



Children and Adults Health Programs Group

May 27, 2015

Jason Helgeson
State Medicaid Director and Deputy Commissioner
Office of Health Insurance Programs
New York State Department of Health
Empire State Plaza
Corning Tower (OCP – 1211)
Albany, NY 12237

Dear Mr. Helgeson:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has made a determination for granting a vital access provider (VAP) exception under New York's delivery system reform incentive payment (DSRIP) program. CMS is following up on the revised VAP exception application for Adirondack Health Institute (AHI). In February 2015, AHI applied for a safety-net VAP exception using the criterion that it was a state designated health home. However, the health home line of business disqualified some of the providers in its network who did not meet the safety net definition. On April 30, 2015, New York submitted a revised application on behalf of AHI using the criterion that the community would not be served without granting the exception. The application included a narrative and layout of AHI's governance structure, including a partnership with Champlain Valley Physician Hospital as the financial lead for the proposed PPS.

Upon review of the application, CMS is approving Adirondack Health Institute to participate in DSRIP as a safety net provider and as a co-lead entity in a PPS, based on its revised application that includes its governance structure.

DSRIP participation as a PPS lead composed of safety net providers for this entity is contingent upon New York's assurance that the entity, by our agreed upon definition, consist of all safety net providers, and that non-qualifying providers will not be added to the PPS without applying for another exception. New York also assures that AHI will not become a source for Inter-Governmental Transfer (IGT) in order to receive funding from the Public Hospital Transformation Fund and will only be awarded with DSRIP project funding from the Safety Net Performance Provider System Transformation Fund.

Questions related to New York's 1115 demonstration should be directed to the project officer, Jessica Woodard. Ms. Woodard can be reached at (410) 786-9249 or Jessica.Woodard@cms.hhs.gov. We look forward to continuing to work with you and your staff on the implementation of New York's DSRIP.

Sincerely,

/s/

Eliot Fishman
Director

Cc: Michael Melendez, Associate Regional Administrator, CMS New York