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DOH Issues Letter on RHCFC Asset Transfers/Equity Withdrawals

ABSTRACT: Clarifications on new prior approval requirement for asset transfers.

The Department of Health (DOH) has just issued a Dear Administrator Letter (DAL) on a new requirement for prior approval of certain transfers of assets from a voluntary not-for-profit nursing home to another entity. The requirement, contained in the 2009-10 state budget and effective April 1, 2009, requires DOH approval when such transfers individually or in the aggregate exceed three percent of the prior calendar year's Medicaid revenue.

These requests must be made using the DOH form enclosed with the May 20th DAL, and sent to DOH by certified or registered mail. DOH will have up to 60 days to act on these requests. If a transfer is made without prior approval, DOH could require the withdrawn assets to be replaced and also impose a penalty. NYAHSA provided input to DOH on the letter and form, and many of our suggestions were incorporated, including exemptions for transfers related to capital improvements or financing of capital improvements.

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