

**DOH STATE OF NEW YORK  
DEPARTMENT OF HEALTH**

161 Delaware Avenue Delmar, NY 12054-1393

Richard F. Daines, M.D.  
*Commissioner*

Wendy E. Saunders  
*Chief of Staff*

November 28, 2007

**DAL: HCBC 07-19**  
**SUBJECT: Hospice Residence Demonstration**

Dear Administrator:

This Request for Application (RFA) is being issued to implement the expansion of the Hospice Residence Demonstration Program, as authorized by Chapter 410 of the Laws of 2007. This law expands from three to ten the total number of existing hospices that can participate in the Demonstration. Selected applicants will each have the flexibility to operate up to a total of 16 hospice residence beds under this pilot program. Only hospices certified under Article 40 of the Public Health Law are eligible to apply. Applications must be received at the following address by 4:45 p.m. on January 29, 2008:

**Judith R. Mooney, Co-Director**  
**Division of Home and Community Based Services**  
**New York State Department of Health**  
**161 Delaware Avenue**  
**Delmar, NY 12054-1393**

The RFA includes detailed instructions for completing an application and time frames for application review, selection, Certificate of Need approval, construction, pre-opening survey and opening.

There will be no applicant conference related to this RFA. Applicants should e-mail questions by 4:45 p.m. on December 7, 2007 to Gail E. Charlson at [gec03@health.state.ny.us](mailto:gec03@health.state.ny.us). Answers will be posted on the Health Provider Network (HPN) and the Department's website on or about December 19, 2007.

Sincerely,



Judith R. Mooney  
Co-Director  
Division of Home and Community Based Services

**RFA Number 12908**

**New York State Department of Health  
Office of Long Term Care  
Division of Home and Community Based Services**

**Request for Applications  
Hospice Residence Pilot Program**

- RFA Release Date:** November 28, 2007
- Questions Due:** December 7, 2007 by 4:45 P.M.  
via e-mail to Gail E. Charlson at  
gec03@health.state.ny.us
- Applicant Conference:** None.
- RFA Updates:** Responses to applicant questions  
posted to HPN and DOH website on or  
about December 19, 2007
- Applications Due:** January 29, 2008 by 4:45 P.M.
- Submit applications to:** Judith R. Mooney, Co-Director  
Division of Home and Community Based  
Services  
New York State Department of Health  
161 Delaware Avenue,  
Delmar, New York 12054-1393

## **HOSPICE RESIDENCE PILOT PROGRAM REQUEST FOR APPLICATION**

### **I. Purpose of Request for Applications**

A “hospice residence” was defined by Chapter 532 of the Laws of 1995 as a hospice operated home which is residential in character and physical structure and operated for the purpose of providing more than two hospice patients but not more than eight hospice patients with hospice care. Chapter 394 of the Laws of 2003 added §4014 to the Public Health Law (PHL) establishing the Hospice Residence Pilot Program, in an effort to create flexibility within the current hospice residence program and to determine if residences could benefit from economies of scale based on an increase in capacity to not more than 16 beds.

The 2003 legislation authorized up to three hospice residences to operate up to 16 hospice residence beds. On August 1, 2007, Governor Spitzer signed Chapter 410 into law expanding the pilot program to a maximum of ten such hospice residences. As with the two pilot hospice residences authorized under the 2003 legislation, the additional pilot residences will be able to accept up to 16 patients for care.

This Request for Applications (RFA) is being issued to expand the Hospice Residence Pilot Program demonstration up to a maximum of ten hospice residences and is soliciting applications to authorize hospice residences that may each operate up to a total of 16 hospice residence beds. Applicants will be selected in locations geographically dispersed throughout New York State, utilizing the geographical regions defined below:

- **Metropolitan Area Region** (Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester, Bronx, Kings, New York, Queens, Richmond, Nassau and Suffolk Counties),
- **Western Region** (Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans, Wyoming, Chemung, Livingston, Monroe, Ontario, Schuyler, Seneca, Steuben, Wayne and Yates Counties),
- **Capital District Region** (Albany, Clinton, Columbia, Delaware, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Otsego, Rennselaer, Saratoga, Schenectady, Schoharie, Warren, Washington Counties),
- **Central New York Region** (Broome, Cayuga, Chenango, Cortland, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence, Tioga and Tompkins Counties).

