

HEAL NY PHASE 12 – ALTERNATIVE LONG TERM CARE INITIATIVES QUESTIONS & ANSWERS

Please note a change regarding the number of pages for the Technical and Financial portions of the RGA: If the technical portion of the application exceeds fifteen (15) pages, not including attachments, the application will be disqualified. If the financial portion of the application exceeds fifteen (15) pages, not including attachments, the application will be disqualified.

Questions marked with an asterisk (*) address areas identified at the Applicant Conference.

* Q1: Is there a financial matching requirement for this grant? Page 18 notes that scoring criteria include the “Ability of the Eligible Applicant to fund its share of the Project”, but does not mention a specific requirement for matching funds.

A1: There is no requirement, but financial matching is encouraged. We recognize that many organizations that nominally exist or are small would not have many assets.

* Q2: I am a county nursing home (NH) administrator and my county is interested in building the green house project nursing homes. Would this meet the criteria for this grant to get residents out of the institutional type facilities and into the home like facilities?

A2: Yes. The project must show how it meets the objectives as defined in the RGA, Section 1.3 and Section 1.4(A) on pages 6 and 7.

Q3: In regard to the HEAL 12 RGA, are the regions or planning areas defined? There are several references to the region or planning areas which an applicant serves.

A3: Award decisions will not be based on regions. No, there are many ways the state can be split into regions. A recent version is the Berger Commission regions; these may be used as a reference.

1. New York City;

2. Long Island, consisting of Nassau and Suffolk counties;

3. Hudson Valley, consisting of Delaware, Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties;

4. Northern, consisting of Albany, Clinton, Columbia, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Otsego, Rensselaer, Saratoga, Schenectady, Schoharie, Warren, Washington counties;

5. Central, consisting of Broome, Cayuga, Chemung, Chenango, Cortland, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Oneida, Onondaga, Ontario, Oswego, Schuyler, Seneca, St. Lawrence, Steuben, Tioga, Tompkins, Wayne, Yates counties; and

6. Western, consisting of Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans, Wyoming counties.

Q4: Are there specified regional allocations for HEAL 12 funds? On page 46, the form suggests that there is a predetermined allocation per region.

A4: There are no specific regional allocations of funds. Distribution of awards will depend on the quality of the applications received. The Department will try to achieve regional balance where appropriate.

Q5: Is an independent living retirement residence (not licensed by the NYS Department of Health (DOH)) eligible to obtain funding from the recently announced \$175 million in HEAL NY Grants, to retro-fit a sprinkler system at our facility?

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A5: The applicant must be an eligible applicant (RGA, page 8). The cost of retrofitting a sprinkler system would be a matter of ordinary repair and maintenance, which the facility would have to do anyway, and would not represent a new initiative. Therefore, it would not be eligible for funding under this RGA.

Q6: Section 1.4 (B) Eligible Applicants: Is a startup MLTC (Managed Long Term Care) or PACE (Program for the All-Inclusive Care of the Elderly) program eligible to apply?

A6: Eligible applicants are defined in the RGA, page 8; if a MLTC or PACE can be sponsored by one of the identified applicants, they are eligible. Also see RGA Section 1.8 Eligible Costs, on pages 10-12.

Q7: If a Certificate of Need (CON) has been submitted but not yet approved, is the project eligible for funding? Our PACE application is under review by DOH and our clinic provider's Article 28 extension clinic application is also under review.

A7: No. If the CON is already submitted, the project is not eligible under this RGA, whether the CON has been approved yet or not. Submission of a CON indicates that the applicant has already addressed financial feasibility. HEAL funds may not be used to supplant existing funding (including funds borrowed or intended to be borrowed).

Q8: Does the DOH see this as an opportunity for senior housing providers to offer creative demonstration projects to combine capital subsidies with Assisted Living Program (ALP) funding?

A8: It is difficult to answer the question without seeing the application in its entirety. All applications that would result in a more efficient health care system are encouraged. However, applications should be consistent with the objectives of the RGA as outlined in Section 1.2.

Q9: When using the low income housing tax credit program, all not for-profit housing entities have to create a sole purpose for-profit entity pursuant to the IRS Code. Would DOH consider ownership that complies with the tax credit rules and has a structure that includes a 1% general partner that would be a for-profit but would include a not-for-profit sponsor that owns 50% of the managing member? This type of bifurcated ownership qualifies owners, in New York City, for 420c real estate 30-year tax exemption and has been interpreted by (NYC Housing Preservation and Development (HPD) as complying with the “not-for-profit” requirement. 99.9 percent of the project would be owned by the limited, for-profit investors.

A9: This type of ownership suffices for the owner, but not the operator. If the owner would also be an operator of an Adult Home (AH), Enriched Housing Program (EHP), Assisted Living Residence (ALR), Assisted Living Program (ALP), or Residential Health Care Facility (RHCF), this corporate structure is not permissible under Social Services Law § 461-b (1) (a) or Public Health Law § 2801-a (4) (d). If the owner, however, would be only a landlord entity entering into a lease with an operator of a DOH-licensed facility as its tenant, this corporate structure may be permissible.

Q10: How much in ALP funding is available in HEAL 12 and will it be allocated by regions?

A10: There is no ALP funding in HEAL grants and there is no specific allocation by region.

Q11: Does a senior housing development need to be tied to a reduction in beds in the geographic locality where the project is proposed?

A11: No.

Q12: Can need be evidenced by a market study showing the need for low income senior and/or special needs populations?

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A12: Yes, provided such a study is supported by measurable, verifiable information (e.g., Census data, patient/resident discharge information (without identifiers), vital statistics, statistically valid surveys, etc.) Generalized statements and anecdotal information will not be scored favorably.

Q13: Will the Department entertain the development of a mixed project that includes both independent senior housing and a floor or two of ALP units? If so, what types of capital funds are available for this?

A13: A project that proposes both ALP and non-ALP beds will be considered. Refer to the RGA, Sections 1.6, 1.7 and 1.8, on pages 9 through 12, for information on capital costs.

Q14: What type of site control is required for the application?

A14: Lease, purchase agreement, mortgages, long-term rental agreements are examples of proof of site control. An Enriched Housing Program may submit a signed agreement pursuant to 18 NYCRR § 485.6 (d)(13) as well.

Q15: Is there any cap on acquisition cost of a site?

A15: There is no cap on acquisition cost of a site. There is a cap of \$25 million per project.

Q16: The facility is partially renovated into 57 apartment units that were designed as luxury senior apartments. What is the appropriate way to apply for the HEAL NY Phase 12 Grant? My goal would be to partner with a Nursing Home to allow bed expansion into, and completion of, the facility; or a primary State License application for conversion to assisted living. I am a Board Certified General Surgeon with over 20 years of experience. I also have numerous Nursing Home Affiliations in the Bronx.

A16: An Eligible Applicant must apply; see the list in the RGA. The application must explain how it meets the objectives as defined in the RGA, Section 1.3 and Section 1.4(A) on pages 6 and 7.

* Q17: My client, a nursing home and CCRC provider, is considering the building or renovation of a facility for a social model adult day care program for those with Alzheimer's disease that will provide overnight respite on an as-needed basis for up to two clients. This program will allow those with Alzheimer's to remain in the community longer, delaying nursing home admission. Would this project meet the requirements to apply for HEAL NY 12 funds?

A17: This project may be eligible for funding. If the adult day care program is a health model program, it would have to be located within the nursing home or the CCRC. The project must show how it meets the objectives as defined in the RGA, Section 1.3 and Section 1.4(A) on pages 6 and 7.

Q18: Pg 19- Number 8 states the decisions to fund may be based on “geographic or regional considerations”. Please describe the geographic/regional criteria to be used.

A18: See A3.

Q19: If a facility is currently owned by a number of partners, would the cost of purchasing the interests in the real estate as well as operations, by one of the partners to result in 100 percent ownership in order to propose a downsizing or level change of about half of the total beds be acceptable as an acquisition cost?

A19: An application for grant funding so that one partner may buy out the ownership interest of other partners in order to downsize the facility may be submitted. This funding request will be reviewed in light of the goals of HEAL 12 to determine if this is an efficient use of funding.

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Q20: One of the eligible applicants for HEAL 12 funding (page 8, list item number 10) is a “Not for profit senior housing corporation.” Is there a specific definition for this type of corporation, e.g., any state or other law that defines it? If so, what is that definition? If there is no formal definition, can you please define the term?

A20: There is no specific legal definition for “Not for profit senior housing corporation.” A not for profit corporation formed under the Not-For-Profit Corporation Law for the purpose of providing housing for seniors would be an eligible applicant for HEAL 12 funding.

* Q21: Can a nursing home with a preexisting CON application apply for the HEAL 12 grant to enhance their project; or, to include items not contained in the original CON to improve services, efficiency, etc?

A21: The same applicant may apply; however, a completely different project must be presented and it cannot include any improvements that are otherwise required by regulation. The application must explain how the project meets the objectives as defined in the RGA, Section 1.3 and Section 1.4(A) on pages 6 and 7. See also A7.

Q22: Can HEAL 12 money be used to acquire land for projects that fall under the guidelines of the grant?

A22: Yes. HEAL 12 money can be used for land acquisition. However, an environmental impact study is often required when acquiring a new site and this is often a lengthy process.

Q23: Can HEAL 12 money be used for the development of an adult day care? Renovate a nursing home building for low-income housing? Relocate a medical practice so it can serve low-income housing?

A23: These projects may be eligible. Refer to the eligible applicant list in the RGA, page 8. The application must explain how the project meets the objectives of HEAL Phase 12.

Q24: Can HEAL 12 money be applied toward the owner equity requirement for new CONs? Preexisting CONs?

A24: Yes. While Adult Care Facility CONs do not have an owner equity requirement, HEAL 12 money is considered to be equity, not financing. For nursing homes and other entities that do have equity requirements, some of the HEAL funding may be used as owner equity, as long as the objectives of HEAL 12 are met.

Q25: HUD (U.S. Department of Housing and Urban Development) holds the mortgage to our nursing home. Any project we undertake, including downsizing or conversion of nursing home beds, would ultimately require HUD approval. Does HEAL 12 require this approval in writing to be included with the grant application, or to be in place at the time of the application?

A25: A letter of intent from HUD should be in the application package.

Q26: What is the nature of the site control the applicant is expected to have at the time of application (i.e., site selected and owned; selected and available for purchase; selected and under long-term lease; selected and available for long-term lease, etc.)? Need clarification on validity of leased sites for RGA consideration.

A26: At a minimum, a proposed lease or purchase agreement is required.

Q27: Does the RGA review process anticipate an optimal size facility/consumer mix? For example, we are weighing developing proposals that range between a 100 bed mixed use facility (i.e., approximately 25 beds for the aging developmentally disabled population and 75 beds for

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the generic aging population), versus a smaller assisted living facility for solely the aging developmentally disabled.

A27: No.

Q28: Does the State's strategic plan for long-term residential care emphasize housing models that offer a continuum of care, or are sole-purpose facilities -- such as assisted living models where consumers, based on need, may eventually move on to more medically-involved models -- equally as important?

A28: Both models are acceptable.

Q29: Will there be specific dollar allocations per region for the RGA, and if so, what is the basis for such allocations?

A29: There are no specific dollar allocations per region. See also A4.

Q30: Where appropriate, will Federal/State operational dollars for publicly supported individuals follow the capital development grants?

A30: Yes. It is the responsibility of the applicant to ensure that they meet all appropriate requirements for licensure in addition to meeting all criteria for obtaining government operational funds.

Q31: Does the DOH see this as an opportunity for senior housing providers to submit creative demonstration projects to combine housing capital subsidies such as tax-exempt bonds, tax credits and Department of Housing and Community Renewal (DHCR) and HPD secondary subsidy programs with ALP funding?

A31: See A8.

