

***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

Eligibility Requirements for ALL Types of Assistance

- **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&TCs 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 it's 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