§ 2825-a. Health care facility transformation program: Kings county project. 1. A Kings county health care facility transformation program is hereby established under the joint administration of the commissioner and the president of the dormitory authority of the state of New York for the purpose of strengthening and protecting continued access to health care services in communities. The program shall provide capital funding in support of projects that replace inefficient and outdated facilities as part of a merger, consolidation, acquisition or other significant corporate restructuring activity intended to create a financially sustainable system of care. The issuance of any bonds or notes hereunder shall be subject to the approval of the director of the division of the budget, and any projects funded through the issuance of bonds or notes hereunder shall be approved by the New York state public authorities control board, as required under section fifty-one of the public authorities law.

2. The commissioner and the president of the authority shall enter into an agreement, subject to approval by the director of the budget, and subject to section sixteen hundred eighty-r of the public authorities law, for the purposes of awarding, distributing, and administering the funds made available pursuant to this section. Such funds may be distributed by the commissioner and the president of the authority for capital grants to general hospitals, residential health care facilities, diagnostic and treatment centers, primary care providers, and home care providers, certified or licensed pursuant to article thirty-six of this chapter, for capital non-operational works or purposes that support the purposes set forth in this section. A copy of such agreement, and any amendments thereto, shall be provided to the chair of the senate finance committee, the chair of the assembly ways and means committee, and the director of the division of budget no later than thirty days prior to the release of a request for applications for funding under this program. Projects awarded under section twenty-eight hundred twenty-five of this article shall not be eligible for grants or awards made available under this section.

3. Notwithstanding section one hundred sixty-three of the state finance law or any inconsistent provision of law to the contrary, up to

seven hundred million dollars of the funds appropriated for this program shall be awarded without a competitive bid or request for proposal process for capital grants to health care providers (hereafter "applicants") located in the county of Kings.

(a) Eligible applicants shall serve communities whose residents are experiencing significant levels of health care disparities and health care needs compared to other communities within the county of Kings as evidenced by:

(i) a high number of Medicaid enrollees and uninsured individuals;

(ii) elevated blood lead level rates among children, high rates of diabetes, high blood pressure, asthma, obesity, infant death or premature birth, heart failure, behavioral health conditions, substance abuse;

(iii) low levels of income, high rates of unemployment, distressed housing conditions, and poor nutritional status;

(iv) other risk factors as determined by the commissioner and the president of the authority; and

(b) Such eligible applicant shall:

(i) (A) have a loss from operations for each of the three consecutive preceding years as evidenced by audited financial statements;

(B) have a negative fund balance or negative equity position in each of the three preceding years as evidenced by audited financial statements; and

(C) have a current ratio of less than 1:1 for each of three consecutive preceding years; or

(ii) be deemed by the commissioner and president of the authority to be a provider that fulfills or will fulfill an unmet health care need for acute inpatient, outpatient, primary or residential health care services in a community.

4. In determining awards for eligible applicants under this section, the commissioner and the president of the authority shall consider criteria including, but not limited to:

(a) the extent to which the proposed capital project will contribute to the long term sustainability of the applicant or preservation of essential health services in the community or communities served by the applicant;

(b) the extent to which the proposed project or purpose is aligned with delivery system reform incentive payment ("DSRIP") program goals and objectives;

(c) the relationship between the proposed capital project and identified community need;

(d) the extent that the proposed capital project furthers the development of primary care and other outpatient services;

(e) the extent to which the proposed capital project benefits Medicaid enrollees and uninsured individuals;

(f) the extent to which the applicant has engaged the community affected by the proposed capital project and the manner in which community engagement has shaped such capital project; and

(g) the extent to which the proposed capital project addresses potential risk to patient safety and welfare.

5. The department shall provide a report on a quarterly basis to the chairs of the senate finance, assembly ways and means, senate health and assembly health committees. Such reports shall be submitted no later than sixty days after the close of the quarter, and shall conform to the reporting requirements of subdivision twenty of section twenty-eight hundred seven of this article, as applicable.