Q32: When using the low income housing tax credit program, all not for profit housing entities have to create a sole purpose for profit entity pursuant to the IRS Code. Would not for profit owners that use this structure be eligible as applicants?

A32: See A9.

Q33: Would DOH consider ownership that complies with the tax credit rules and has a 1% general partner that would be a for-profit but would include a not for profit sponsor that owns 50% of the managing member. The remaining 99.9% of the ownership entity is a for profit limited partner. This type of bifurcated ownership qualifies owners, in New York City, for 420c real estate 30 year tax exemption and has been interpreted by HPD as complying with the “not for profit” requirement.

A33: This type of ownership suffices for the owner, but not the operator. If the owner would also be an operator of an Adult home, Enriched Housing Program, Assisted Living Residence, Assisted Living Program, or Residential Health Care Facility, this corporate structure is not permissible under Social Services Law § 461-b (1) (a) or Public Health Law § 2801-a (4) (d). If the owner, however, would be only a landlord entity entering into a lease with an operator of a DOH-licensed facility as its tenant, this corporate structure may be permissible.

Q34: How much in ALP funding is available in HEAL 12 and will it be allocated by regions?

A34: See A10.

Q35: Does a senior housing development need to be tied to a specific reduction in beds in the geographic locality where the project is proposed?

A35: See A11.

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Q36: Can need be evidenced by a market study showing the need for low income senior and/or special needs populations? For example, DHCR has just published a Housing Needs Study for all of the regions of the State. HPD publishes an annual needs study as well.

A36: See A12.

Q37: Will the Department entertain the development of a mixed project that includes both independent senior housing and a floor or two of ALP units? If so, what types of capital funds are available for this? What architectural guidance can the DOH offer with regard to the requirements for a mixed project?

A37: See A13 for information about the mixed project and capital funds. A project which contains both independent senior housing and an adult care facility based ALP will need to meet the requirements of the building code for a mixed use occupancy building as well as NYS Department of Health Regulations which require the operator of an Adult Care Facility to have full control over all spaces for which it is licensed. While the two proposed occupancies can be co-located in the same building, they will need to be separate and distinct. The NYS building code is applicable to all facilities outside of New York City. The NYC building code is applicable to all facilities in New York City.

Q38: What type of site control is required for the application?

A38: Lease, purchase agreement, mortgages, long-term rental agreements are examples of proof of site control. An Enriched Housing Program may submit a signed agreement pursuant to 18 NYCRR § 485.6 (d) (13) as well.

Q39: Is there any cap on acquisition cost of a site?

A39: See A15.

Q40: Does the site have to be in close proximity to a nursing home or a hospital that is downsizing or can it be in the same county? City?

A40: The application must clearly state how the project assists the community in organizing, financing and developing alternatives for care through coordination. It must address the goals of HEAL NY as described in Section 1.2 of the RGA, page 5.

* Q41: What is the level of collaboration/correlation between nursing bed closure and the development of a new program?

A41: While there is no direct collaboration necessary, the project must clearly describe the benefit to the community or region it serves.

Q42: With regard to the two year requirement for spending HEAL funds; can it be used for site acquisition? For pre-development costs such as architectural, financing, and other soft costs?

A42: Yes.

Q43: If a project is being proposed as 100 percent low income mixed development including independent low income senior housing and ALP units, will DOH permit site acquisition costs for one hundred percent of the apartments?

A43: Yes, if the eligible applicant is approved to provide low income housing for seniors, up to 100% of site acquisition costs would be permitted.

Q44: In regards to the taxability of the HEAL grant, what method will you use to identify the dollars? If by 1099, what type of 1099, which box of the 1099 and what identifiable letter code will be used?

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A44: According to the Office of the State Comptroller, the type of business determines whether or not a 1099 is issued. For-profit entities such as individuals, sole proprietorships, partnerships and limited liability companies (LLCs) are subject to federal reporting.

Q45: What will be the involvement of DASNY in the architectural review and construction administration phases of a HEAL project?

A45: DASNY will not be involved in the architectural review and construction administration phases.

Q46: I am submitting this question pursuant to Section 3.1 of the Request for Grant Applications (RGA Number 0905041240). Please advise whether an applicant must be licensed or certified, or applying for a license or certification, in order to qualify for such grant (and if the same is required, what licenses or certifications will satisfy the requirement).

A46: The eligible applicant list can be found on page 8 of the RGA, Section 1.4(B). The applicant must already be a legally existing organization.

Q47: I am wondering if the Department would consider applications for funding to create ALP beds if there was no correlating NH bed decertification, but community need was demonstrated. It seems as though this RGA allows for such a scenario, but ALP beds are typically awarded through a competitive process, or a process such as the NH Rightsizing Demonstration or the “Berger Commission,” so clarification is appreciated.

A47: The applicant must show that the allocation of the ALP beds reduces health care spending by promoting alternative care at appropriate levels. A Certificate of Need application for the ALP beds would be required if the project is selected for funding.

Q48: What are the allocations per region of the \$175 million to be awarded? (Section 1.8, paragraph 1).

A48: See A4.

* Q49: Can HEAL NY 12 funding be used to provide non-residential options, such as a new Long Term Home Health Care Program (LTHHCP), adult day health care program, or managed long-term care plan?

A49: Non-residential options will only be considered when combined with a capital project designed to reduce the RHCF certified inpatient bed capacity and expand residential models.

Q50: Can the funding be used to increase slots for existing non-residential programs, such as the LTHHCP?

A50: See A49.

Q51: Can the funding be used to open a new site for an existing managed long-term care plan or an existing adult day health care (ADHC) program?

A51: The project must meet the goals of HEAL 12; if a new site can demonstrate need, then such project can be considered.

Q52: Applicant plans to reduce a significant number of beds and close one building for RHCF operations. Would retirement of the existing debt on that building qualify for HEAL funding?

A52: Yes.

* Q53: Is equity towards a construction project an eligible expense under HEAL?

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A53: Yes. HEAL 12 money is considered to be equity towards a construction project. Applicants should make sure the project fits the overall goals of HEAL 12. Also see A24.

Q54: What income levels and/or monthly rental rates constitute affordable housing?

A54: As individual situations will vary, it is up to the applicant to determine what constitutes low income housing in their region, and to ensure that the project is in compliance with low income housing regulations.

* Q55: Can the resizing and restructuring of a long-term care facility be the promotion of alternate care, based on community needs, but NOT be a reduction of beds?

A55: An application that proposes the restructuring of a long-term care facility but does not result in the reduction of beds must document how it meets the objectives of HEAL Phase 12.

Q56: Can the long-term care facility apply for the HEAL Phase 12 Grant for the construction of a new facility and NOT reduce their current bed count?

A56: The project must detail how it meets the objectives of HEAL Phase 12.

Q57: Do the application packets for both the Technical and Financial portions need to be placed in binders?

A57: The Technical and Financial portions do not have to be in binders. The information should be provided in a format that provides for an easy review. The only requirement is that the Technical Application (See RGA Attachments 3 through 8) and the Financial Application (See RGA Attachments 9 through 15a) be mailed to the HEAL Office (see RGA Section 3.3 for address) in its own package. The Application packages (including shipping boxes) should be clearly marked on the outside either:

HEAL NY Phase 12 Technical Application; or
HEAL NY Phase 12 Financial Application.

Q58: Do the applications need to have headers or footers and/or page numbers?

A58: See A57.

Q59: RGA instructions indicate an applicant should not include any financial information within the Technical Application, or risk disqualification.

Is it permissible to:

- 1) Discuss methodology used to create estimates;
- 2) identify sources; and/or
- 3) project amounts of savings;
to the health care system?

A59: Yes. In the technical portion of the application, the applicant may discuss methodologies and sources used to determine cost savings. However, any information deemed to be financial, such as project costs and projected amounts of savings will be redacted prior to technical review.

Q60: We (a not for profit) are joining with our County to expand a community based service. The County is considering a reduction in the number of nursing home beds. What level of commitment on the bed reduction from the County is needed with our application? A letter from elected County Administrator? A commitment by the legislature (The Legislature will not be able to execute this by 7/14.) Any other?

A60: At a minimum, a letter of intent by the County Administrator should be included in the application package.

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Q61: As part of the application, there is a mention ALP Beds are part of the initiative. Is it possible for a skilled nursing facility to return to the State unused beds for ALP Beds but not at an equal ratio? Return 11 beds for 25 ALP beds?

A61: This would be an eligible project. However, as this is a competitive review, the application should clearly state how it meets the objective of HEAL NY Phase 12.

Q62: We are contemplating a regional project that might mean skilled nursing residents are living in several small (10-person) homes. These homes might be in two counties, but would be under the same governing organization. Could these homes all be under the same license even if they are in different counties? Would they have the same reimbursement rates?

A62: It is up to the applicant to document the sources of operational revenue as it relates to their proposal.

Q63: Given community need for more home-based rather than community-based health-care services, coupled with the primary goal in this HEAL Phase to assist communities to organize, finance, and develop alternatives for care through the development of other residential options (RGA - Page 6, Paragraph 2), could HEAL funds be used to supplement, rather than supplant, HUD capital grant dollars for the creation of supportive housing for low-income persons with disabilities (Section 811) and seniors (Section 202)? (Appendix C of the RGA allows for contracts to be wholly or partially supported by federal funds.)

A63: Yes. HEAL 12 funds may be used to supplement HUD capital grant dollars for the creation of housing for low-income disabled persons and seniors. HEAL 12 should not supplant HUD funding.

Q64: Given community need for more home-based rather than community-based health-care services, coupled with the primary goal in this HEAL Phase to assist communities to organize, finance, and develop alternatives for care through the development of other residential options (RGA - Page 6, Paragraph 2), could HEAL money be used to supplement, rather than supplant, HUD block grant funding – e.g., HOME and Community Development Block Grants – to construct or rehabilitate housing for low-income persons with disabilities and seniors that includes programs for personal-care and health-related services?

A64: Yes. HEAL 12 funds may be used to supplement HUD block grant funding for the creation of housing for low-income disabled persons or seniors, including programs for personal care and health related services. HEAL 12 should not supplant HUD funding.

Q65: Under the RGA, expenditures eligible for funding include housing configurations with coordinated medical services that support long-term care populations living in the community (RGA - Page 11, Paragraphs 1 & 2). Would this apply to medical services coordinated through the Consumer Directed Personal Assistance Program, the Nursing Facility Transition and Diversion Waiver Program, the Traumatic Brain Injury Waiver Program, and other Medicaid programs allowing individuals to live in and receive nursing-facility level of care in the community?

A65: Yes, refer to Section 1.4(A), Eligible Activities, listed in the RGA on pages 6 and 7.

Q66: Since HEAL's goal is to assist communities to organize, finance, and develop viable alternatives to RHCF care for long-term care populations (RGA - Page 6, Paragraph 1), why doesn't the partnership that the State seeks according to the RGA go beyond one between the State and the health care community (RGA - Page 5, Paragraph 9) to include significant community stakeholders such as community-based housing organizations?

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A66: The Department of Housing and Community Renewal (DHCR) provides funds to not-for-profit organizations throughout New York State for the purpose of helping New York State residents with their housing needs. The two types of organizations, known collectively as Community-Based Housing Organizations, are Neighborhood Preservation Companies and Rural Preservation Companies. Applicants may propose partnerships with community-based housing organizations licensed by other agencies and the Department will assist the applicant in obtaining the requisite approvals.

Q67: The time period between the announcement of the grant and the deadline for submitting applications is brief. Wouldn't the RGA objective of developing other residential options (Page 6, Paragraph 2) be much better served if the application deadline were extended, thereby potentially increasing not only the pool of prospective applicants but also their diversity in terms of region, eligibility, background, and collaborations?

