



## Department of Health

**ANDREW M. CUOMO**  
Governor

**HOWARD A. ZUCKER, M.D., J.D.**  
Commissioner

**SALLY DRESLIN, M.S., R.N.**  
Executive Deputy Commissioner

Patricia Smith  
701 Westchester Avenue, Suite 210W  
White Plains, NY 10604

November 27, 2017  
RE: 14 Day Letter  
Mohawk Valley Health Systems  
CON- 172305 – Construct a new 373-bed  
replacement hospital on a 25-acre parcel in Utica.

Dear Ms. Smith:

Review of the above application has revealed the need for the additional information requested in the enclosure from the Bureau of Financial Analysis. In preparing answers to the questions, please repeat each question and then provide the answer. Please submit your response via your New York State Electronic Certificate of Need account within 14 days of the date of this letter in accordance with 10 NYCRR, 710.3-(a).

Processing of your application by the Bureau of Financial Analysis cannot be completed until the information is received and reviewed. Also, if this project requires review by the Public Health and Health Planning Council, such review may have to be delayed if the requested information is not received promptly. Accordingly, while you have 14 days to respond, you are encouraged to submit the response at your earliest opportunity.

If you have any questions on the information being requested, please contact Kenneth Glindmyer at 518-457-5070.

The following information is required to complete the review of the above referenced application.

Sincerely,

Kenneth Glindmyer, BFA  
DOH

**Please note that if any data has changed on the application schedules, they must be resubmitted in the appropriate location. For example, if Schedule 13's data has changed, you must resubmit a new schedule 13 in the schedule 13 location so that all other Bureaus have the most up to date information.**

- 1) Provide an organizational chart of Mohawk Valley Health System
- 2) Provide an explanation for the net operating losses for both Faxton-St Lukes's and St. Elizabeth's September 2017 Internal Financial Statements. Indicate what the hospitals are doing to better their current financial position.
- 3) Schedule 8
  - a. Provide back up to tie into Interim Interest Expense of \$10,500,000. Information provided of \$150,000,000 interim loan at 5.25% for 32 months = \$21,000,000. We will need to tie into the \$10,500,000.
- 4) Schedule 9 –
  - a. Land. Applicant stated N/A but on Schedule 8, \$12,000,000 was listed under land. Please reevaluate Schedule 9 – Section D Land and fill out the appropriate fields. Please note that no items should be filled out as N/A. This includes providing us with:
    - i. Appraisal of the land by a NYS Certified Agent
    - ii. Copy of the proposed/executed purchase agreement
    - iii. Affidavit indicating any and all relationships between the seller and the proposed operator/owner.
  - b. Interim Loan – Please indicate what will be used for the interim loan, and if bridge financing is being obtained, provide a letter of interest addressing the terms of the loan.
- 5) Schedule 13 –
  - a. Table 13d does not have inpatient information for both hospitals and projected year 1 and 3, please provide similar to how outpatient was provided.
  - b. What operational efficiencies will be gained as a result of this project and how much savings per efficiency?
  - c. It appears that all expenses will be increased in projected year 1, please explain based on answer to question above.