Only hospice programs certified under Article 40 of the Public Health Law are eligible to apply for this pilot program. All licensed hospices are eligible to apply including hospices with or without approved hospice residence beds and hospices whose applications for hospice residence beds have not yet been approved. However, applications in response to this RFA must be for no fewer than three and no more than 16 beds.

The awarded hospice residence pilot projects will each be required to submit to the Department of Health, in a format designated by the Department, programmatic information and cost and utilization reports regarding their respective project to enable the Department to analyze the quality, cost and efficiency of hospice care under the pilot program. **Report specifications and deadlines will be shared with the awarded applicants under separate cover.**

Approved hospice residences must be constructed and operated in compliance with the current provisions in Title 10 NYCRR governing hospice residences. Applicants must demonstrate their ability to operate under the current Medicare hospice reimbursement methodology and the current Medicaid hospice residence reimbursement system for residences. As is currently the case for Medicaid-eligible residents, Medicaid will also pay the daily routine, inpatient, respite or continuous care rate, as appropriate.

## II. **Overview of the Hospice Residence Program**

Hospice care is an alternative to conventional medical care for individuals who have terminal illnesses or advanced progressive diseases. It is a team-oriented approach to combining medical care, pain management, emotional and spiritual support tailored to each individual's specific needs and wants. Hospice care provides palliative and supportive care to help meet the stresses associated with illness and death, and depends on the presence of family and informal supports to provide care and supportive services not provided by hospice staff.

Chapter 532 of the Laws of 1995 authorized hospice residences with three to eight beds. *The purpose of the hospice residence program is to enable the following types of individuals to receive traditional hospice care in an informal, home-like setting: those who live in unsuitable or unsafe homes, those who do not have adequate family supports in the immediate area to assist with care, and those who must relocate from areas outside of the hospice's geographical service area to the hospice residence, to be closer to family members.* Hospice residences enable family members and informal supports to live in the residence with the patient and accommodate family members' needs.

Hospice residences must provide, at minimum, all of the services required to be provided by hospices that do not have residences. Hospice and hospice residence regulations may be found on the Department's home page under Public Health Forum.

## **Pilot Project Requirements**

The proposed hospice residence must be either free-standing or, if part of another building, must be architecturally distinct from that building. The residence cannot be physically located in an Article 28 (PHL) nursing home or hospital; however the hospice residence pilot program can be co-located in the same building with a licensed Article 28 entity if the hospice residence is architecturally, operationally and functionally distinct from the operations of the Article 28 entity as described in this RFA. The parent hospice may share some hospice residence operational responsibilities with an Article 28 (PHL) nursing home or hospital. The hospice residence will be added to the parent hospice's operating certificate as a service that the parent hospice is licensed to provide.

Proposed hospice residence beds **cannot be dually certified**, e.g., they will be approved for only hospice residence use and cannot be used as inpatient beds.

The proposed hospice residence must provide some accommodations for family members/informal supports of hospice residents to enable them to stay in the residence. It must be residential in character and must have **at least three but no more than 16 beds**.

All beds must be operational and the first resident must be admitted to the residence on or before May 1, 2010.

### **III. Application Requirements**

#### **A. Who Is Eligible to Apply**

Only currently licensed Article 40 (PHL) hospices are eligible to apply under this RFA.

#### **B. Application Due Date**

An original and five copies of the application must be received by 4:45 p.m. on January 29, 2008 at the address below. Faxed or emailed applications will not be accepted. Late submissions will not be considered. Material submitted after the due date, to be appended to an application submitted by the due date, will not be considered. Only material submitted by the due date will be reviewed. The Department is not responsible for failures in delivery.

Judith R. Mooney, Co-Director  
Division of Home and Community Based Services  
New York State Department of Health  
161 Delaware Avenue  
Delmar, NY 12054-1393

An applicant conference will not be held for this application. In lieu of a conference, there will be a question and answer period. Questions may be submitted via e-mail to Gail E. Charlson at [gec03@health.state.ny.us](mailto:gec03@health.state.ny.us) and must be received by 4:45 p.m. on December 7, 2007. Answers will be posted on the

Health Provider Network (HPN) and the Department's website on or about December 19, 2007.