A67: The timeframe for submission of applications is comparable to that of the several previous HEAL NY RGAs issued for capital restructuring projects. In all these solicitations, considerably more high-quality proposals have been received than can be funded, indicating that the timeframes are long enough to permit the development of applications for resourceful, well-designed projects.

Q68: Does the term "licensed residential programs" (RGA - Page 11, Paragraph 1) also include licensed residential programs that serve people with mental illness -- for example, the Supervised Community Residence, the MICA Community Residence, Apartment Treatment programs, the Community Residence/Single Room Occupancy (CR/SRO), and the Residential Care Center for Adults (RCCA)?

A68: Yes, however the applicant must be an Eligible Applicant under the RGA.

Q69: (a) Affordable Community Care Retirement Communities (CCRCs) are classified in the RGA (Page 11, Paragraph 2) as eligible for HEAL funding as a licensed residential program and a housing configuration with coordinated medical services that support long-term care populations living in the community. Since skilled nursing facility care for CCRC residents who become temporarily ill or who require long-term care may be provided in an on-site facility or in an offsite nursing home affiliated with the CCRC under the CCRC statute, would an offsite option be available under the RGA to other housing configurations with coordinated medical services that support long-term populations living in the community?

If the answer to Question (a) is yes, would there be any objection to the use of HEAL funding for the acquisition, construction, reconstruction, equipment, and information technology cost necessary to develop affordable fees for service under Articles 46 or 46-A of PHL (RGA - Page 11, Paragraph 4) with respect to, for example, a housing configuration such as a Naturally Occurring Retirement Community (NORC), which permits senior citizens to remain in the multi-unit and multi-family buildings where they have been living while receiving long-term care at home or "offsite"?

A69: Yes, the proposal must meet one of the objectives of HEAL Phase 12; refer to page 6 of the RGA, Section 1.3. In addition, any entity applying for Article 46 or 46-A designation must comply with all respective requirements.

Q70: Does the development of other residential options (RGA - Page 6, Paragraph 2) or other housing configurations with coordinated medical services that support long-term care populations living in the community (RGA - Page 11, Paragraph 2) encompass the construction or rehabilitation of integrated scattered-site affordable housing units for persons with disabilities, with medical services coordinated by the persons with disabilities themselves in consultation with a

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service provider under contract and in partnership with the housing development's managing agent? (One such model for this housing configuration is The Supported Housing Initiative of The East Side Housing Opportunities, located in Buffalo, New York. The initiative serves the housing, independent-living, and referral-assistance and service-consultation-related needs of persons with mobility, hearing, and visual disabilities. Twenty percent of the 50 affordable single-family housing units, for a total of 10 units, are set aside for individuals and/or families with disabilities.)

A70: Yes, this is one of the objectives of this HEAL Phase; also see A69.

Q71: HEAL grant funds can be supplemented by additional matching funds through the Federal-State Health Reform Partnership (RGA - Page 5, Paragraph 2). Originally, as part of the State's F-SHRP Plan submitted to the federal government, the State was to receive \$50 million from CMS for home modification and housing accessibility to spur reform of New York's health-care system. If the State received those dollars, why aren't they available as part of this HEAL Phase?

A71: The \$50 million from CMS is not part of this RGA and is unrelated. HEAL 12 provides for a total of \$175 million.

Q72: (a) Is a public housing authority (PHA) that is a division or department of local/municipal government, rather than a quasi-public corporation, an Eligible Applicant under the RGA (Page 8, Paragraph 4, #8).

If the answer to (a) is yes, would the type of PHA previously described qualify to access HEAL funding to supplement, rather than supplant, federal Section 8 program funding and the Low Income Housing Tax Credit (LIHTC) to construct or rehabilitate supportive housing with personal and health-care services for low-income persons with disabilities and seniors?

A72: See A63. HEAL funding may supplement federal Section 8 program funds and Low Income Housing Tax Credits for the creation of supportive housing for low-income disabled persons or seniors.

Q73: Our facility is considering proceeding with a 100 RHCF bed renovation in place of the 125 beds for which it received CON approval. As it would be assisting in the closure of inpatient beds, would this modification qualify as a HEAL 12 initiative?

A73: No. This would be eligible for funding only if there was a modification to the CON that would constitute a new distinct phase of the project; and only that phase would be eligible for funding. HEAL funds may not be used to replace or supplant existing funding.

Q74: Assuming the objectives of HEAL 12 are otherwise met, is HEAL 12 funding available to applicants with previously approved CON applications or ALP projects that were previously approved under competitive RFAs such as the 1584 ALP RFA, or must the proposal be one that has not previously been reviewed and approved by the NYSDOH?

A74: See A7.

Q75: Again, assuming the objectives of HEAL 12 are otherwise met, if an applicant has an approved project (RHCF or ALP) but proposes a significant change to the project that would require additional funding beyond that previously demonstrated, would the proposal be eligible for HEAL 12 funding?

A75: Yes, see A21.

* Q76: If an applicant has a "Berger" mandated project and received a HEAL 4 award but has additional funding needs, would it be eligible for a HEAL 12 award?

A76: The applicant would not be eligible for any activity related to its Berger mandate, even if the HEAL 4 award did not cover the entire cost of implementing that mandate. Any application

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would have to be for other activities in order to be considered eligible for funding under this RGA.

Q77: Are attachments allowed beyond those noted in the RGA, such as attachments from supporters of the application that provide concrete evidence of need for the project?

A77: Yes, but letters of support and similar documents would not be deemed sufficient to demonstrate community need for the project. As stated at the applicant conference, community need should be demonstrated through quantified, verifiable information, such as Census data, SPARCS data, Prevention Quality Indicators (PQIs), vital statistics, data tabulated from the applicant's records (without patient/resident identifiers), or data gathered from statistically valid surveys.

Q78: Is an application that proposes conversion of RHCF beds to LTHHCP slots an eligible proposal, and, if so and all other things being equal, would it be likely to score as highly as a proposed conversion of RHCF beds to some other type of residential care?

A78: See A49.

* Q79: In an application for a proposed bed conversion, for example RHCF bed conversion to ALP beds, will the Department consider greater than a 1-for-1 bed conversion, e.g., decertification of 40 RHCF beds and certification of 60 ALP beds?

A79: There does not have to be a one-for-one conversion for beds.

* Q80: Is the following an eligible project: an application in which an Adult Care Facility/ALP provider (lead applicant) seeks HEAL 12 funding to purchase all or part of an unrelated RHCF (co-applicant), subsequent to which, the RHCF will either close and decertify all of its beds or decertify some portion of its beds, and the Adult Care Facility/ALP provider will use additional HEAL 12 funding to construct housing alternative beds, e.g., ALP beds, at a site apart from the RHCF, or will convert existing ACF beds to ALP beds without construction? As background to the question, it is believed that, in many cases, RHCFs will not be interested in constructing other residential alternatives, while unrelated parties will be interested, and the only way to create the necessary bed conversion scenario will be to bridge the gap between the parties through the use of HEAL 12 funds that will induce the RHCF to decertify beds or an entire facility.

A80: The project must meet the objectives of HEAL NY Phase 12, as defined in Section 1.3 of the RGA.

* Q81: Assuming the answer to the preceding question is yes, what amount of HEAL funding per bed would be allowable for the bed purchase component of this proposal? Again assuming the answer to the above question is yes, may the housing provider construct the ALP beds in a county that is different than the county in which the RHCF is situated, as long as the two counties are in the same NYSDOH RHCF planning region (i.e., transfer from one county to another within New York City, or transfer from one county to another on Long Island)? Further, could the RHCF beds be decertified in one county with an excess of RHCF beds and have the ALP beds built in a contiguous county, with a demonstrated lack of ALP beds, even if the counties are not viewed as a single planning area for RHCF bed purposes (e.g., Albany and Schenectady)?

A81: There is no set “per bed” amount for HEAL funding. Rather, the entire funding request cannot exceed \$25 million. Funding under HEAL 12 may be used to purchase and decertify nursing home beds, and to construct alternative care beds, such as ALP beds, at a different site. This may be in the same county or a contiguous county with a demonstrated community need. The applicant must demonstrate how the project will meet the goals of the RGA.

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Q82: Would the proposed conversion of RHCF beds to a lower-level residential program with pending regulations, e.g., neurobehavioral step-down, be eligible for HEAL 12 funding?

A82: No, the proposal is not creating alternatives to RHCF beds.

Q83: How will applicants access ALP beds if approved? What type of application process (competitive, non-competitive?) is envisioned?

A83: If the application is selected for funding, a Certificate of Need application for ALP beds must be completed. It is not competitive after HEAL funds are secured. If the terms of the awarded HEAL funds included the award of ALP beds an ACF CON ALP application would be required in conjunction with all other required applications.

Q84: Can I submit a grant application for both an increase of ADULT HOME beds with a request for ALP beds, or must it be two separate Grant applications?

A84: One application may request both Adult Home and Assisted Living Program beds.

* Q85: At the bidder's conference a question was posed: "If an applicant has an approved CON and the applicant wants to modify it, is the applicant eligible to modify it through HEAL XII funding?" The Department of Health (DOH) responded that the applicant must withdraw the approved CON and submit a new application for HEAL XII. We now respectfully request a clarification to the response. We believe that DOH should reserve the authority to authorize the use of HEAL XII funds for the modification to an approved CON, if such modification is consistent with existing DOH guidelines. This flexibility would allow the Department, on a case by case basis, to exercise the review that accompanies a CON application without requiring an entirely new review of a CON submission and could be used when DOH determines that it is more appropriate and cost effective for the State to permit a modification of an existing CON. This is a better alternative to submitting an entirely new application that may be unnecessary, and will certainly be more costly to prepare. Reserving the authority to accept modifications to an existing CON is in the best interests of the Department and HEAL applicants. Accordingly, we recommend that DOH issue the following clarification: "An applicant for HEAL funding will generally need to file a new CON in connection with the project to receive funding. However, if DOH determines that it is more cost-effective and efficient to permit a modification of an existing CON application, DOH, in its sole discretion, may permit such a modification.

A85: This would be eligible for funding only if the modification would constitute a distinct phase of the project; and only that phase would be eligible for funding. HEAL funds may not be used to replace or supplant existing funding. Any such modification or amendment of a CON application would also be subject to the requirements of 10 NYCRR Section 710.5.

Q86: Are matching funds required?

A86: See A1.

Q87: Where can we obtain the most recent data on capacity, volume, occupancy and discharges for Assisted Living Programs, Assisted Living Residences, Enriched Housing, Adult Homes, Long Term Home Health Care Program, Adult Day Health Care and home attendant services? (Page 36; Community Need).

A87: This information will be posted on the Department web site shortly. Please check for this update.

Q88: Section 1.5 states "In rare instances, one year, no cost extensions may be available only on pre-approval." What is meant by "no cost"?

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A88: "No-cost extension" refers to a time extension only, granted to allow the awardee to complete approved project activities, without any increase in the amount of the original HEAL award.

Q89: Section 1.8 - of the \$175 million, how much is State appropriations and how much is from DASNY bond proceeds? Are there specific allocations of the \$175 million by region?

A89: \$175 million is the total amount available in total; there is no specific allocation by region.

Q90: If RHCF bed reductions as proposed in the Berger Commission recommendations have occurred or are under way, and there is little or no development of alternative community based models, does the HEAL 12 applicant need to propose further NF bed reductions to be eligible for funding, especially if the applicant is not an entity that Berger Commission RHCF bed reduction recommendations affected?

A90: No.

Q91: If the Berger Commission recommendations for long term care (LTC) bed reductions have been or are being satisfied by separate CON actions and no new comprehensive community based services are being developed, can a HEAL 12 applicant competitively propose an alternative community based model that will demonstrate utilization changes in acute and LTC placement that in the future can lead to a community's lessened dependence on RHCF beds for the community's LTC services?

A91: Yes, the application must document how the project meets the objectives stated in Section 1.3 of the RGA.

