§ 2958. Rural health care access development program. 1. To the extent of funds available therefor, the sum of ten million dollars shall annually be made available for periods prior to January first, two thousand three, and up to nine million three hundred twenty thousand dollars for the period January first, two thousand three through December thirty-first, two thousand three, up to nine million three hundred twenty thousand dollars for the period January first, two thousand four through December thirty-first, two thousand four, up to twelve million eighty-eight thousand dollars for the period January first, two thousand five through December thirty-first, two thousand five, up to twelve million eighty-eight thousand dollars for the period January first, two thousand six through December thirty-first, two thousand six, up to eleven million eighty-eight thousand dollars annually for the period January first, two thousand seven through December thirty-first, two thousand ten, up to two million seven hundred seventy-two thousand dollars for the period January first, two thousand eleven through March thirty-first, two thousand eleven, and within amounts appropriated for each state fiscal year on and after April first, two thousand eleven, shall be available to the commissioner from funds pursuant to section twenty-eight hundred seven-l of this chapter to provide assistance to general hospitals classified as a rural hospital for purposes of determining payment for inpatient services provided to beneficiaries of title XVIII of the federal social security act (Medicare) or under state regulations, in recognition of the unique costs incurred by these facilities to provide hospital services in remote or sparsely populated areas pursuant to subdivision two of this section.

2. a. The commissioner shall provide assistance to all rural hospitals as defined in this section by distributing all amounts made available pursuant to section twenty-eight hundred seven-l of this chapter.

b. For the purposes of this subdivision, the commissioner shall devise a distribution methodology that takes into account the need for rural hospitals to improve operational efficiencies, reduce the duplication of services, and develop affiliations with community based health care providers and which recognizes whether a hospital is a federally

designated sole community hospital, rural referral center, rural hospital, state designated rural hospital, or a hospital that is at substantial financial risk of failure and whose service area is threatened with reduced access to essential health services. In no event shall the size of the rural hospital be the sole contributing factor in such distribution methodology. Such methodology shall provide assistance at graduated levels from highest to lowest, in accordance with the following criteria:

(i) The hospital shall be at substantial risk of financial failure, using a combination of generally accepted standard measures of financial viability and which is:

A. a federally designated sole community hospital or a rural referral center and is both a federally designated rural hospital and is classified as a state rural hospital;

B. a federally designated sole community hospital or a rural referral center and is a federally designated rural hospital;

C. both a federally designated rural hospital and is classified as a state rural hospital, but is not a sole community hospital or a rural referral center;

D. either a federally designated rural hospital or is classified as a state rural hospital; or

E. the hospital is either a federally defined sole community hospital or rural referral center.

(ii) The hospital is a sole community hospital or a rural referral center and is both a federally designated rural hospital and is classified as a state rural hospital;

(iii) The hospital is a sole community hospital or a rural referral center and is a federally designated rural hospital, but is not classified as a state rural hospital;

(iv) The hospital is both a federally designated rural hospital and is classified as a state rural hospital but is not a sole community hospital or a rural referral center;

(v) The hospital is either a federally designated rural hospital or is classified as a state rural hospital; or

(vi) The hospital is either a federally defined sole community hospital or a rural referral center.

c. The commissioner may include in regulation a factor to enhance the distribution to those hospitals that have taken actions in accordance with the goals specified in paragraph b of this subdivision to be applied effective January first, two thousand one, except, however, in no event shall the distribution of the funds be delayed because of the development of the factor pursuant to this paragraph.

3. The commissioner shall cause reports to be prepared and submitted by rural hospitals at such times and in such manner as are consistent with the purposes of this section.