

Application Number:172305

Facility Name: Faxton-St Lukes Healthcare St Lukes Division

Project Description: Construct a new 373-bed replacement hospital on a 25-acre parcel in Utica

Executive Summary

Mohawk Valley Health System (MVHS) is submitting this Full Review Certificate of Need (C.O.N.) Application that seeks approval for the construction of a new hospital campus. MVHS is the active parent and co-operator of St. Elizabeth Medical Center (St. Elizabeth) and Faxton St. Luke's Healthcare St. Luke's Division (St. Luke's). St. Luke's (Operating Certificate #3202003H; PFI #0599) is currently located at 1656 Champlin Avenue, Utica (Oneida County), New York 13502. St. Elizabeth Medical Center (Operating Certificate #3202002H; PFI #0598) is currently located at 2209 Genesee Street, Utica (Oneida County), New York 13501. Cardiac PCI and cardiac surgery services currently offered through the Mohawk Valley Heart Institute (Operating Certificate #3202004H; PFI #7528) are also provided on the campus of St. Elizabeth at 2209 Genesee Street, Utica (Oneida County), New York 13501. This C.O.N. Application will be funded, in part, through the **Health Care Facility Transformation Program: Oneida County** grant awarded to MVHS specifically for this purpose. This project is one (1) of at least two (2) Applications being submitted to the New York State Department of Health (NYSDOH) for the transformation of services within the Oneida County region, as described in detail below.

Through New York Public Health Law Section 2825-b, New York State created the "Oneida County Health Care Transformation Program" that set aside up to \$300 million in capital grant funding for the sole purpose of consolidating multiple licensed healthcare facilities into an integrated system of care, within the largest population center in Oneida County (i.e., Utica). Through a response to a Request for Applications (RFA #1505060325) from the New York State Department of Health (NYSDOH) and Dormitory Authority of the State of New York (DASNY), MVHS was awarded \$300 million in grant funding for the project proposed in this C.O.N. Application (i.e., the creation of a new hospital campus), which will result in the transformation of healthcare services in the region.

This C.O.N. Application is the first in a series of (at least two (2)) Applications that Mohawk Valley Health System and its two (2) related facilities (St. Elizabeth and St. Luke's) will be submitting that will lead to the merger of St. Elizabeth and St. Luke's, and the relocation and consolidation of the majority of services comprising St. Elizabeth and St. Luke's to the new hospital campus in Utica, New York.

The new, consolidated hospital campus will be located on a 25-acre parcel of land generally bordered by the following streets in Utica (Oneida County), New York 13501: State Street, Broadway, Oriskany Street West, and Columbia Street. An address has not yet been assigned to the site. The new hospital campus will have the following inpatient bed complement: coronary care (eight (8) beds); intensive care (42 beds); maternity (23 beds); medical/surgical (232 beds); neonatal intermediate care (eight (8) beds); pediatric (16 beds); and psychiatric (44 beds). In addition, the St. Luke's campus will retain 24 physical medicine and rehabilitation beds. In total, MVHS (inclusive of its two (2) campuses) will reduce its overall inpatient bed complement by 174 beds, from 571 beds to 397 beds (including 373 beds at the new hospital campus and 24 PM&R beds at its St. Luke's campus).

Through this C.O.N. Application, all inpatient and most outpatient services from the current St. Elizabeth campus will be relocated to the new hospital campus, which will be known as the “Mohawk Valley Health System Campus”. The current St. Luke’s site will become a division of the Mohawk Valley Health System under this Application and will relocate all inpatient and outpatient services from the St. Luke’s site to the new hospital campus (with the exception of 24 PM&R beds and some other outpatient services).

The St. Elizabeth site will be converted into an outpatient extension clinic to be known as “St. Elizabeth Campus”. As a new extension clinic site, it is expected to maintain its existing PFI number. In particular, sleep center services (Mohawk Valley Sleep Disorders Center), cardiac and thoracic surgery-related services (all of which are medical-only services; no surgical services will be provided at this site), primary care services and a laboratory patient service center (PSC) will continue to be provided at this site.

The Total Project Cost for this project is estimated to be \$481,371,583, which is broken down into the following two (2) sub-projects:

- Sub-Project No. 1 – Article 28 New Hospital Campus (\$480,000,000, including C.O.N. Application and Processing Fees). This amount will be funded through the Oneida County Health Care Transformation Program grant funds that MVHS was awarded (in the amount of \$300,000,000), as well as financing (in the amount of \$150,000,000) and existing cash equity (in the amount of \$30,000,000).
- Sub-Project No. 2 – Non-Article 28 Masonic Medical Research Lab (\$1,371,583) – This amount will be funded through existing cash equity of MVHS. The Masonic Medical Research Lab will lease certain space on the new hospital campus, within the new hospital building structure, from MVHS.