

## HEAL NY-Restructuring Initiatives in Medicaid Redesign

RFA # 1111091042

### Additional Questions and Answers-post information conference

Q1) Is an Institutional Review Board (IRB) review (expedited or not) required for the AHRQ Facility Survey on Patient Safety or the family survey that is recommended by the National Quality Forum?

A1) Generally, these surveys would be considered quality improvement, not research, and therefore would be exempt from IRB review. According to the Human Subjects Research Code of Federal Regulations (45 CFR 46), research is "a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge." Since the surveys are for quality improvement within the facility and not for generalizable knowledge, they would not be considered research and would be exempt (unless the intent of conducting the survey were to contribute to generalizable knowledge, i.e. publish).

Q2) Can grant funding be used to eliminate nursing home beds and add senior housing and ALP beds?

A2) Please refer to answers 67 through 70 in the initial set of Q&As for guidance regarding long term care bed conversion, assisted living and housing. **Some original answers have been slightly expanded and are included below:**

Q67. In cases where a response to a recent Solicitation of Interest (SOI) for ALP beds has already been submitted for review would the project be eligible for requesting grant funding for ALP development?

A67 Previous Response: Only applicants whose ALP beds were approved under SOI 1 or 2 would be eligible. No additional SOI approvals will be forthcoming until later in 2012.

***A67 Revised Response: Only applicants whose ALP beds were approved under SOI 1 or 2 would be eligible. No additional SOI approvals will be forthcoming until later in 2012. However, SOI 1 and 2 approved applicants would also have to be eligible to receive grants under HEAL 21. (They must be a General Hospital, Residential Health Care Facility or Active Parent of either or part of an Article 28 network that includes a general or residential health care facility.***

Q68. As noted in section 3b. Facility Conversions, in cases where a project proposes facility closure or downsizing in order to create additional ALP capacity, will DOH approval for additional ALP capacity be granted along with the award?

A68: Previous Response: Not at this time (see answer #67). However, applicants may submit requests for ALP slots under the Nursing Home Rightsizing program, as authorized under legislation passed in 2004. Applications for HEAL funding for ALP slots approved under the Rightsizing program would be eligible for consideration.

*A68: Revised Response: Not at this time (see answer #67). However, applicants may submit **separate and concurrent** requests for ALP slots under the Nursing Home Rightsizing program, as authorized under legislation passed in 2004. Applications for HEAL funding for ALP slots approved under the Rightsizing program would be eligible for consideration.*

Q69. When facility downsizing or closure is contemplated, are other forms of licensed housing projects outside of the Medicaid ALP program, e.g. ALR, Adult Homes, Enriched Housing eligible for grant funding?

A69. Previous Response: Yes, ALR, Adult Homes, Enriched Housing projects would be eligible for grant funding as part of nursing home application. **(No change to this response).**

Q70. Is a project associated with facility closure or downsizing of beds and the subsequent development of a CCRC eligible for funding under this initiative?

A70. Previous Response: Yes, but funding will be restricted to eligible nursing homes. CCRC's are not eligible. The proposed CCRC would also have to expand care significantly to the underserved, in keeping with the purpose of this RFA. **(No change to this response).**

Q3) Will HEAL pay for the elimination of long term debt and can this be paid for in one lump sum?

A3) Yes. HEAL can pay for this expense in one lump sum. But awards will not be made solely for debt repayment. A request for debt repayment should be part of a larger project which is consistent with the goals of this RFA.

Q4) Does the Department have the ability to support part of an application with multiple project components?

A4) Yes.

Q5) Can a to-be-established joint venture involving 2 long term care facilities apply for grant funds?

A5) No. The applicant needs to be an existing, established Article 28 facility that meets all eligibility requirements of the RFA. In the case of co-applicants, the entity requesting the bulk of funding should be the lead applicant.

Q6) Please clarify the definition of a capital cost.

A6) While there is no specific definition of capital costs, generally any costs which can be capitalized for accounting purposes can be considered a capital cost for grant purposes. DASNY, and its bond counsel, will conduct an independent review of capital costs to be funded with bond proceeds after an application is approved.