**C. Application Content**

Application must include the following:

1. Face Page (Appendix A).
2. Table of Contents (Appendix B). The Table of Contents should not be modified, except for addition of corresponding page numbers. All material should be organized and presented in the order specified in the Table of Contents. The application must be paginated and page numbers entered on the Table of Contents.
3. Demonstration of site control (include copy of lease or certificate of ownership).
4. Documentation of sufficient demand and need for the proposed number of beds, including available local or regional research and data demonstrating inability to serve the target population effectively either in home or in other community settings.
5. Discussion of applicant's ability to build and operate a hospice residence with the proposed number of beds. Discuss applicant's experience, if any, with developing and operating residential congregate care facilities. If applicant has no such experience, discuss how this will be addressed. Where will the applicant obtain staff with the necessary skills and experience in developing and operating a hospice residence?
6. Analysis of workforce issues, if any, and how they will be addressed.
7. Description demonstrating that the hospice residence is in an architecturally discrete building. If proposed to be co-located within a building also used for other purposes (e.g., adult care facility, skilled nursing facility), this description must specify the relationship to the rest of the building.
8. Description of the extent of any construction and/or remodeling required.
9. Schematic drawing of the proposed residence. Narrative describing the schematic drawing, including purpose of proposed rooms for staff and patients, and specifying design features specific to targeted population(s). Specification of how patients, their families and/or loved ones, visitors and staff will be educated about the purpose of proposed spaces designed for their use, and engaged to utilize these rooms to support the home-like environment.

10. Program description including but not limited to organization and management, relationship of residence to parent hospice, how each required service will be provided, (e.g., by contract or by hospice staff), staffing (e.g., FTEs for each position, credentials, staff-to-client ratios), staff training and education, volunteer training and services, controlled substances, linkages with other community organizations, sources of referrals, laundry, food and beverage service, security, etc. If the hospice residence is proposed to be co-located within a building that is used for other purposes, the description must explain how the hospice residence will be operationally and functionally discrete.
11. Description of how the applicant will measure patient/family satisfaction with the services of the hospice residence. Description should include any collaboration with relevant stakeholders to inform quality improvement efforts.
12. Workplan and timeline to initiate and complete construction and/or remodeling, furnish the residence, negotiate and sign all required contracts, obtain required licenses (including controlled substances license), hire and train staff, develop policy and procedure manuals, successfully complete pre-opening survey, etc. The workplan and timeline must demonstrate that the applicant can realistically expect that all beds will be operational and the first person admitted to the residence on or before May 1, 2010.
13. Specific admission criteria: Who is eligible to move into the hospice residence? How will the applicant determine whether individuals are eligible?
14. Applicants must demonstrate their ability to operate under the current Medicare hospice reimbursement methodology and the current Medicaid hospice residence reimbursement system for residences.
15. Projected utilization, expenditures and revenues, using the format of the applicant's choice:
  - utilization and revenues, by payer, for the first 12 months of operation, i.e., May 1, 2010 – April 30, 2011;
  - cost savings realized from volunteer services, May 1, 2010 – April 30, 2011; and
  - Projected expenditures:
  - construction/remodeling;

- overhead, administrative and general expenditures for operating and maintaining the residence building, May 1, 2010 – April 30, 2011. Do **not** include in your budget inpatient and respite expenditures; and
- “home care” services provided to hospice residence residents, as well as laundry, food and other services, May 1, 2010 – April 30, 2011. Do **not** include in your budget inpatient and respite expenditures.

#### IV. Selection Process

##### A. Overview

The review and selection process has three stages. In **Stage One**, ineligible and non-responsive applications will be eliminated without review. **Stage Two** is a competitive review based on the evaluation criteria listed below. Up to ten applications will be selected to proceed to **Stage Three**, which is the full Certificate of Need application process for Article 40 (PHL) hospices to add residence beds. The selected applicants must submit a full CON application project, obtain approval from the State Hospital Review and Planning Council (SHRPC), and must successfully complete a pre-opening survey prior to admitting the first patient. The pre-opening survey will include a review of the hospice residence’s written policy and procedure manual. These stages are described in more detail below.