Q92: Does the applicant and proposed program need to be a service or program that will be licensed under a provision of NYS Public Health Law? This question is posed because the RGA includes "not for profit consortia" as an eligible sponsor.

A92: Not necessarily. As for the applicant, note that Assisted Living Programs, Adult Homes and Enriched Housing Programs are licensed under the NYS Social Services Law. Senior housing corporations and corporation or entity specifically established to develop alternative long term care initiatives are not licensed. Whether the proposed program or service needs to be licensed under state law will depend on what is proposed.

Q93: If an application includes a request for working capital, can the working capital request include occupancy costs in the form of lease expenses, utilities, and insurance?

A93: Working capital may be considered a capital expense and may be used for lease payments, utilities and insurance provided the costs pertain to the decertification of RHCF beds and the construction and creation of new alternative care beds. HEAL 12 funding cannot be used for operational costs once the new facility is open.

Q94: Is a NYSDOH approved nursing home expansion (completed in 2009) eligible for HEAL NY Phase 12 funds due to unforeseen costs incurred beyond the mortgage amount?

A94: No.

Q95: We are planning the private development of a twenty-six apartment, enhanced assisted living facility in a rural community. The project has wide community support and there is no doubt that our facility will meet the goals of the HEAL NY program and the 21st Century study. Our intent is to have the facility under construction later this summer and open in 2010. At this date we are putting together the business plans and pursuing financing. A corporate organization structure has not yet been established, although we fully intend that the legal entity will be in place

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before we submit the RGA. However since we are not a pre-existing organization we will not have a corporate history, financial statements, licenses or certificates. Furthermore we likely will not have legally binding commitments from investors, lenders and other grant providers prior to the RGA filing deadline although we may have letters of intent. Our project budget and construction schedule are preliminary.

Under these circumstances, will our RGA be given serious consideration?

A95: The applicant must be an eligible applicant as described in the RGA, Section 1.4(B) and the project must meet the eligible activities in Section 1.4(A). As for those items which have not been secured, the application must provide as much information as possible.

Q96: Much of the information required and benefits to be derived are applicable to a "region". For purposes of our application for an enhanced assisted living facility, please define our region. For example is it the entire Central New York Region as defined by the 21st Century study; only Cayuga County; or an area with our town at its center and a circumference extending there from?

A96: See A3.

Q97: Frequent mention is also made to "community", such as basing the allocation and distribution of funds on the availability of programs in the "community" (page 6, Section 1.3, paragraph (b)). For purposes of our application please define community? For example would it include only our town or an area encompassed by a 15 mile radius of the village center?

A97: The applicant must determine what the service area is and justify how their project will benefit that service area.

Q98: On page 6, the second paragraph of section 1.3 refers to "other residential options". Please define or clarify the term "other residential options"?

A98: Other residential may include any housing that serves long term care populations.

Q99: The RGA requires that the applicant enter into collaborative agreements with community based providers of medical services, local governments and other licensed programs. It also calls for the names of "co-applicant(s)". Given our status as a developing new business it is unlikely that legally binding commitments will be in hand prior to the filing deadline. What evidence can we provide that will satisfy the filing requirements relative to our intent to establish collaborative arrangements?

A99: At a minimum, letters of intent or memorandums of understanding between the parties should be provided.

Q100: Please define "community based provider" and give examples?

A100: A community based provider is one that provides services to disabled or elderly persons as a cost-effective alternative to being institutionalized.

Q101: Negotiations with a property owner are ongoing, but not finalized. Under these circumstances identifying a specific location may disadvantage us in the land acquisition negotiations. Furthermore we may not be able to state with absolute certainty the exact location of the facility. Will we be able to provide a general location description rather than a specific address? Can we defer completion of Attachment 6, Short Environmental Assessment Form or can we submit the form with the understanding that ownership of the property has not been obtained?

A101: A SEQR review should be completed and, in order to complete it, the exact facility location is needed.

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Q102: In as much as we do not yet have a final project design, detailed construction cost estimates or construction contracts in place; can we base our project budget projections on per square foot cost estimates for similar projects constructed in the area during the past few years?

A102: Yes, prevailing cost per square foot would be a reasonable basis for making estimates. You should also ensure that the estimates take into account the need to pay prevailing wages for HEAL-supported activities, which are deemed public work and are governed by the prevailing wage requirements of the New York State Labor Law (see RGA, page 12).

Q103: Is there a requirement as to the level of funding to be provided by the owner? Can the owner's share of funding include all other sources of funds such as other government grants, commercial loans, etc?

A103: There is no requirement as to the level of other sources of funding to be provided by the owner (no matching requirement). If the applicant has other sources of funding, they may be government grants and traditional financing.

Q104: Since we are not affiliated with an existing nursing home and given that you will not accept anecdotal evidence, what type of evidence will you accept that demonstrates that our project will result in a reduction of nursing home beds and a lowering of regional health care costs?

A104: Based on the information provided it is difficult to answer the question. It is the applicant's responsibility to demonstrate how their application will both reduce nursing home beds and continue to meet community needs through an alternative health care delivery system. Also see A77.

Q105: Will the HEAL NY disbursements be in the form of loans and grants or just grants?

A105: HEAL disbursements will be in the form of payments for incurred costs. No advances or loans will be made.

Q106: Page 10, section 1.7 explains how funds will be allocated among the competing projects. Is there a maximum percentage of a project's qualified and eligible costs that HEAL NY will provide or can the award cover 100% of such costs?

A106: HEAL 12 can cover 100% of a project's cost, however financial matching, when available, from other sources is encouraged.

Q107: HEAL NY is intended to provide financial incentives to reduce unneeded nursing home beds and their associated costs yet it would appear to conflict with a provision of the Assisted Living Reform Act of 2004. This act states that an individual with chronic needs cannot be accepted for admission into an ALR-EALR. With NYSDOH's new Nursing Home Transition - Diversion Medicaid Waiver, New York is encouraging nursing home residents to move back into their communities. Among those who wish to move are persons with chronic needs that will need the level of care provided by EALRs. Can an EALR accept chronic needs persons transferring from nursing homes and still qualify for grant funding through the HEAL NY grant program?

A107: No, an EALR must comply with NYCRR Title 10, Section 1001.7(d).

Q108: Section 3.4 – “Demonstrated support for hard to serve or low and middle income individuals in need of long term care services” - How is hard to serve defined?

A108: The applicant should describe this term and defend their definition.

Q109: A facility has an approved CON that will be modified – is this project eligible for HEAL 12?

A109: See A85.

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Q110: This question is in regards to the HEAL NY Phase 12 Grant RGA Section 1.4(B) - Eligible Applicants. We are a management firm with a purchase agreement for an adult home. We have submitted our application for a Certificate of Need to the Department of Health for the change in ownership and are awaiting approval. Are we eligible to apply for the HEAL NY Phase 12 grant?

A110: You must be an eligible applicant at the time of submission of the application. See also A7 and A109.

Q111: Our County Community Hospital and Nursing Facility is one of our many County departments. The acute care public hospital is the only hospital in the County, while the attached nursing facility is the larger of the two existing skilled nursing homes in the County. The existing home health care and recently approved long-term home health care programs are provided through the County Health Department's Certified Home Health Care Agency (CHHA). There are no other home health agencies in our county. In collaboration with numerous County departments (Office for the Aging, Public Health, Social Services), our intent is to reduce beds in the County nursing home to make way for establishing a medical day care and respite service that will enhance the ability of a new long term home health care program to flourish. This holistic "nursing home without walls" approach would set the stage for a more comprehensive continuum of care for the aging population in our County and surrounding areas. Medical day care and respite care services are not currently provided in our area and this concept would expand health care alternatives to our home care population.

Our question is as follows (section 1.4(B)): Would it benefit our plan to have our County Community Hospital and Nursing Facility be the lead applicant since the proceeds from the HEAL 12 program would be used entirely within the nursing facility or, since the effort is a collaboration of County departments, should the County be the lead applicant?

A111: The County Community Hospital and Nursing Facility should be the lead applicant since the proceeds from the HEAL 12 program will benefit the facility.

Q112: Is a not-for-profit, independent living retirement residence (not licensed by the New York State Health Department), eligible to request funding from the recently announced \$175 million in HEAL NY Grant funds, for the purpose of retro-fitting a Sprinkler and Fire Alarm System at our facility? The estimated cost of this project is approximately \$1.5 million. This is an independent living community for older adults. We are a 501(c)(3) not-for-profit, tax exempt organization. Most importantly, though, this is not a public company, so there are no shareholders demanding returns on investments. I look forward to learning whether we are eligible to apply for HEAL NY Grant funds.

A112: See A5.

Q113: In the scoring and/or ranking of specific components of the HEAL 12 submission, will an existing non-for-profit nursing facility that has an endowment fund be scored less and/or ranked lower for grant disbursements?

A113: A not-for-profit nursing facility that has an endowment fund will not be scored lower than any other type of eligible applicant. If the endowment funds are available for use as matching funds toward the project, this will be favorable for the applicant's scoring. If the endowment funds are restricted as to use, this will not affect the applicant's score negatively, and in fact may be viewed favorably as one financial scoring component is "viability of the project over the longer term".

* Q114: Disbursements are to occur on/or around October 1, 2009. Will the fact that local and State Health Department approvals will take much longer than that to accomplish negatively effect the ranking and or scoring on the submission?

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A114: No, and the CON process for applications that receive HEAL funding is expedited.

Q115: Is one of the outcomes that the State Health Department is looking for as part of the HEAL 12 submission is the creation of long term care continuums of care on one campus?

A115: Long term care continuums of care are eligible projects for HEAL NY Phase 12

Q116: Will the State Health Department consider a joint venture between a nursing facility and a recognized senior housing provider in NYC?

A116: Yes, this joint venture would be acceptable.

Q117: We are a skilled nursing facility and have transformed roughly half of our nursing units to the household model. We have done so by demolishing select resident rooms and using that space to build a country kitchen, dining room, bathing suite, laundry etc. Since we rely on the income from all of our licensed beds to meet our mortgage payments we have been forced to add onto our building a comparable number of resident bedrooms in order to maintain our licensed capacity. We would like to complete our household renovations with the same design but would be willing to decertify the affected beds rather than build new. This would enable us to make the complete transformation at a fraction of the original cost. Will the Department consider a voluntary decertification of approximately 25 beds in exchange for a lump sum grant that we would use to reduce our long term debt?

A117: HEAL could be used to complete the household renovations assuming they are an eligible applicant pursuant to Section 1.4b of the RGA. The applications are competitively scored.

* Q118: If a facility does not have any licenses as an ALR, EALR, SNALR, or as an Adult House, do they need to have those licenses prior to applying? If so, can they apply for the RGA, while their license application is being processed?

A118: The applicant must be an eligible applicant by the application due date.

Q119: How does the intake process work, in regards to: Who is responsible for redirecting current nursing home patients to these new facilities, and what is the expected timeline for those redirections (meaning: how often can a facility expect to get new tenants, and who do they contact to make sure they remain at capacity)?

A119: The facility is responsible for obtaining residents.

* Q120: In regards to "Examples of projects that will be funded under HEAL NY..." please elaborate on the phrase, "Other housing configurations with coordinated medical services that support long term care populations living in the community."

A120: Examples of "Other housing configurations" include those in which medical services are coordinated through the various programs allowing individuals to live in and receive nursing-facility level of care in the community.

Q121: In regards to the facilities, will residents all be expected to have their own room? If not, is there a benefit to a facility having studio, 1 bedroom, or 2 bedroom apartments? Is there a detriment to having 2+ bedroom apartments?

