to the November 17, 2011 meeting of the Public Health and Health Planning Council's (PHHPC) Committee on Establishment and Project Review. At that meeting, Committee members questioned the financial feasibility of this project given the substantial projected operating deficits, the Department's imminent release of a new nursing home pricing rate methodology, and the two percent property tax cap legislation. Based upon these factors, the Council deferred the project from the PHHPC agenda to allow the County time to reassess the project.

The new rate methodology has now been released and an examination of the Albany County Nursing Home's CON budget, adjusted for projected rates, shows a projected annual operating deficit of \$26,316,572. With the incremental revenue produced from the adult day health care program, the combined operational loss is projected to be \$26,266,769. Obviously the loss will have to be addressed by Albany County. Before the Department again advances this project to the PHHPC for its consideration, we are requesting your written commitment to meet the projected financial deficits for this nursing home project, recognizing that the two percent property tax cap presents a significant challenge to the financing of this facility.

If you have any questions, you can reach me at (518) 402-0967.

Sincerely,



Charles P. Abel
Acting Director
Division of Health Facility Planning



DANIEL P. MCCOY
COUNTY EXECUTIVE

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MICHAEL D. PERRIN
DEPUTY COUNTY EXECUTIVE

February 15, 2012

Hon. Shawn Morse, Chairman
Albany County Legislature
112 State St., Rm. 710
Albany, NY 12207

Dear Chairman Morse:

By letter dated January 26, 2012, the state Department of Health (DOH) asked that Albany County re-confirm its commitment to the pending Certificate of Need (CON) application in light of a newly established Medicaid reimbursement formula.

Attached, please find the state's letter and an estimate of the impact of the new rate formula on Albany County. The estimate was prepared by DOH.

It is our understanding that the County's CON application will be on the agenda for consideration at the April 5th meeting of the Public Health & Health Planning Council. A resolution from the Legislature re-confirming support for that application would be favorably received by DOH staff in their recommendations to the Council.

Sincerely,

Michael Perrin

cc: / Jamie Kallner, Majority Counsel
Minority Counsel's Office (attn.: P. Ragaini)

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