§ 2825-c. Essential health care provider support program. 1. Notwithstanding section one hundred sixty-three of the state finance law, or any inconsistent provision of law to the contrary, within amounts appropriated, funds may be allocated and distributed by the commissioner without a competitive bid or request for proposal process, for grants to essential health care providers to support debt retirement, capital projects or non-capital projects that facilitate health care transformation, including mergers, consolidation, and restructuring activities intended to create a financially sustainable system of care. Grants shall not be available to support general operating expenses. For purposes of this section, an essential health care provider is a hospital or hospital system that, in the discretion of the commissioner, offers health care services within a defined geographic region where such services would otherwise be unavailable to the population of such region.

2. The commissioner shall award grants for projects consistent with the purposes of this section. Eligible applicants shall meet the following criteria:

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

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

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

(b) be deemed by the commissioner to be a provider that fulfills or will fulfill an unmet need for acute inpatient, outpatient, primary or residential health care services in a defined geographic region where such services would be otherwise unavailable to the population of such region.

3. Such awards shall be distributed pursuant to criteria, including but not limited to:

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

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

(c) consideration of geographic distribution of funds;

(d) the relationship between the proposed project and an identified community need;

(e) the extent to which the applicant has access to alternative financing;

(f) the extent to which the proposed project furthers the development of primary care;

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

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

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

4. Disbursement of awards made pursuant to this section shall be conditioned on the awardee achieving certain process and performance metrics and milestones as determined in the sole discretion of the commissioner. Such metrics and milestones shall be structured to ensure that the health care transformation and provider sustainability goals of the project are achieved, and such metrics and milestones shall be included in grant disbursement agreements or other contractual documents as required by the commissioner.

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 include, for each award, the name of the applicant, a description of the project or purpose, the amount of the award, disbursement date, and status of achievement of process and performance metrics and milestones pursuant to subdivision four of this section.