##### B. Stage One: Elimination of Ineligible and Non-Responsive Applications

The following applications will be eliminated without review:

- Original applications and five copies were not delivered to the designated address on or before the due date and time.
- Applications that are incomplete or not organized as described in Application Content pursuant to Table of Contents (Appendix B).
- Applications from entities that are not Article 40 (PHL) licensed hospices.
- Applications for any type of bed other than hospice residence beds (e.g., dually certified beds).
- Applications for other than a maximum of 16 hospice residence beds.
- Applications that do not document site control.

##### C. Stage Two: Competitive Review and Selection

The remaining applications will be reviewed, scored and ranked by Department of Health staff **according to criteria set forth below and in Application Content.**

Only information submitted on or before the application deadline will be reviewed.

- **Documented demand/need for the proposed number of beds.** PREFERENCE will be given to applicants who propose to operate a total of nine to 16 hospice residence beds (including those already operational at the proposed site), since hospices that wish to operate a total of three to eight hospice residence beds may apply to do so without responding to this RFA.
- **Applicant's ability to build and operate a hospice residence with the proposed number of beds.** Applicant's documented experience developing and operating hospice residence(s) or other types of residential congregate care settings will be considered. For those lacking such experience, applicant's documentation should include, but not be limited to, any qualifications or partnerships that would facilitate the operation of a quality hospice residence.
- **Workforce Issues.** All applications will be evaluated for analysis of workforce issues, if any, and how they will be addressed.
- **Hospice Residence is architecturally discrete from other buildings or architecturally and operationally discrete from other spaces when co-located within a multi-purpose building.** If the applicant proposes to co-locate the hospice residence within a multi-purpose building, the applicant's schematic drawing and associated narrative description will be evaluated to assure it details the relationship of the hospice residence to the rest of the building, and that the hospice residence is architecturally discrete from the rest of the building by hard construction, with separate identifiable entrance, access and egress.
- **Extent of any construction or remodeling required.** PREFERENCE will be given to applicants who propose to utilize space in an existing building with the intent to remodel such space for purposes of the hospice residence, assuring the hospice residence is architecturally, functionally and operationally discrete.
- **Residential character, including arrangements for patients, their family caregivers and visitors, and staff.** All proposals will be evaluated to assess whether schematic drawings and related narrative descriptions demonstrate that architectural, functional and operational aspects of the hospice residence create a home-like environment for the targeted patient population, their family and caregivers, visitors, and staff.
- **Program.** Description will be evaluated for compliance with requirements governing program, staffing, services, structural/environmental, etc.
- **Quality Assessment/Quality Improvement (QA/QI) Efforts:** Proposals will be evaluated for content describing how the applicant will engage

relevant stakeholders, and also create a mechanism(s) to assess satisfaction of those served by the hospice residence. Proposals will also be evaluated for description of the QA/QI data measures that will be utilized for evaluation and reporting purposes.

- **Workplan and Timeline for construction and/or remodeling, furnishing and program, services, staffing, etc.** will be evaluated to assess feasibility to be operational and admit the first resident, by May 1, 2010.
- **Admission Criteria:** Applicant's proposed admission criteria will be evaluated based on any special populations identified and to be served by the hospice residence pilot, consistency with the criteria identified in Chapter 532 of the Laws of 1995 (see page 3 of this RFA), the proposed eligibility process to be utilized for the program, and the manner in which categories of eligibility will be tracked for reporting purposes.
- **Applicant's financial viability:** based on applicant's 2005 Annual Report of Hospice Utilization and Cost Data and projected budget.
- **Relative cost per resident day:** projecting the applicant's utilization, patient care hours and associated expenditures.
- **Surveillance history.** Applicant will be evaluated based on current and consistent compliance with applicable State and federal regulations.

The highest ranking application(s) in each region will be selected to proceed to Stage Three, subject to the following limitation. There may be no applicants in a region(s) that, in the judgment of the Department, can reasonably be expected to be operational and admit the first resident by May 1, 2010. Thus it is possible that no application will be selected for one or more regions, and that a region may have more than one application selected to proceed to CON review.

#### **D. Stage Three: CON Approval**

Up to ten applicants will be invited to submit full CON applications by following the instructions on the DOH web site for Article 40 (PHL) hospices to add residence beds, completing all appropriate schedules and submitting all required information within 30 days of notification of selection to proceed to CON review.

