HEAL NY Phase 21
Restructuring Initiatives in Medicaid Redesign

Applicant Conference
January 13, 2012
1:30 – 4:00 PM

Governor Nelson A. Rockefeller
Empire State Plaza
Concourse Meeting Room 6
Albany
Goal of RFA

• State wide program

• Provide assistance to hospitals, nursing homes and D&TCs to close, merge, downsize or otherwise restructure

• Support reconfiguration of essential services toward more efficient, higher quality care appropriate to identified healthcare needs of the community.
Procurement Process

• Exempt from state finance law procurement process

• Technical and financial components may be considered together

• More flexible evaluation process
Types of Assistance

Operational

• Temporary short-term adjustments:
  – Medicaid reimbursement rates
  – APG rates

• Capital ($450,000,000 available)
  – HEAL NY Capital Grants

Applicants can apply for both operational and capital grants, but only for projects integral to each other.
Facilities/Operators:

- undergoing closure;
- impacted by the closure of other healthcare facilities;
- subject to mergers, acquisitions, consolidations or restructuring or;
- impacted by the merger, acquisition, consolidation or restructuring of other health care facilities.
Eligibility for HEAL Grant Awards

• General hospital

• Residential health care facility

• Article 28 network that includes a general hospital or residential health care facility and/or clinics

• Active parent or co-operator of a general hospital or residential health care facility

*D&T Cs are not eligible as applicants but can be part of applications*
Eligibility for MA Rate Adjustment and/or APG Enhancement

- General hospital
- Diagnostic and treatment center
- Residential health care facility
- Certified home health agency
- Article 28 network which includes a general hospital or residential health care facility
- Active parent or co-operator of a general hospital, residential health care facility, or D&TC.
Preferences and Considerations

- Subject to oversight of committee or workgroup convened or appointed by the Commissioner of Health to recommend restructuring in a particular area
- Serve vulnerable populations
- Fulfill an essential and unmet health care need in the community
- Experience persistently poor financial indicators
- Demonstrate long term health system cost savings
- Collaborative arrangements between providers
Public Work

• Articles 8, 9 and 10 of the Labor Law – Prevailing Wages

• Article 15-A of the Executive Law
Model Project 1

• Regional assessment of community health needs and established goals coupled with service need assessment

• Establish new Article 28 parent for three hospitals to implement quality improvement by:
  – Reducing beds and duplicative services;
  – Configuring services among the three sites to improve population health, optimize efficiency and access;

• Formal linkage with FQHC/clinic network/physician groups for improved and coordinated outpatient primary and specialty care and possible urgent care capacity to prevent avoidable emergency room visits and preventable hospitalization;

• Formal linkage with long term facilities to improve patient outcomes and admissions to hospitals

• Coordination of network Health IT and connectivity to RHIO
Model Project 2

- Regional assessment of community health needs and established goals coupled with service need assessment

- Hospital acquires/joint ventures with community physician practices to develop medical homes in community;

- Include one or more managed care plan/health care insurer as partner;

- Renovation and upgrading of practice sites, including HIT integration;

- Hospital reduces inpatient capacity;

- Coordinated continuum of primary, outpatient and inpatient care;

- Improved efficiency through single management structure.
Model Project 3

- Regional assessment of elder community health needs and establish goals coupled with service need assessment focused on appropriate least restrictive setting

- 4 Nursing homes establish a Article 28 parent to;
  - Reconfigure services to downsize skilled nursing beds at 2 or 3 campuses or;
  - Close 2-3 facilities and build new campus

- Develop alternate care programs such as adult day care or primary care either at closed sites or in community

- Develop formal care plans with physician groups and/or hospitals to prevent admissions to acute care

- Establish common HIT platform to case manage patient

- Demonstrate formal relationship with senior housing partner
Anti-trust Concerns

- Process for active DOH supervision of project activities to ensure compatibility with State health policy goals.
Basis of Awards

• Responsiveness to the goals and purposes of the RFA

• Proposed activities are reasonable, cost-effective, financially feasible and demonstrate health system cost savings

• HEAL applicants must demonstrate that funds will be expensed by 3/31/14
Temporary Medicaid Rate Adjustment and APG Enhancement Application

• Complete cover page

• Complete Narrative. Include description of the problem, community need, activities, cost effectiveness and Medicaid impact.

• Complete operating budget form. If project involves closure, complete closure plan benchmarks format-Attachment 1b
Temporary Medicaid Rate Adjustment and APG Enhancement Application (con’t)

• Based on budget with benchmarks approved by DOH

• Benchmarks may include operational, financial and quality metrics

• Plans must demonstrate return on investment within 3 years

• Failure to meet benchmarks will result in discontinuance of rate adjustment
HEAL Capital Projects Application

• Technical Application
  – Executive summary
  – Description of eligible applicant
  – Project description, activities and timeline
  – Description of continuation of services
  – Project team and project monitoring plan

• Financial Application
  – Executive summary
  – Project budget and fund sources
  – Cost effectiveness and Medicaid impact
  – Project financial viability and applicant financial condition
  – General corporate information
  – Budget includes project expenses and justification and project fund sources
Application Submission

• Applications must be received by 3pm on February 10, 2012, Rm. 1084 Tower Building, ESP, Albany NY, 12237

• Late applications will not be accepted. DOH may, at its discretion, consider acceptance of a late application due to a documentable delay by a carrier

• No fax or e-mail application
Application Submission

• Medicaid Rate Adjustment and APG:
  – 2 original, signed applications,
  – 4 hard copies and;
  – 3 copies on separate flash drives. (readable in Adobe’s pdf format)

• HEAL NY:
  – 2 original each, of signed technical and financial applications,
  – 4 hard copies and;
  – 3 copies on separate flash drives
  – HEAL NY technical and financial applications should not exceed 15 pages each including the executive summaries but excluding resumes or budget forms.
Contracts

• Grant Disbursement Agreements (contracts) resulting from this solicitation are expected to be effective from April 1, 2012 through March 31, 2014.
Questions and Answers