A121: In an Adult Care Facility a maximum of two residents may occupy a bedroom which meets the square foot area requirement for double occupancy. The resident cannot be compelled to share a room and must agree to share a bedroom. Dwelling Units are required for an Enriched Housing Program based Adult Care Facility. A dwelling unit must meet the requirements of the applicable building code. A dwelling unit may consist of a studio apartment,

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one bedroom, or a two bedroom apartment. Apartments with more than two bedrooms are not prohibited by DOH regulations but are not typical. DOH regulations restrict the number of occupants of an enriched housing program where residents share all spaces other than bedrooms to seven residents. Also, some municipalities may have zoning ordinances which restrict the number of unrelated persons who can share an apartment. There is no benefit to proposing a facility with certain size apartments and no detriment to proposing 2+ bedroom apartments.

Q122: Please expand upon the phrase, "Access to Assisted Living Program (ALP) beds is also part of this initiative." Is this another license that must be secured? What makes a facility a verified ALP? How can this be done?

A122: A facility must be a licensed Adult Home or Enriched Housing Program. If the application is selected for funding, a Certificate of Need application for ALP beds must be completed; final approval of the CON results in certification as an ALP.

* **Q123:** We pose the following questions and clarifications to the RGA: Does an applicant have to demonstrate actual bed reductions in RHCF capacity in order to be eligible for HEAL funding? If so, does the applicant need to demonstrate such reductions on a one-to-one basis (e.g., one nursing home bed reduced for every new ALP bed created)?

A123: No. There is not a one-to-one requirement. Community based ACFs are eligible applicants. Similar to A130.

Q124: In those areas of the State where there is not current nursing home bed overcapacity – but there is still a need for alternative long term care options – may an applicant remain eligible without demonstrating actual bed reductions in RHCF capacity?

A124: Yes. Even in a region where there is not RHCF overcapacity, there may still be a need for alternative care options. The application should demonstrate that there is a community need for such options.

Q125: If an applicant is not automatically disqualified for failing to demonstrate actual bed reductions in RHCF capacity, how much weight – or points – will be lost for failing to make such a demonstration?

A125: The technical allocation breakdown will not be made public.

* **Q126:** Will the Department make available: (1) the areas of the State where there have been recent reductions in RHCF capacity (and the number of such bed reductions); and (2) the areas of the State where the Department anticipates reductions in RHCF during the project timeframe in the RGA (and the number of anticipated bed reductions)? Will the Department make such information available by the June 12th posting date, so that applicants will have sufficient time to develop their applications by the July 14th deadline?

A126: See A87.

Q127: In cases where an Assisted Living Residence (ALR) application is pending, but the applicant cannot fund the final environmental/building standards/regulations that were not clear or official at the time of submission of the application, may the applicant withdraw the ALR application and apply for HEAL funding without it being considered a supplanting of funds and/or otherwise affecting their eligibility or scoring in a negative way?

A127: This is not acceptable as a HEAL project.

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Q128: Regarding the definition of "capital expenses," would the ramp-up fees for program be considered capital expenses and an eligible cost for this grant? An example may be training fees for administrators and clinicians to provide PACE services.

A128: Yes, start-up fees for program staff may be considered capital expenses provided the costs pertain to the decertification of RHCF beds and the construction and creation of new alternative care beds. HEAL 12 funding cannot be used for operational costs such as administrative salaries once the new facility is open.

* Q129: This was touched upon at the bidders' conference but was stopped short: If we have HEAL 7 and need some additional funding for a subsequent phase of the same project, can we request additional funds from HEAL 12?

A129: HEAL Phase 12 funds cannot be used to supplant other funds, including funds from prior HEAL Phases. Any application would have to be for other activities in order to be considered eligible for funding under this RGA.

Q130: Can an applicant qualify for HEAL 12 funding if they demonstrate an actual nursing home bed reduction without a corresponding ALP increase? If so, will points in scoring be lost for failing to create new ALP beds?

A130: One of the goals of HEAL NY is the elimination of duplicative health care services consistent with community need for those services, including reduction and/or conversion of excess bed capacity; as long as one of these goals is met, an applicant may apply for HEAL 12. There is no loss in scoring for failing to create new ALP beds.

Q131: In a geographic area of the State where new ALP beds have recently been created, does there need to be a further creation of new ALP beds in that area?

A131: No. If RHCF beds have been reduced in the area and the applicant documents the need for ALP beds, the project is eligible for consideration.

Q132: How will DOH determine in each geographic region how many nursing home beds will be reduced and how many ALP beds will be created?

A132: See A3.

Q133: Has DOH assigned a targeted nursing home bed reduction number by each geographic region and a corresponding ALP bed increase by region? If so, how did you arrive at those numbers and if not how do you propose to arrive at such numbers?

A133: No, DOH has not assigned a targeted number of nursing home beds or ALP beds.

Q134: Will the "banking" of nursing home beds be rated the same or differently as beds being permanently decertified under the review criteria?

A134: Permanently decertified beds are one of the goals of HEAL.

Q135: Our organization operates an existing Adult Day Health Care Program (ADHCP). Can HEAL NY Phase 12 funds be used to cover capital and operating costs to expand the Adult Day Health Care Program to a second site, without the organization reducing any of its existing Nursing Facility beds?

A135: The applicant must show us how it meets the overall objectives of HEAL 12.

Q136: If Nursing Facility beds must be reduced to enable our ADHCP expansion, can the closure of beds from other Nursing Facilities in the county be used as part of the HEAL application? If

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yes, how far back in time can the HEAL grant cite the number of reduced beds, or closed Nursing Facilities, in our county?

A136: See A135.

Q137: Regarding “multi-provider collaboration” (Sections 1.3(g) and 3.4) and “multi-provider arrangements” (Section 1.4(A)), what is the nature of the collaboration desired? Does it require some form of shared governance? Could this just include collaboration with other agencies in the provision of services (such as a CHHA) or does there need to be a collaborative relationship in the development of the alternative programs? What other providers besides the applicant are necessary to qualify? A residential health care facility? A certified home health agency? A licensed home care services agency? A diagnostic and treatment center? Private physicians? Other health care professionals? An agency licensed by one of the agencies in the Department of Mental Hygiene?

A137: Applicants may propose partnerships with organizations licensed by other agencies and the Department will assist the applicant in obtaining the requisite approvals. Collaborations with other types of medical services are also encouraged.

* Q138: There are numerous references to “medical services” in the application (e.g. Sections 1.4(A), 1.8, and 3.4) – how is this defined for the purposes of the application? Would it apply to home health care? Adult day health care? Access to a diagnostic and treatment center? Access to the office of physicians or other health care professionals? Access to specialized care for the mentally ill, developmentally disabled or chemically dependent?

A138: Medical Services refers to all licensed treatment services; all of the above examples are allowable.

Q139: Does the requirement for prevailing wages apply (Section 1.8.1 and Attachment 16, 6) only to the residential care alternatives developed or would it apply to other portions of a project as well (e.g. independent housing, a community center, a medical clinic, etc.)?

A139: Any work performed under a contract awarded under this RGA shall be deemed “public work” pursuant to PHL § 2818 (1), regardless of whether the work performed on portions of a project other than the residential care alternatives are developed.

Q140: The RGA specifies the development of community alternatives to RHCF beds (e.g., Sections 1.1, 1.3, 1.4(A), 3.4) – would the ability of a project to also provide alternative settings for long term care populations that might otherwise be served in Intermediate Care Facility (ICF) or ICF/DD (Developmental Disabilities) facilities be seen favorably as well, and receive the same consideration under section 3.4?

A140: These services may receive the same consideration as long as the project meets the objectives of HEAL Phase 12.

Q141: Is there a specific methodology that should be used to document need in the description of Community Need section of the RGA (in Attachment 8, Technical Application Format, Section B, 2)? That is, should this section include a reference to the State’s determination of need for RHCF beds as of 2007 (as stated in Title 10, Section 709.3) and/or include an updated analysis of the need for RHCF beds using the state’s CON methodology as outlined in this section? Or are other methodologies to determine the need for long-term care acceptable?

A141: The application may include a reference to the State’s determination of need for RHCF beds (Title 10, Section 709.3) and include an updated analysis of the need for RHCF beds as well as other data that they deem relevant.

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Q142: Are there additional guidelines as to the level of specificity preferred for the Project Budget (Attachment 11, Financial Application Format, Section A)?

A142: As stated in the RGA, budget justifications should be specific enough to clearly demonstrate what the applicant means by each request and how the request supports the total project.

Q143: Is there a preferred target for the percentage of total funds that should come from other sources versus from the HEAL grant? (Attachment 11, Financial Application Format, Section B).

A143: No, see Question 106.

Q144: What does "project start" refer to (i.e. receipt of HEAL funds, start of construction, opening of the facility, etc.)? (Attachment 11, Financial Application Format, Section D).

A144: The project start date is the date the project begins, but it cannot be prior to the start date of the contract.

* Q145: Will an application proposing to establish residential long term care to serve a population which is also served by some other agency (e.g., OMH, OMRDD or OASAS), which may require the approval of that agency, be negatively impacted in the review process under section 3.4?

A145: Applicants may propose partnerships with organizations licensed by other state agencies.

Q146: If the creative alternative being proposed would require an otherwise permissible waiver of existing regulatory requirements, will the application be negatively impacted in the review process under section 3.4?

A146: A submitted application which would require a waiver of existing regulatory regulation to operate may negatively impact the application if DOH determines that it would not support the requested waiver or if the waiver being sought would prevent completion of the project within the allotted time period. The application should clearly identify from what regulatory requirements a waiver is being sought, clearly identify the sections from which relief is being sought and indicate that the process of obtaining a waiver will not negatively impact completion of the project within the allotted time period.

* Q147: We previously applied for HEAL 7. We were "shot down" because our application had proposed decreasing our nursing beds and replacing them with ALP slots. We were told that no additional ALP slots were available for the Central Region. Has that changed? How many slots are taken now and how many are currently available? Is Enriched Housing included in the ALP count?

A147: The need for ALP beds is dependent on a corresponding decrease in nursing home beds in the same area. In an application that proposes a decrease in nursing beds and a subsequent replacement of those beds with ALP beds, there should be a reasonable correlation related to the number of nursing homes beds being decertified to the number of ALP beds proposed.

Q148: What defines the Central Region: which counties are included? Are HEAL dollars allocated by county?

A148: See A3.

Q149: We are a 242 bed 38 year old high rise facility with asbestos, sprinkler compliance problems (due for 2013), safety issues, and an aging infrastructure in constant need of costly repairs. Will a replacement facility with decreased beds (probably 242 to 200) qualify for this grant? The new facility would embrace the "neighborhood concept" with "green technology".

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A149: Yes, a replacement facility with decreased beds qualifies as an eligible project for this grant

Q150: Regarding partnerships - Would a partnership with a town to build their own senior housing units on our proposed site be something you would see? We could provide outpatient service, including Day Care, which would keep the senior housing residents independent and out of the nursing homes.

A150: This may be an eligible project. One of the objectives of HEAL Phase 12 is multi-provider collaboration, including local government and community based providers.

Q151: What are the scoring criteria?

A151: The Technical score will comprise 75 percent of the overall score and the Financial score the remaining 25 percent. The Department does not make public the specific weighting or scoring criteria within these categories.

Q152: Do you need to be a non profit organization to apply? Can you be a for profit organization to apply?

A152: Both non-profit and for-profit organizations may apply.

Q153: The goal of RGA is to reduce the number of nursing home beds; what tool do you want used to measure this? How is this outcome supposed to be measured? What are the criteria?

A153: There is not one tool or criterion to measure this, the operating licenses of all nursing homes have a limit on size.

Q154: What are the goals of the commission? What are the goals and objectives for the HEAL program?

A154: See HEAL 12 RGA sections 1.2 and 1.3.

Q155: What are bonded funds?

A155: The bonds to be issued by DASNY for HEAL 12 constitute “state-supported debt”. This means debt can only be incurred for a “capital work or purpose”. Funds available from state capital appropriations have less stringent requirements than bonded funds. HEAL 12 grants will be a combination of DASNY bonded funds and state capital appropriation funds.

