



FEMA Funding & South Nassau Communities Hospital

South Nassau Communities Hospital was the only health care provider that expressed interest in acquiring the assets of the former Long Beach Medical Center after it declared bankruptcy following Superstorm Sandy. Working with the NYS Health Department, South Nassau was able to secure FEMA funding to help restore medical services to Long Beach and the South Shore. The FEMA dollars would have been lost to our region had South Nassau not stepped forward.

January 22, 2015	FEMA Obligated	\$171,224,942.31
Federal Share 90%		\$154,102,448.08
Non-Federal Share		\$ 17,122,494.23

FEMA has prepared a grant for South Nassau Communities Hospital in the amount of \$171,224,942.31 to provide healthcare services to its surrounding communities including Long Beach. The federal participation in this grant is \$154,102,448.08 while the remaining funds are the responsibility of South Nassau Communities Hospital.

In order to receive the \$154 million, SNCH must spend \$171 million.

What is eligible work? SNCH can use the FEMA funds to perform **capital projects relating to providing healthcare to its surrounding communities**. This could include construction of new facilities, renovation of existing facilities, purchase of contents/equipment or to perform hazard mitigation on existing SNCH facilities. Before starting any of this work, SNCH must present the proposed projects to FEMA and the New York State Department of Health for approval, to ensure they can be reimbursed with the federal funds.

What would not be covered by the FEMA grant funding? SNCH **cannot use the FEMA funds for loss of revenue, operating expenses, planning or any other non-capital expenditure**.

Here is a breakdown of South Nassau expenditures to date not covered by FEMA grant:

- Approximately \$14 million to purchase the Long Beach Hospital site from bankruptcy
- Improved the former Long Beach Hospital Family Practice Clinic - \$130,000
- Established the Long Beach Urgent Center at a cost of approximately \$5 million and other improvements to the property, which included the demolishing of condemned properties located on the Long Beach site. (Note: The Urgent Care

Center is losing approximately \$100,000 per month. FEMA dollars cannot be used to subsidize operating losses.)

- Currently, the Hospital is completing plans to renovate the Long Beach Urgent Care Center at an additional cost of \$5.0 million into an off-campus, hospital-based emergency department that can receive ambulances via the 9-1-1 system
- South Nassau is currently in the planning phase of demolishing the Long Beach buildings (Central, Founders & East) that were deemed by FEMA to be damaged beyond repair, which is estimated to cost up to \$14.0 million
- The Hospital is also in the planning phase of creating a Medical Arts Pavilion that will be the permanent location of a full-service, 16-bay, 911-receiving off-campus hospital-based emergency department as well as a continuum of healthcare programs, including diagnostic imaging suite with CT-scan, MRI, and X-ray capabilities as well as other healthcare services which could include a family practice center, dialysis, physical therapy and other rehabilitative services and ambulatory surgery. The final program will be completed once a study that has been commissioned by South Nassau is finalized. Depending on the final program, this structure is expected to cost approximately \$30-\$40 million

How has South Nassau paid and will pay for these investments? South Nassau plans to fund all capital investments thru grants, FEMA funds, and Hospital equity. Currently the operating expenses are being borne by the Hospital and exceed \$1.0 million.