



STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower The Governor Nelson A. Rockefeller Empire State Plaza Albany, New York 12237

Richard F. Daines, M.D.
Commissioner

James W. Clyne, Jr.
Executive Deputy Commissioner

July 30, 2010

Dear Chief Financial Officer:

**Re: Health Facilities Cash Assessment
Program – 2010 Amnesty Program**

This will serve as formal notification of recently enacted legislation which provided amnesty from the interest and penalty provisions of Section 2807-d of the Public Health Law (PHL) for certain delinquent Health Facilities Cash Assessment Program (HFCAP) payments.

Chapter 58 of the Laws of 2010 amended Section 2807-d(2)(b) of the Public Health Law to read: "Notwithstanding any contrary provision of law, assessments due and owing pursuant to paragraph (b) of subdivision two of section 2807-d of the Public Health Law for monthly periods prior to January 1, 2009, which are paid on or before December 1, 2010, shall not be subject to interest or penalties as otherwise provided in section 2807-d of the Public Health Law, provided, however, that all assessment, interest and penalty amounts collected by the Commissioner of Health prior to the receipt of such payments, whether through recoupment or otherwise, shall remain in full force and effect and such amounts collected shall not be subject to further reconciliation or adjustment, and provided further, however, that in the event payments are made pursuant to this section which, as determined by the Commissioner of Health, constitute less than 100% of the principal amounts remaining outstanding for periods prior to 2009, the Commissioner of Health shall apply such payments to each unpaid month in order, starting with the oldest unpaid month that is outstanding at the time such payments are received. Furthermore, the provisions of this act shall not apply to any assessment payment made in response to an audit finding made by the Commissioner of Health, the Commissioner of Health's designee or the Office of the Attorney General; and, further, the provisions of this section shall not apply to recoupments implemented through offsets applied to retroactive lump sum payments".

Consequently, as prescribed in this authorization, interest and penalty will be fully waived if all outstanding payments for assessment periods prior to January 1, 2009 are paid on or before December 1, 2010. After this date, any remaining outstanding delinquencies for such periods will be fully subject to the interest and penalty provisions of PHL 2807-d, and subject to recovery actions.

Dear Chief Financial Officer

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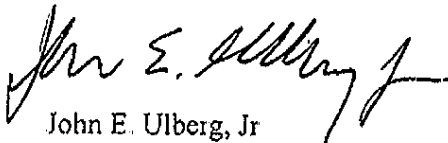
Providers electing to participate in the amnesty program must submit a letter to the Department of Health indicating the intent to participate in the amnesty program, and the expected amnesty payment date. The Department will then send a confirmation letter that includes the revised recoupment balance due. Providers will have 30 days from the date of the Department's confirmation letter to remit the amnesty payment. Failure to submit such payment within the 30-day period will result in interest and penalty being reapplied, and weekly Medicaid recoupments reinstated.

If you elect to participate in the 2010 Amnesty Program, please send a letter to the following address:

Mr. Philip N. Mossman, Director
Bureau of HCRA Operations and Financial Analysis
Room 984, Corning Tower Building
Albany, New York 12237

If you have any questions concerning this matter, please contact Mr. Roland Guilz of the Bureau of HCRA Operations and Financial Analysis at (518) 473-4653

Sincerely,



John E. Ulberg, Jr
Director
Division of Health Care Financing