Q156: A) What are the scoring criteria? B) Do you need to be a non profit organization to apply, or can you be a for profit organization to apply? C) What is the feedback mechanism to identify barriers and make needed adjustments? D) What resources, books, online sites are expected to be used as a source of information? E) Anecdotal information is not accepted; are there certain sources of information that is acceptable? F) What are the names of these books, etc., that we should use?

A156: A) The Technical score will comprise 75 percent of the overall score and the Financial score the remaining 25 percent. The Department does not make public the specific weighting or scoring criteria within these categories. B) Both nonprofits and for-profit entities may apply. C) In reference to the Project Monitoring Plan, RGA, page 37, an applicant awarded HEAL funds must report on progress and identify barriers. These will vary depending on the type of project proposed. D) Refer to the Department’s website:

<http://www.health.state.ny.us/funding/rfa/0905041240/index.htm> . Other sources of information may also be used. E) An example of information includes a study supported by measurable, verifiable information (e.g., Census data, patient/resident discharge information (without

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identifiers), vital statistics, statistically valid surveys, etc.) F) The applicant may perform a literature review on “long term care attestations”.

* Q157: If there is a gap in funding for an all SSI/ALP project approved through HEAL 4, can more long term care beds be given up to obtain funding to cover this gap?

A157: Based on the insufficient information provided the question is difficult to answer. If the CON is already submitted, a HEAL award will not be made, whether the CON has been approved yet or not. Submission of a CON indicates that the applicant has already addressed financial feasibility. HEAL funds may not be used to supplant existing funding (including funds borrowed or intended to be borrowed). The project suggested sounds like a new effort and may be considered.

* Q158: If there is a gap in funding to rebuild an ALP in the same nursing home that was closed after giving up nursing home beds in HEAL 8, can HEAL 12 be used to fund that gap?

A158: No, HEAL funds may not be used to replace or supplant existing funding.

Q159: Will depreciation of project costs (for a not for profit nursing facility) included in the grant be allowable costs for reimbursement purposes? For example, if a not for profit applicant receives a \$10 million HEAL grant for a \$90 million capital project and has an approved CON, would depreciation on the full \$90 million be reimbursed by Medicaid?

A159: If the CON is already submitted, a HEAL award will not be made, whether the CON has been approved yet or not. Submission of a CON indicates that the applicant has already addressed financial feasibility. HEAL funds may not be used to supplant existing funding (including funds borrowed or intended to be borrowed, or owner equity). For a new application (no CON on file with the Department), HEAL funds are considered equity. Equity contributions are not eligible for capital reimbursement by Medicaid.

Q160: If an applicant plans to renovate or reconfigure its nursing facility while reducing its bed complement with no alternative services proposed, would this project be eligible for HEAL funding?

A160: The project must show how it meets the objectives as defined in the RGA, Section 1.3 and Section 1.4(A) on pages 6 and 7. Also see A130.

Q161: Is it mandatory that long-term care beds are decertified or is the greater goal of this grant to provide alternatives to long-term care, such as providing long-term care in a residential setting?

A161: Long-term care beds do not have to be decertified as part of a HEAL Phase 12 project.

Q162: If an operator has been preliminarily approved for a new construction project, has NOT received final approval, has NOT obtained any financing for the project and the project is directly related to the Berger Commission recommendation to down size the number of skilled Nursing Home beds while constructing new ALP beds.....Is that operator eligible to receive HEAL funds for the project?

A162: If the CON is already submitted, a HEAL award will not be made, whether the CON has been approved yet or not. Submission of a CON indicates that the applicant has already addressed financial feasibility. HEAL funds may not be used to supplant existing funding (including funds borrowed or intended to be borrowed).

Q163: If two nursing facility entities are consolidating, which facility should be the lead applicant – the one that is closing and giving up beds or the one which will remain after the closure?

A163: The Nursing Home which will remain after the closure should be the lead applicant.

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Q164: RGA section 2.2 states that the technical application “should not exceed 15 pages, including the executive summary (but excluding resumes of project team members, which may be appended).” Can letters of support be included in the application? If so, do they count towards the 15-page limit?

A164: Letters of support may be included in the application and they will not count toward the fifteen page limit.

Q165: Given community need for more home based rather than community based health care services, coupled with the primary goal in this HEAL Phase to assist communities to organize, finance, and develop alternatives for care through the development of other residential options (RGA – Page 6, Paragraph 2), could HEAL funds be used to supplement, rather than supplant, HUD capital grant dollars for the creation of supportive housing for low income persons with disabilities (Section 811) and seniors (Section 202)? (Appendix C of the RGA allows for contracts to be wholly or partially supported by federal funds.)

A165: See A63.

Q166: Given community need for more home based rather than community based health care services, coupled with the primary goal in this HEAL Phase to assist communities to organize, finance, and develop alternatives for care through the development of other residential options (RGA – Page 6, Paragraph 2), could HEAL money be used to supplement, rather than supplant, HUD block grant funding – e.g., HOME and Community Development Block Grants – to construct or rehabilitate housing for low income persons with disabilities and seniors that includes programs for personal care and health related services?

A166: See A64.

Q167: Under the RGA, expenditures eligible for funding include housing configurations with coordinated medical services that support long term care populations living in the community (RGA – Page 11, Paragraphs 1 & 2). Would this apply to medical services coordinated through the Consumer Directed Personal Assistance Program, the Nursing Facility Transition and Diversion Waiver Program, the Traumatic Brain Injury Waiver Program, and other Medicaid programs allowing individuals to live in and receive nursing facility level of care in their community?

A167: See A65.

Q168: Since HEAL’s goal is to assist communities to organize, finance, and develop viable alternatives to RHCF care for long term care populations (RGA – Page 6, Paragraph 1), why doesn’t the partnership that the State seeks according to the RGA go beyond one between the State and the health care community (RGA – Page 5, Paragraph 9) to include significant community stakeholders such as community based housing organizations?

A168: See A66.

Q169: The time period between the announcement of the grant and the deadline for submitting applications is brief. Wouldn’t the RGA objective of developing other residential options (Page 6, Paragraph 2) be much better served if the application deadline were extended, thereby potentially increasing not only the pool of prospective applicants but also their diversity in terms of region, eligibility, background and collaborations?

A169: See A67.

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Q170: Does the term “licensed residential programs” (RGA – Page 11, Paragraph 1) also include licensed residential programs that serve people with mental illness – for example, the Supervised Community Residence, the MICA Community Residence, Apartment Treatment programs, the Community Residence/Single Room Occupancy (CR/SRO), and the Residential Care Center for Adults (RCCA)?

A170: See A68.

Q171: (a) Affordable Community Care Retirement Communities (CCRCs) are classified in the RGA (Page 11, Paragraph 2) as eligible for HEAL funding as a licensed residential program and a housing configuration with coordinated medical services that support long-term care populations living in the community. Since skilled nursing facility care for CCRC residents who become temporarily ill or who require long-term care may be provided in an on-site facility or in an offsite nursing home affiliated with the CCRC under the CCRC statute, would an offsite option be available under the RGA to other housing configurations with coordinated medical services that support long-term populations living in the community.

A171: See A69.

Q172: (b) If the answer to Question 7(a) is yes, would there be any objection to the use of HEAL funding for the acquisition, construction, reconstruction, equipment, and information technology cost necessary to develop affordable fees for service under Articles 46 or 46-A of PHL (RGA – Page 11, Paragraph 4) with respect to, for example, a housing configuration such as a Naturally occurring Retirement Community (NORC), which permits senior citizens to remain in the multi-unit and multi-family buildings where they have been living while receiving long term care at home or “offsite”?

A172: See A69.

Q173: Does the development of other residential options (RGA – Page 6, Paragraph 2) or other housing configurations with coordinated medical services that support long term care populations living in the community (RGA – Page 11, Paragraph 2) encompass the construction or rehabilitation of integrated scattered site affordable housing units for persons with disabilities, with medical services coordinated by the persons with disabilities themselves in consultation with a service provider under contract and in partnership with the housing development’s managing agent? (One such model for this housing configuration is The Supported Housing Initiative of The East Side Housing Opportunities, located in Buffalo, New York. The initiative serves the housing, independent living, and referral assistance and service consultation related needs of persons with mobility, hearing, and visual disabilities. Twenty percent of the 50 affordable single-family housing units, for a total of 10 units, are set aside for individuals and/or families with disabilities.)

A173: See A70.

Q174: HEAL grant funds can be supplemented by additional matching funds through the Federal-State Health Reform Partnership (RGA – Page 5, Paragraph 2). Originally, as part of the State’s F-SHRP Plan submitted to the federal government, the State was to receive \$50 million from CMS for home modification and housing accessibility to spur reform of New York’s health care system. If the State received those dollars, why aren’t they available as part of this HEAL phase?

A174: See A71.

Q175: Is a public housing authority that is a division or department of local/municipal government, rather than a quasi-public corporation, an Eligible Applicant under the RGA (Page 8, Paragraph 4, #8).

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A175: Provided that a public housing authority can show that it is, in fact, a division or department of a local/municipal government, it would be an eligible applicant.

Q176: Does a public housing authority qualify to access HEAL funding to supplement, rather than supplant, federal Section 8 program funding and the Low Income Housing Tax Credit (LIHTC) to construct or rehabilitate supportive housing with personal and health care services for low income persons with disabilities and seniors?

A176: See A63.

Q177: Are the Technical and Financial application forms available in word or excel format?

A177: It is now available at: <http://www.health.state.ny.us/funding/rfa/0905041240/index.htm>

Q178: I'm wondering if the transcript from the pre-proposal conference (HEAL NY 12) is available and how I might access it.

A178: It is now available at: <http://www.health.state.ny.us/funding/rfa/0905041240/index.htm>

Q179: Financial statement calculations will be completed in current (2009) dollars, is this correct? How would you like the calculations of savings to be done?

A179: Financial statement calculations should be completed in current dollars. Calculations of savings may vary, and the method used should be documented.

* Q180: Please describe the architectural diagrams and the level of detail that are required to be submitted.

A180: Although the RGA does not specifically require an architectural submission, it does require the Applicant to adequately describe their proposal. If submitted, the level of detail of architectural drawings would have to be determined by the applicant as to what is necessary to describe their proposal. If submitted, architectural drawings should be prepared by a design professional and care should be taken that what is shown is not in conflict with existing applicable codes, rules and regulations; or if not in compliance, the application must contain a proposal to bring the facility into compliance; any submitted drawings that demonstrate noncompliance without a plan of correction, may negatively impact the application.

Q181: Hi, I was wondering if there was any preferences regarding other project fund sources? Is an application that asks for 100% HEAL-NY project funding acceptable? Will application scoring be impacted by the percentage of HEAL-NY funds requested?

A181: The Department does not make scoring criteria available. There is a cap on individual projects of \$25 million. Scoring will not be impacted by the percentage of HEAL-NY funds requested.

Q182: On page 5, 2nd paragraph; it's stated "additional matching funds will be available through the Federal-State Health Reform Partnership (F-SHRP); are the F-SHRP funds a separate pool of dollars that can be accessed? How are they accessed?

A182: This refers to the description of how funds are accessed by New York; the amounts available under this RGA are limited to \$175 million.

Q183: Matching funds are addressed in different sections of the RGA; however the RGA does not address a "required percentage" of matching. Is there a required percentage of matching? Can it be cash and/or in-kind?

A183: No matching funds are required; nor is there any specified matching percentage.

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Q184: Are HEAL 12 capital funds reimbursable through reimbursement mechanisms; (i.e. Medicaid)?

A184: No, these are grants and are not eligible.

Q185: Can HEALNY 12 funds be used for home and community based services (e.g., Program of All-Inclusive Care for the Elderly (PACE) that would enable nursing home eligibles to live in a non-institutional setting?

