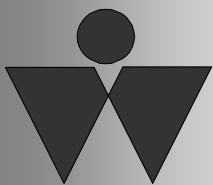


Alternative Sources of Funding

- **Health Facility Restructuring Pool**
- **HEAL NY**
- **Federal-State Health Care Reform Partnership (F-SHARP)**



Factor 5: The Availability of Alternate Sources of Funding for the Capital Debt of Affected Facilities and a Plan for Paying or Retiring Any Outstanding Bonds

1. Health Facility Restructuring Pool

This is a legislatively authorized pool of funds established pursuant to Public Health Law (PHL) §2815 as part of the Health Care Reform Act (HCRA) of 1996. Funding of \$20 million per year is provided pursuant to PHL §2807-1(1)(d) and has recently been extended until June 30, 2007. The Pool is jointly administered by the Department of Health and the Dormitory Authority of the State of New York (DASNY) in accordance with a Memorandum of Understanding (MOU) authorized by PHL §2815 (3). Under the terms of this MOU, the pool is authorized to make interest free loans to general hospitals to assist them in transitioning to an unregulated managed care reimbursement system.

2. HEAL NY

The Healthcare Efficiency and Affordability Law of New York, or HEAL NY, is a \$1 billion legislatively authorized grant program over four years administered by the Commissioner of Health and the Director of the Dormitory Authority of the State of New York (DASNY) (see PHL §2818). These funds are intended for asset acquisition, including refinancing and/or debt reduction in that context as well as capital associated with major repairs, renovations or conversions of existing facilities, and investments in health information technology.

3. F-SHRP

The Federal-State Healthcare Reform Partnership (F-SHRP) is a New York State request to the Federal government to reinvest approximately \$1.5 billion of the close to \$7 billion that has been saved as a result of the success of New York's 1115 waiver. This reinvestment, coupled with State support for similar initiatives, will enable the State to restructure the acute and long term care infrastructure, invest in Health Information Technology and support ambulatory care initiatives.