Applicants who have obtained SHRPC approval by December 31, 2008 will have about 14 months (anticipated timeframe: January, 2009 – March, 2010) to build or renovate the hospice residence. A pre-opening survey will be conducted (anticipated timeframe: March and April, 2010) and the hospice will be required to correct all deficiencies prior to admitting the first resident. All beds must be operational and the first resident must be admitted, on or before May 1, 2010. Applicants may proceed more quickly should they be able to obtain SHRPC approval prior to its December 9, 2008 meeting and/or should construction or

remodeling and a successful pre-opening survey be completed in advance of the timeframes noted above.

Demonstration projects will be required to submit an expenditure and utilization report. The Department will provide the format and instructions to the pilot projects under separate cover so that the hospice may organize and maintain its accounts and records accordingly.

## V. Summary of Timeframes

Timeframes are as follows:

|     | ACTIVITY   | DEADLINE   |
|-----|--|--|
| 1.  | Applicant questions due via e-mail by 4:45 p.m.to <a href="mailto:gec03@health.state.ny.us">gec03@health.state.ny.us</a> | 12/7/2007  |
| 2.  | Answers posted to HPN & DOH website on or about  | 12/19/2007   |
| 3.  | Applications due by 4:45 p.m.  | 1/29/2008  |
| 4.  | Stages One and Two (competitive reviews)   | 1/30/2008 – 3/14/2008  |
| 5.  | Announce selected applicants to the public   | 3/21/2008  |
| 6.  | CON Applications due to Project Management   | 4/15/2008  |
| 7.  | Stage Three: perfect CON application   | 4/15/2008 – 11/6/2008  |
| 8.  | SHRPC approval   | 12/31/2008   |
| 9.  | Construction/renovation  | 1/15/2009 – 3/15/2010  |
| 10. | Pre-Opening Survey   | 3/16/2010 – 4/15/2010  |
| 11. | All beds operational and first patient admitted to facility  | 5/1/2010   |
| 12. | Cost and utilization report (time frame and due date)  | Will be shared with selected applicants under separate cover |

## VI. Terms and Conditions

The applicants selected through the competitive review process must receive Certificate of Need (CON) approval. Selection of the applicant on the basis of this RFA does NOT guarantee that the provider will be approved to operate a demonstration residence following the full CON review process. Selected applicants must follow all steps of the full CON review process related to applications for Article 40 (PHL) hospices to add residence beds, and must receive all necessary approvals in the full CON process in order to be approved to operate the demonstration program residence. The Department provides no assurances that it will recommend to the SHRPC that the selected applicants be approved.

**In addition, the Department of Health reserves the right to:**

- reject any and all applications received in response to this RFA;
- reject applications from Article 40 (PHL) hospices with serious quality problems which have not been resolved or have been only recently resolved, including

applications from those providing substandard quality of care or those in immediate jeopardy.

- select no more than ten applications resulting from this RFA;
- negotiate with applicants responding to this RFA within the requirements to serve the best interests of the State; and
- select applicants based on geographic or regional considerations to serve the best interests of the State.

**APPENDIX A**

**FACE PAGE**

**HOSPICE RESIDENCE DEMONSTRATION PROGRAM**

Name of Applicant: (Must be name as it appears on Operating Certificate):

\_\_\_\_\_

Operating Certificate Number: \_\_\_\_\_

Permanent Facility Identifier: \_\_\_\_\_

Type/Class of Operation: \_\_\_\_\_

Address: \_\_\_\_\_

County of Operation: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Administrator of Record:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## APPENDIX B

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| V. Discussion of applicant's ability to build and operate a hospice residence with the proposed number of beds | —                  |
| VI. Analysis of workforce issues   | —                  |
| VII. Architectural description demonstrating discreteness of hospice residence                                 | —                  |
| VIII. Description of extent of any construction and/or remodeling required                                     | —                  |
| IX. Schematic drawings of the proposed residence, and Narrative describing schematic drawings                  | —                  |
| X. Description of program, staffing, training, structural/ environmental, etc.                                 | —                  |
| XI. Quality Assessment/Quality Improvement Efforts   | —                  |
| XII. Workplan and Timeline for program development, including any construction/remodeling                      | —                  |
| XIII. Specific admission criteria and eligibility determination process  | —                  |
| XIV. Demonstration of ability to operate under Medicare/Medicaid hospice reimbursement mechanisms              | —                  |
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