A185: Yes, refer to Sections 1.6 – 1.8 in the RGA.

Q186: I am currently starting a business called Seniors Helping Seniors. This is a program designed to help seniors remain in the own home for as long as possible with non medical services being provided by more able seniors. I am looking at all available ways to get this business up and running. My questions would be if Medicaid paid for custodial care in a skilled nursing home, would it also pay for custodial care with a resident's own home? This is a fee for service program, that would either be self pay or ?? Medicaid paid. I would be interested in knowing if I am eligible to apply for this grant. RGA number: 0905041240. HEAL NY Phase 12: Alternative long term care initiatives. Would you be so kind as to provide direction or forward this to someone who would be able to assist? Thank you very much.

A186: The business you describe is not eligible. Eligible entities must be existing entities, and the business you describe would apparently provide home care. Your business would therefore have to already be a certified home health agency to be eligible. Please note, however, that the Medicaid program does cover care provided in the home. There are a few State plan services including home health and personal care (including the Consumer Directed Personal Assistance Program). In addition to such State plan services, New York State has federal approval to operate home and community based waiver programs. Examples of such waiver programs include the Long Term Home Health Care Program (including the AIDS Home Care Program), the Traumatic Brain Injury Program, and the Nursing Home Transition and Diversion Program. These programs include services that are not covered as home health or personal care services. There are also PACE programs that provide services that are neither home health nor personal care. You may wish to familiarize yourself with these programs since your business may qualify as a provider of one or more of those services without having to be a certified home health agency.

Q187: Is there information available about the proportion of funds of the \$175 Million for this HEAL that come from the state appropriations pool vs. the DASNY bond pool?

A187: The source of the funds is irrelevant to the applicant.

Q188: What is meant in Eligible Costs (section 1.8 item 5c) payment of debt? Does it mean any kind of facility debt even if not mortgage related debt? Is it debt associated with closing down as opposed to already existing debt? Please clarify.

A188: Payment of Debt refers to items such as Medicaid audit or other type liabilities, working capital loans, vendor debts, etc.--- items that would be necessary to assist an institution in meeting liabilities in cases of closure. Applicants must present their best case as to why these liabilities could not be met in the normal liquidation process of the facility.

Q189: Can a public benefit corporation develop an ALF under HEAL 12?

A189: A public benefit corporation that currently exists, or will be set up by the application deadline, and has the authority to enter into binding contracts and was created for the purpose of providing senior housing or developing alternative long term care initiatives, or are licensed/established as one of the facilities/programs under Section 1.4(B) may be eligible.

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Q190: Can a public benefit corporation develop an adult day care program under HEAL 12?
A190: See A189.

Q191: Please clarify that HEAL funds are available for renovation and modernization of remaining beds in nursing facilities in association with downsizing. Please note in this scenario, senior housing is also being developed in the community and/or on another part of the campus, but not in the downsized building.

A191: Yes, refer to Sections 1.6 – 1.8 in the RGA.

Q192: If a nursing home applicant has received final Public Health Council (PHC) approval to construct a new nursing home that will add RHCF beds to the system, can an ALP provider, in conjunction with a that nursing home applicant, submit a HEAL 12 grant application that proposes the surrender of the approved RHCF beds in exchange for new ALP beds and seeks grant monies to acquire the land and retire the debt on the nursing home applicant's costs for obtaining PHC approval on the to-be-surrendered RHCF beds, and/or the equity required by the ALP to construct the new ALP facility?

A192: Yes. As always, the project will be viewed in light of the HEAL 12 goals of affordability and efficiency.

* Q193: Would community need for RHCF services be deemed as met or unmet in the following situation: per 709.3 of 10 NYCRR, a county is determined to have unmet RHCF bed need; however, utilization of existing beds in the county is less than 97%; and even if a HEAL 12 application from an applicant proposing to further reduce the RHCF bed supply in the county were to be approved, utilization of the existing RHCF beds in the county based on the most recent complete year's utilization would still be less than 97%?

A193: Need is not one of the eligibility criteria, refer to Sections 1.3 – 1.4(A) in the RGA.

Q194: Section 1.8 – If a nursing home is downsized but not closed, can the retirement of nursing home debt be an eligible cost for HEAL funding?

A194: No.

Q195: Section 1.8 – Can HEAL funds be used to create affordable low-income housing coupled with Program for All-Inclusive Care for the Elderly (PACE) even if the housing is not an Assisted Living Program, Assisted Living Residence, Enriched Housing, or an affordable CCRC?

A195: Yes, see A185.

Q196: Will any new Assisted Living Programs receive capital reimbursement regardless of whether it is built on or off nursing home property?

A196: A new ALP must meet several regulatory criteria for capital reimbursement. (Reference Public Health Law Section 3614 subdivision 6 (b) for the appropriate criteria). If the ALP facility is built on property that was formerly a nursing home, this may affect capital reimbursement. In addition, HEAL grant funding is not eligible for capital reimbursement from Medicaid.

* Q197: Section 1.5 – “propose only activities that can be completed within a two year period. All reimbursable and matching costs must be incurred within the period of the Grant Disbursement Agreement.”

- Please define “incurred”
- Can the completion of a project extend beyond the 2-year period so long as the HEAL-funded items/activities occur within the 2 year period (e.g., nursing home downsizing costs and

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related retirement of debt would occur in the 2-year period, but the completion of the new housing units would occur in the 3rd year due to phasing)?

A197: In accounting terms, “incurred” means an expense has occurred and must be recognized. The corresponding payment may or may not have taken place. Non-Grant funded components of the project may take longer than two years, but there must be a substantially complete HEAL – funded project within two years.

Q198: We currently have 66 licensed nursing home beds. How many beds would we need to decertify if we build an 80 bed assisted living program at another location? Is there a specific calculation or formula for decertification?

A198: There is no specific formula; the applicant must demonstrate feasibility and creation of alternative levels of care.

Q199: Does HEAL 12 support a PACE-like program model for low income housing for people with HIV/AIDS?

A199: See A185.

Q200: Does HEAL 12 apply to AIDS RHCF beds?

A200: Yes.

Q201: Can HEAL 12 be used for building AIDS housing?

A201: Yes.

Q202: On page 7 of the HEAL Phase 12 RGA (Eligible Activities) there are examples of possible projects that will be funded under HEAL NY. Can HEAL NY Phase 12 funds be used to develop Long Term Home Health Care programs as alternatives to - or for the downsizing of - residential health care facility beds?

A202: Yes if the proposal meets the objectives outlined in Section 1.3 in the RGA.

Q203: Can HEAL12 funds be used as the equity contribution for a CON required for the project in the HEAL12 grant application? If not, how much is the equity contribution for nursing homes?

A203: See A24. For a new application for an Adult Care Facility (no CON on file with the Department), HEAL funds are considered equity. This RGA does not pertain to new nursing homes.

* Q204: When must a required CON be submitted in relation to the grant; can it be submitted after?

A204: Yes. The CON must be submitted when the applicant receives their award letter.

Q205: We are considering an application for an existing CCRC. Our goal is to offer a limited number of lifecare contracts at a reduced Entry Fee. We would propose a debt reduction that would be used to lower the Entry Fee structure enabling a middle income prospect to consider lifecare. Would this in principle meet the guidelines?

A205: No.

Q206: Section 1.5 - If HEAL-funded items/activities occur within the 2 year period, but the completion of a project extends beyond the 2-year period (i.e., completed in year 3), will the application still be considered for HEAL funding? If so, will the project score fewer points than a project that is entirely completed within the 2-year period?

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A206: If the HEAL funded activities are to be completed within two years, though the complete project will take longer, the application will be considered for HEAL funding and scoring of the application will be unaffected.

Q207: Financial part of application states applicant must show ability to fund its part of the project. Somewhere else it says there is no match required. What then does this statement mean, what part does the applicant need to fund?

A207: See A1.

Q208: A provider has submitted a CON relating to the conversion of long-term beds, but the CON has not yet been approved. The provider's intent was to fund the project through a commercial loan, but the provider has not yet secured such a loan. Would this project be eligible for HEAL 12 funding instead?

A208: No, see A7.

Q209: Would a project that involves the decertification of nursing home beds, but does not convert the vacant space to alternative levels of long term care, be eligible for HEAL 12 funding? Given the emphasis throughout the HEAL 12 RGA on alternative long term care initiatives, it's unclear whether a project that does not involve the establishment of alternative levels of long term care would be eligible.

A209: Yes.

* Q210: A currently unlicensed provider of long term care services wants to know if the following scenario provides for an eligible project for consideration under the HEAL 12 program: 1. The currently unlicensed provider has a building that is convertible with renovations to become an ACF/ALP. 2. This same unlicensed provider is working with several nursing home operators who as part of the HEAL 12 process are prepared to decertify up to 80 nursing home beds combined in exchange for 80 ALP beds. 3. If this scenario is acceptable, the unlicensed provider would submit an application to become a licensed ACF/ALP provider in NY State. If the unlicensed provider is not eligible as an applicant, then we can substitute with an existing licensed operator to seek ACF/ALP approval from the State Health Department.

A210: The unlicensed provider must be an eligible applicant, as described in the RGA, Section 1.4(B). The applicant must be eligible at the time the application is submitted. The applicant's project must document how the goals of HEAL Phase 12 will be met.

Q211: Can a person who is in contract to purchase a SNF facility be able to submit a HEAL Grant app for the purpose of converting SNF beds to ALP beds? Will the HEAL grant help discharge the current existing mortgage that is attached to the operation & building? Will the HEAL grant \$ be able to be used to restructure the SNF facility where the beds were removed from? Will an applicant have a better chance in receiving the HEAL Grant \$ if they were to convert more SNF beds for ALP beds?

A211: Yes. HEAL 12 funding may be used to convert a SNF facility that the applicant is under contract to purchase into ALP beds. Yes. The retirement of existing debt on a building to be closed qualifies for HEAL funding. Yes. The grant funds can be used to renovate a SNF facility into an alternative care facility. Every application will be scored based on efficiency and affordability, therefore an application with a greater number of beds to be converted is likely to score higher.

Q212: If someone were in contract to purchase a nursing home, would they be eligible to submit an application for HEAL grant funding for the facility that they are acquiring?

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A212: The buyer would need to be an eligible applicant; see A46. Simply buying a nursing home is not an objective of HEAL Phase 12.

Q213: If one were to give up SNF beds for ALP beds to be housed at a separate location, would the cost to renovate the space vacated for the SNF to ALP conversion be covered under the HEAL grant?

A213: Yes.

Q214: Please define Working Capital.

A214: In accounting terms, “working capital” is the excess of current assets over current liabilities. The existence of an adequate amount of working capital to meet anticipated expenses is an indicator of the viability of the operation.

Q215: If we are reducing nursing home beds and starting a PACE program, can program start up expenses (those incurred prior to Day 1 of operation such as marketing, provider network development, etc.) be included?

A215: See A144.

Q216: Can a nursing home that has been awarded HEAL funding, that partially covers the cost of a project, apply for additional funding through HEAL 12 for the same project? If the funded HEAL project has been revised or expanded, can the nursing home apply for HEAL 12 funds to cover the revised or expanded portions of the project?

A216: See A129.

Q217: Can Certified Home Health Agencies apply for funding for telemedicine projects that will allow patients to receive health care from their homes as opposed to institutional settings?

A217: The applicant must state how it meets the objectives of HEAL Phase 12.

* Q218: May an applicant receive more than one HEAL 12 grant?

A218: Yes if the applicant submits separate and distinct applications. However, as this is a highly competitive grant opportunity, the applicant will be submitting competing applications.

Q219: Will charitable not-for profit applicants receive any scoring advantage over for-profit applicants?

A219: No, the various types of applicants are all considered equal.

Q220: May an outside attorney or consultant be the contact person?

