



**Department  
of Health**

**OFFICE OF PRIMARY CARE AND HEALTH SYSTEMS MANAGEMENT**

# **Statewide Health Care Facility Transformation Program II (SHCFTP II)**

## **Request for Applications**

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January 31, 2018

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# Key Dates

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|---|------------------------|
| <b>Release Date:</b>  | January 8, 2018        |
| <b>Questions Due:</b>                                       | February 9, 2018       |
| <b>Questions, Answers and Updates Posted (on or about):</b> | February 21, 2018      |
| <b>Applications Due:</b>                                    | March 14, 2018 by 4 PM |
| <b>Estimated Contract Start Date:</b>                       | July 6, 2018           |

# Application

# Intent and Purpose

- Strengthen and protect the continued access to essential health care services.
- Facilitate the financial sustainability of these health care providers through mergers, consolidation and restructuring activities.

# Authority and Appropriation

- Public Health Law 2825-e: Statewide Health Care Facility Transformation Program II (Phase 2)
- A total of up to \$203,782,888 is available to fund multiple awards, based on funding awarded in Statewide I (Phase 1)
- A minimum of \$46,995,507 is available for community-based health care providers

# Eligible Applicants

- a) Be a legally existing organization and capable of entering into a binding Master Grant Contract (MGC) with DOH.

# Eligible Applicants

b) Be one of the following provider types:

- General Hospitals (PHL Article 28 license);
- Residential health care facilities (PHL Article 28 license); or
- Community-based provider, defined as:
  - Diagnostic and treatment centers (PHL Article 28 license);
  - Mental health clinics (MHL Article 31 certification or license);
  - Alcohol and substance abuse treatment clinics (MHL Article 32 certification or license);
  - Home care providers (PHL Article 36 certification or license);
  - Primary care providers (valid SED license).

# Eligible Applicants

And,

c) Be deemed by the Commissioner to be a provider that fulfills or will fulfill (as evidenced by the application for this program) a health care need for acute inpatient, outpatient, primary, or residential health care services in a community.

# Eligible Expenses

Expenditures eligible for funding include capital projects:

- The planning or design of the acquisition, construction, demolition, replacement, major repair or renovation of a fixed asset or assets, including the preparation and review of plans and specifications including engineering and other services;
- Construction costs;
- Renovation costs;
- Asset acquisitions;
- Equipment costs; and
- Consultant fees and other expenditures associated with the preparation of Certificate of Need (CON) applications required for the proposed establishment action, construction activity or service expansion (so long as the costs are incurred in connection with original construction and not an ownership transfer).

# Eligible Expenses

Non-capital projects or purposes that may be eligible for funding (approximately \$123,486,576 of the \$203,782,888 available), include:

- Debt restructuring including costs to reduce, retire or refinance long-term liabilities such as mortgage or bank loans and other liabilities, payments of debt service, and costs for restructuring including professional fees, penalties, and interest; and
- Start-up operating expenses directly connected to the Eligible Project for which funding is being sought under this RFA.

# Excluded Expenses

Excluded Expenses include general operating expenses related to the day-to-day operations and not directly related to the start-up costs of the Eligible Project.

Excluded Expenses include, but are not limited to:

- Routine supplies;
- Utilities;
- Operating lease payments;
- Equipment with a useful life less than 3 years;
- Ongoing, routine training and maintenance costs related to IT projects; and
- Employee salaries and benefits.

# Disallowed Costs

Disallowed costs are expenditures that fall into three categories:

- Excluded Expenses;
- Not sufficiently described and/or justified in type or amounts;
- Considered to be unrelated to the proposed Eligible Project.

Disallowed costs will be excluded from the amount considered as part of the grant request.

# Subcontracting

- If applicable to the Eligible Project, Eligible Applicants may subcontract components (sub-projects) of the scope of work.
- Must describe the specific components of the scope of work to be performed through the sub-projects, and identify the subcontracting entities in the application.
- If awarded a grant under this RFA, Eligible Applicant will have overall responsibility for all contract activities, including those performed by subcontractors, and will be the primary contact for the DOH.
- All subcontractors must be approved by the Department of Health.
- Subcontracts of \$100,000 or more requires vendor responsibility documentation, see Section IV. M. Vendor Responsibility Questionnaire.



# Separate Capital and Non-capital Applications and Priority Rank

- Separate applications must be submitted for non-capital projects or purposes.
  - A separate application for non-capital is required even if it is part of the same overall transformation plan for which an application for a capital project(s) is being submitted.
- If an Eligible Applicant submits multiple applications for funding, the Eligible Applicant should assign a priority to each application where indicated in the application (Program Specific Questions Section 3g).
  - For example, if 3 applications are submitted, rank the applications in order of priority, that is 1, 2, and 3.

