

# **Legislative Appropriation Update**

NYSARH Finance Committee

November 12, 2020

# Contract Summary

- \$1.1M in Legislative Appropriation
- \$990K for RHN and RAH distribution
- \$110K for Admin Fee
  
- Contract dates: April 1, 2019-March 31, 2020
- 6 month extension requested through September; no answer to date
- Seeking a further extension on or before Nov 20 of this year

# Status of \$990K Funds Distribution

## Rural Access Hospitals

- \$495K was available
- \$471,019.00 has been vouchered by hospitals
- \$23,981.00(2 grants) no submission
- \$298,863.82 has been reimbursed by the state
- \$172,155.18 owed to NYSARH by state and NYSARH owes to hospitals

## Rural Health Networks

- \$495 K was available
- \$491,042.09 has been vouchered by RHNs
- \$3,957.91 (1 grant) no submission
- \$395,671.84 has been reimbursed by the state
- \$95,370.25 owed to NYSARH by state and NYSARH owes to RHN's

# Status of Admin Fee Earnings

Total Amount Available if All sub-contract \$ distributed is \$110,000

NYSARH earns an admin fee based on 10% of dollars distributed

NYSARH YTD has distributed \$ 694,535 and earned \$69,453 YTD

Any unearned Admin \$ needs to be returned to NYS

**We will owe the State a check but not yet sure how much:**

Minimum, we know we will not earn \$2,794 based on 3 contracts that will not be reimbursed (\$27,939)

If we do not get reimbursed for the remaining \$267,525 we will not earn an additional \$26,752

Total at risk is \$29,546 out of the \$110K advance

Final Admin Fee Earning Range

\$107,206 (best case)

\$80,454 (worst case)

# Recap

- NYSARH is obligated to pay \$962,061 this excludes the 3 late vouchers
- NYSARH has received and paid out \$694,535 for sub-contracts
- NYSARH has received \$110K advance on Admin Fee
- NYSDOH owes NYSARH \$267,525
- NYSARH owes \$267,525 to sub contracts
- NYSARH owes NYSDOH some amount for Unearned Admin (\$2,700-\$29K)

# Considerations

How much of the \$80.5K-107K carries over at the end of the year?

Can/Should grantees who vouchered by 4/10 deadline be paid when there is no guarantee of any further payments from NYSDOH; essentially spend down our reserves.

Executive Committee has questioned whether we could/should pay out \$59,546.79 out of Admin (\$107K-\$80.5K) to satisfy agreements that said vouchers were due by 4/10

Is the state likely to apply the Q4 20% contract reduction and what does that look like?

Other scenarios to consider like law suits, bankruptcy exploration, etc.

Reminder that our obligation as BOD members is to protect NYSARH's future.

# **Discussion/Recommendations**