A220: Yes, but award letters will be directed to the applicant.

Q221: If, after one or two years of operation, a project proves not to be successful either programmatically or financially, how will that situation be dealt with? What is the duration of the commitment that the applicant must make to the proposed project?

A221: Failure to produce a viable project may result in recovery of HEAL funds by the State. See page 7 of the RGA re: demonstrating that public need continues to be met.

Q222: Will an application be deemed to show a reduction in RHCF capacity if the application shows that the need for RHCF services in the geographic area is increasing faster than RHCF capacity is?

A222: No, does not meet requirements as describe in Section 1.4(A) of the RGA.

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Q223: May Assisted Living Program beds be awarded under the HEAL 12 RFA if the applicant is not a RHCF?

A223: Yes.

Q224: How recent must a loss of RHCF capacity have been in order to be relevant to this application?

A224: January 1, 2009.

Q225: Can the operator of an adult home apply to establish a new entity to operate a new program at a new site?

A225: Yes if the applicant meets the requirements as described in Section 1.4(B) of the RGA.

Q226: Section 1.3 (Page 6): What are “community based long term care services”?

A226: See A100.

Q227: Section 1.4(A), Page 6: What regulations or other governmental oversight are expected to apply to “housing with coordinated medical services?” What categories of licensure will be applicable to housing with coordinated medical services? May the application propose the development of unlicensed housing or services if the sponsor is an eligible applicant?

A227: Without specific information we are unable to provide a detailed answer to any of the above questions.

Q228: Section 1.7 (Page 10): Will all costs be funded if all costs are deemed appropriate? What does the application mean when it refers to the “scope of the work presented”? What criteria will affect the scoring of this factor?

A228: Yes, all costs may be funded if deemed appropriate. “Scope of work presented” refers to the requirement of the applicant to be clear and concise about the work being proposed; application reviewers will not make assumptions during the review process. Scoring criteria is not going to be released.

Q229: Section 1.8 (Pages 10-12): Will funding be available for projects that are appropriate to this RGA, but which are already underway without state funding? On page 11, how is Section 1.8 paragraph 3 different from the beginning of Section 1.8 paragraph 5?

A229: No, projects that are appropriate to this RGA, but which are already underway without state funding, are not eligible. Agreed that opening sentences are similar in Section 1.8 paragraph 3 and Section 1.8 paragraph 5 but Section 1.8 paragraph 5 has more detail.

Q230: Section 2 (Pages 13-14): If an application exceeds fifteen (15) pages, will the panel read the whole application? If the application exceeds fifteen (15) pages, will the application be disqualified?

A230: If the technical portion of the application exceeds fifteen (15) pages, not including attachments, the application will be disqualified. If the financial portion of the application exceeds fifteen (15) pages, not including attachments, the application will be disqualified.

Q231: Attachments 5, 6 and 7 (Pages 31-33): Must all appropriations include the Short Environmental Assessment Form (Attachment 6 on page 32)? In the sequencing of documents in the Technical Application, where should Attachments 5, 6, and 7 appear?

A231: All appropriations regarding the acquisition of land will require the Short Environmental Assessment Form. Regarding the sequencing of documents in the Technical Application, Attachments 5, 6, and 7 should be clearly labeled and tabbed.

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Q232: Page 41, ¶ C: Over what period of time should cost savings be measured?

A232: It is up to the applicant to use any reasonable period of time over which cost savings can be measured.

Q233: Page 42, ¶ F: Is the information required in Paragraph F required only of the Lead Applicant or of co-applicants as well? F.2.: How will the determination of the HEAL 12 grant application be affected by whether the applicant applied for any grants in the last three years and whether those grants were awarded or declined?

A233: The information required in Paragraph F is required of the Lead Applicant and the co-applicants as well. It will have no effect on this application if it is determined that the applicant applied for any grants in the last three years and if those grants were awarded or declined.

Q234: Page 43: Is Attachment 12 the form that should be used for the Project Budget (Item A)? May an applicant create its own form for the Project Budget?

A234: No. The applicant must use the Project Budget format from the RGA or risk disqualification. The budget forms are available at this link:
<http://www.health.state.ny.us/funding/rfa/0905041240/index.htm>

Q235: This is regarding the financial component of the application section D- Project Financial Viability - If there are co applicants (e.g. a Lead applicant and a co-applicant- each with their own project "component") how would you want to see Section D answered- e.g. financial feasibility projections, discussion of how project supports applicant viability upon completion, etc? Do you want to see a separate discussion for each project component or should they be combined as one?

A235: Section D allows for a detailed discussion showing how the project will support the applicant's financial viability upon completion, including the impact of co-applicants. Applicant must provide financial feasibility projections for retiring any capital debt, associated with the project. Applicant must include supporting documents such as projected balance sheets, income statements, cash flows, etc. from the project start through three years after project completion. If there are co-applicants, each with their own project components, it is acceptable for there to be a financial narrative pertaining to each of the co-applicant's component of the project. (See also A234).

Q236: Can HEAL 12 funds be used to purchase skilled beds to take out of commission and convert to assisted living beds?

A236: See A80.

Q237: If negotiations are in process to purchase beds to decommission, will a HEAL 12 application be considered?

A237: See A80. The applicant must be an eligible applicant as outlined in Section 1.4(B) of the RGA.

Q238: Must skilled bed be decommissioned for a HEAL 12 application to be considered?

A238: See A80.

Q239: Would a project that: 1) proposes to reduce the number of certified RHCF beds in an existing RHCF, thus 2) allowing for construction to increase the number of single-bedded rooms (using HEAL 12 funding) in the RHCF, but which 3) does not propose to convert any beds to a lower level of care, be eligible for HEAL 12 funding?

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A239: Yes; the applicant must be an eligible applicant as outlined in Section 1.4(B) of the RGA.

* Q240: The following additional questions are being submitted on behalf of a new project planned for our Town. Page 7, third paragraph from the bottom states: “Receipt of grant funds shall be conditioned on the Eligible Applicant meeting all regulatory requirements, including Certificate of Need (“CON”) requirements, where needed and federal and state standards of care” Does a CON need to be approved in advance in order to qualify for the HEAL NY grant, or does a CON application have to be on file with the DOH pending approval, or does there simply need to be a demonstration that the new ALR will meet all requirements included in the CON?

A240: The applicant simply needs to demonstrate that the new ALR will meet all requirements which will be included in the CON and the applicant must be an eligible applicant as outlined in Section 1.4(B) of the RGA.

Q241: If a nursing facility receives grant funding to subsidize the cost of renovation or construction, does the facility still receive 100% of the capital reimbursement in its Medicaid rate (Nursing Home). For example if a facility spends \$10M on construction, but receives a HEAL12 grant of \$5M, does the Department of Health reimburse the facility based on a \$10M construction cost or \$5M construction cost?

A241: HEAL12 grants are not subject to reimbursement through the Medicaid rate.

Q242: What does the HEAL money consist of? Is there bond financing available through DASNY on top of the \$175 million in HEAL grants or is DASNY issuing bonds to fund the \$175 million in capital grants?

A242: See question A89.

* Q243: Does the HEAL grant require, or merely suggest, a downsizing of nursing home beds for each project? Would grant applications be considered if they demonstrate that project would result in preventing/avoiding nursing home care for a population aging in place or that the project would result in a community being less reliant on nursing home care?

A243: The HEAL grant does not require downsizing of nursing home beds for each project.

Grant applications will be considered if they demonstrate that the project would result in preventing/avoiding nursing home care for a population aging in place or that the project would result in a community being less reliant on nursing home care.

Q244: Time frame requirement. Section 1.5 of the RFP requires that the entire grant be incurred within 2 years- what does “incurred” mean in the context? For example, would having executed contracts for the entire grant amount suffice, or does the money actually have to be conveyed to the contractor within the 24 months?

A244: See A197.

Q245: Can the HEAL money be used for the construction of medical facility, such as a PACE clinic, a CHHA, or an Article 28 Clinic, if such clinic is located on the site of independent senior housing?

A245: Yes if the application is consistent with Sections 1.4(A) and 1.4(B) of the RGA.

Q246: How would DOH view applications for “mixed population” buildings- for example, where several floors are dedicated to an Assisted Living Facility or a Nursing Home, and the remainder of the project were independent senior housing? If such buildings are eligible for HEAL money, there are some follow up questions. In the case of such mixed population buildings:

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- a. What would the DOH licensure requirements be- for example, would the entire building, or just the Assisted Living or Nursing Home component, need to be licensed?
- b. Would the building owner need to be licensed or just the health care/service provider?
- c. Would DOH design requirements apply to the whole building or just the Assisted Living or Nursing Home component?

A246: a. Just the Assisted Living or Nursing Home component would need to be licensed. b. Just the health care/service provider would need to be licensed. c. Some DOH requirements would apply to the whole building as it relates to the Assisted Living or Nursing Home component; please review the appropriate architectural standards.

Q247: Would HEAL funds be eligible as gap funding for independent, low income senior projects financed by the state's housing agencies, such as DHCR or HFA? If yes, would DOH be willing to coordinate or defer its construction reviews with either state housing agencies providing capital money for the senior housing portion?

A247: See A63. DOH will work with other agencies but will not lessen its architectural standards re: construction reviews.

Q248: Must the long term care medical services be available on-site of a housing project or can a grantee demonstrate collaboration/arrangement with a service provider in the community? For example, can an independent housing senior project partner with a certified health agency willing to provide services to seniors living in such project, and thereby the services follow the seniors.

A248: It is dependent on the project. See Sections 1.4(A) and 1.4(B) of the RGA.

Q249: Section 1.4(A), (top p. 8), provides that “contractors performing such work shall also be deemed state agencies for the purpose of Article 15-A of the Executive Law.” What does this mean?

A249: Article 15-A of the Executive Law created the Division of Minority and Women’s Business Development. The law and regulations require: the inclusion of an equal opportunity/non-discrimination clause in all State Contracts; rules and regulations to ensure that Minority and Women-Owned Business Enterprises (M/WBEs) are awarded a fair share of contracts; a provision for contractors on large projects to seek participation by subcontractor (M/WBEs) (specific goals and plans for each contract); a certification process for M/WBEs; annual plans from contracting agencies and quarterly progress reports from agencies; good faith efforts on the part of agencies and contractors, and oversight, monitoring, waiver processes and an appeal process.

Q250: Are HEAL funds available to owners of existing senior projects (i.e. HUD 202s) where seniors have aged in place to retrofit such projects to bring services on site?

A250: The cost of retrofitting, for example, a sprinkler system would be a matter of ordinary repair and maintenance, which the facility would have to do anyway, and would not represent a new initiative and therefore, it would not be eligible for funding under this RGA. The cost of retrofitting to bring services on site may be an eligible project as long as it is consistent with Sections 1.4(A) and 1.4(B) of the RGA.

Q251: Can a HEAL 12 application include a request for funding for new computer systems if they are integral to the establishment of the new ALP or other long term care initiative? And if so, what criterion applies for the purchase and implementation of IT systems?

A251: Any IT projects proposed for HEAL funding will need to address three broad criteria. IT vendor products selected by the applicant institution will need to comply with the policies and standards established for the Statewide Health Information Network for New York (SHIN-NY),

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and meet applicable national standards. Applicants will need to document their relationship with a regional health information organization (RHIO), which in turn provides the mechanism to establish compliance with statewide policies particularly relating to privacy and security. The applicant will also be expected to develop a health IT adoption and support plan explaining how implementation services will be provided and sustained to support clinicians' use of the system; and generate quality and performance information in a form specified by the department or at the federal level by the Department of Health and Human Services.

Q252: Will nursing home capital expenditures funded from the proceeds of an approved HEAL 12 Grant, by a for-profit nursing home, qualify for the return on and return of equity components of Medicaid capital reimbursement?

A252: No.