# Points of Emphasis

- An applicant should clearly and in as much detail as possible, describe their overall plan for transformation that results in the applicant's financial sustainability and preservation of essential health services to its community.
  - Specify arrangements to merge, consolidate or restructure.
  - Other activities (program additions/closures and/or expansion, joint ventures, shared service arrangements).
- Identify how the Applicant's specific request for funding will help them achieve this transformation.

# Review and Award Process

# Evaluation Criteria

- Contributes to the integration of health care services or the long-term sustainability or preservation of essential health services in the community or communities served;
- Aligned with DSRIP program goals and objectives;
- Geographic distribution of funds;
- Relationship to an identified community need;
- Has access to alternative funding;
- Furthers the development of primary care and other outpatient services;
- Benefits Medicaid enrollees and uninsured individuals;
- Engaged the community and the manner in which community engagement has shaped the Eligible Project; and
- Addresses potential risk to patient safety and welfare.

# Grant Award Determinations

- Based on the evaluation of the application, and consideration of any other summaries or other factual analyses prepared by the Department or other state agency staff, or in consultation with other internal or external sources.
- Applications will be assigned to the following tiers: “Good”, “Acceptable”, “Poor” or “Not Responsive”.
- Awards will be made first to applications ranked as “Good”, then “Acceptable”, then “Poor”.

# Grant Award Determinations

- If funds are not sufficient to support all applications in a tier, Tie Breaker criteria will include:
  - Applications that will help achieve a geographic distribution of funds;

And,

- The extent to which the application compared to other applications in the same geographic region:
  - Provides the greatest impact on the financial sustainability of the Eligible Applicant; or
  - Will preserve essential healthcare services in a community in a manner that is superior; or
  - Has access to alternative funding.

# Priority Consideration

In addition, if applications in a geographic region are still largely determined to be equal based on the criteria used in making grant award determinations, priority consideration will be given to:

- Projects that are substantially the same and were not funded in whole or part, in response to the Statewide Health Care Facility Transformation Program I (RFA #1607010255).
- Projects involving community- and facility-based post-acute care and long-term care support services, that are consistent with RFA goals.

# Community-Based Health Care Provider Minimum Awards

- After the minimum awards are made to community-based health care providers (about \$47 million), awards will be made to all Eligible Applicants (including community-based providers) utilizing the methodology outlined.
- If the amount of awards were to be less than the minimum, the differential amount will be reserved for a future RFA targeted exclusively to community-based providers.

# Other Award Determination Information

- Anticipated that the amount of project requests is expected to significantly exceed available funds.
- Although there are no prescribed minimum or maximum award amounts for SHCFTP II, applicants should be mindful of the overall amount of funds available and the criteria by which projects will be selected for award, particularly, geographic distribution and the minimum allocation for community-based providers.
- SHCFTP II does not require applicants to provide matching funds.

# Key Considerations

- These awards are discretionary and cannot be appealed.
- Applicants are advised to put forward their best efforts in thoroughly completing and fulfilling all requirements of the RFA.

# Administrative Requirements

# Letter of Interest

- **Optional** – not a requirement to submit an application
- Letter of Interest template provided
- Submission:
  - Submit via the Grants Gateway in the Pre-Submission Uploads section of the online application.
  - Also e-mail a copy to: [Statewide2@health.ny.gov](mailto:Statewide2@health.ny.gov)
  - Include the RFA #17648 and your organization name in the subject line.

# Grants Gateway

- All applications must be submitted online via the Grants Gateway
- Applications will not be accepted via e-mail, hard copy or other means
- Applications are due **March 14, 2018 by 4 PM EST**

# Not-for-Profit Applicants – Registration and Prequalification

- Not-for-profit applicants must Register and be Prequalified in Grants Gateway by the application due date.
- Applicants that are not Registered and Prequalified in Grants Gateway by the application due date cannot be evaluated. Such applications will be disqualified from further consideration.

# Grants Gateway Roles

- Grantee Delegated Administrator (mandatory role)
  - Responsible for the document vault and prequalification process
  - Can issue new accounts for others in the organization
- Grantee
  - Can initiate and complete application but can NOT submit the application
- Grantee Contract Signatory OR Grantee System Administrator (mandatory role)
  - Can initiate, complete, and submit the application
- Refer to the “Grantee User Guide” for comprehensive information about roles

# How to File an Application

- Log into GG as either a “Grantee” or “Grantee Contract Signatory.”
- Click on “View Opportunities” button under “View Available Opportunities.”
- In the Search Criteria, enter the Grant Opportunity name, “Statewide Health Care Facility Transformation Program II” and select Department of Health as the Funding Agency. Click on “Search” button.
- Click on the name of the Grant Opportunity from the search results, then select the “APPLY FOR GRANT OPPORTUNITY” button on the bottom left.

# Completing the Application

1. Previous Funding Applications
2. Organizational Capacity
3. The Project(s)
4. Identified Community Need
5. Project Budget
6. Eligible Applicant Financial Stability
7. Eligible Project Impact on Eligible Long-term Financial Sustainability
8. Cost Savings
9. Project Timeline
10. Workplan

# Due Dates

- Applications must be submitted in Grants Gateway by March 14, 2018 at 4:00 PM EST or the application will be disqualified from further consideration.
- Applicants are strongly encouraged to submit their applications at least 48 hours before they are due.

# Grants Gateway Assistance

- Refer to the Grantee Quick Start Guide for assistance in applying. The guide is on the Grants Reform website: <http://grantsreform.ny.gov/grantees>
  - More detailed “Grantee User Guide” also available at this website.
- Training webinars are provided by the Grants Reform Team. Dates and times for webinar instruction can be located at the following web address: <http://grantsreform.ny.gov/training-calendar>.
- Grants Gateway Videos including a document vault tutorial and an application tutorial are available at the following web address: <http://grantsreform.ny.gov/youtube>.

# Grants Gateway Assistance

- Grants Reform Team

Email: [Grantsreform@its.ny.gov](mailto:Grantsreform@its.ny.gov)

Phone: 518-474-5595

Hours: Monday thru Friday 8:00 am to 4:00pm

For application completion and registration questions

# Grants Gateway FAQs

Q: Our organization is unable to apply. The only option available is to “View the Opportunity.” We do not have the “Apply for Grant Opportunity” button. Please advise.

A: In order to apply for the grant opportunity, a user must first be **registered and logged in** to the Grants Gateway as a Grantee, Grantee Contract Signatory, or Grantee System Administrator. Once logged in, the user should click on the “View Available Opportunities” button available on their home screen and search for the Grant Opportunity by name. On the Opportunity Funding Profile page, click on “Apply for Grant Opportunity” to begin the application.

# Grants Gateway FAQs

Q: Where can I find the template for the letter of interest for the Statewide Health Care Facility Transformation Program?

A: Attachments 1 through 5, including Attachment 1: Letter of Interest Template, are located in the Pre-Submission Uploads section of the Grant Opportunity in the Grants Gateway.

# General Questions and Answers

# Applicant Webinar

Q: Applicant Webinar – will the webinar be recorded and available after?

# Award Amounts

Q: Is there a limit on how much an applicant can request under this RFA?

Q: Is there a minimum or maximum award per facility and/or application?

# Contract Date

Q: Can an awardee charge funds retroactively to this grant? More specifically, theoretically, if we were starting merger conversations with another agency this month, could we start charging to this grant in January or February, knowing that we won't get that money until much later?

Q: Can the funds be used for build out costs that will be incurred in February and March?

# Eligible Applicants

Q: Is this only for not-for-profits, or can proprietary providers apply also?

Q: I was told by my local health department of mental health that this grant opportunity is open to both not-for-profit and for-profit organizations but the literature online refers to non-profits only. Can you clarify this point?

# Eligible Applicants

Q: If we were awarded dollars under the SHCFTP I, are we eligible for unfunded projects or new projects in SHCFTP II?

Q: Will applicants who have received funding from Capital Restructuring Financing Program (CRFP) be treated the same as applicants who have not received CRFP or previous Transformation grant funding, or will they be penalized?

Q: We are a community-based provider and were funded in the SHCFTP I for our behavioral health and primary care integration. With this opportunity, we would like to apply for a similar project at a different behavioral health clinic. Are we able to apply for new funding for a new project under this RFA?

# Eligible Applicants

Q: Are Federally Qualified Health Centers (FQHC)s eligible to apply?

# Eligible Applicants

Q: Are these funds available to skilled nursing facilities/nursing homes?

# Eligible Expenses

Q: Can the funds be used to support the planning, design and construction of a new building?

Q: We would like to open a new dual-licensed clinic...located in a high-need, high-volume area. Can these funds be used for capital to help build the new integrated space?

# Eligible Expenses

Q: Can a proposal include more than one physical location? I.e., can we apply to implement technology upgrades across a number of Article 31 clinics?

Q: We are a large outpatient mental health/substance use treatment program. We are considering submitting an application to cover costs associated with the purchase, installation and staff training of a new electronic medical system to replace our current one that is no longer supported. Would these be eligible expenses under this grant?

# MWBE & SDVOB

Q: Are applicants required to include completed MWBE and SDVOB forms within their applications, or can those forms be submitted post-award to ensure sufficient time to conduct a fair bidding process that includes substantial good-faith efforts to recruit MWBE and SDVOB vendors?

# Posting of Questions and Answers

Q: Where are the responses to questions posted?

# Reporting Requirements

Q: Other than the reporting requirements outlined on p. 13, Are there any restrictions and/or requirements attached to the funding awarded under this program?

# Review Prior Grant Applications

Q: Is there any further information on the possibility of receiving feedback on the strengths and weaknesses of our previous application for this funding?

Q: We are considering applying for funding under this RFA. It would be extremely helpful in determining whether to apply if we could see the reviewers comments.

# Questions?

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[Statewide2@health.ny.gov](mailto:Statewide2@health.ny.gov)