Q7) How will Medicaid rate adjustments be calculated?

A7) All rate adjustments supported via this initiative will be limited and temporary. These adjustments will be based upon the plan and budget as approved by the DOH. An appropriate methodology is being developed and requires CMS approval.

Q8) Can OASAS and Article 28 beds be decertified and replaced with a dually certified outpatient program?

A8) Yes.

Q9) Do separate applications have to be submitted to the department to rightsize in addition to submitting a grant application to decertify nursing home beds and add ALP beds?

A9) Separate applications have to be submitted for HEAL and Rightsizing. The applicant can view the Rightsizing Application on the DOH website. The applicant is encouraged to submit concurrent Rightsizing and HEAL applications if the two applications are related. But if a HEAL application includes a project containing any ALP beds, the project would also require an approved Rightsizing application to go forward. That is, the HEAL application could be reviewed, but if approved, the project would not go forward with out the Rightsizing authority to receive ALP Beds.

Q10) Will rate adjustments be retroactive and volume adjusted?

A10) The adjustment can only be effective retro to the point of time the regulations become effective. The specific details of the adjustment methodology are still being developed and these issues will be taken under consideration. It should be noted that the adjustment will only pay for costs associated with Medicaid patients.

Q11) A nursing home operator currently has a 20% interest in a nursing home, but is in the process of securing a 100% interest in the facility. Who should apply for a grant?

A11) The application has to be submitted by an existing eligible entity. If the purchaser still has only a minority interest in the nursing home in question, the purchaser could not be the eligible applicant. The applicant would have to be the current nursing home entity.

Q12) Can you provide an example of a HIT project that would be considered?

A12) While HIT is an eligible cost under this RFA, it should not be a principal focus of an application. Funding for HIT projects is available periodically under HEAL HIT solicitations. This RFA does not focus on HIT.

Q13) Can an applicant submit both a HEAL application and related rate adjustment application for a project which focuses on ambulatory care?

A13) Yes. If both a HEAL and rate adjustment application are submitted, they must be related. Please cross reference these applications on their respective cover pages.

Q14) Can a diagnostic and treatment center file a rate adjustment or APG enhancement application?

A14) Yes. Hospitals, nursing homes, diagnostic and treatment centers and CHHAs are all eligible for rate adjustments or APG enhancements under this initiative.

Q15) Can an existing certificate of need application be withdrawn so that an applicant can request HEAL funds for the same project?

A15) No. The submission of a CON application indicates that funding for the project is already available to the applicant. HEAL funds may not be used to supplant existing funding. Refer to answer #3 in the initial set of Q&As.

Q16) Is the Medicaid rate assistance available to expand residency training to the clinic setting? Since the methodology for GME is based on data dating back to 2005, and there has been significant increase in residency staff in clinics since then, how much could the rate increase capture?

A16) The Medicaid rate adjustments are temporary and would apply to activity on a forward-going basis not to reimburse retroactive activity.

Q17) How would the Department evaluate the quality and productivity of a provider network that submitted a primary care application?

A17) It is expected that applicants will identify the metrics they will be measuring to evaluate the outcomes of their project such as improvements in quality or provider productivity.

Q18) Can funding be requested to help mental health providers meet health home and medical home standards?

A18) Yes, provided the applicant is an Article 28 or Article 36 provider and provided that funds are not already available to the applicant for these efforts.

Q19) Can HEAL funds be used to support senior housing?

A19) The housing must be licensed as ACF, ALR, and/or enriched housing.

Q20) Can HEAL funds to be used to create additional ALP beds?

A20) See **REVISED ANSWERS to Q67-70 (found after Q2 in this document)**.

Q21) HEAL has supported the creation of assistive housing under Phase 20. Will assistive housing be supported under this phase of HEAL?

A21). See question 71 in the initial set of Q&As for guidance regarding assistive housing.

Q22) Does a private practice model created within a nursing home have to be established to be eligible?

A22) Yes, the practice would have to be converted to an Article 28 D & TC. This entity would not be eligible for HEAL funding under this RFA. You are also cautioned that such a conversion would result in the co-location of two Article 28 providers on one premises, which may not be acceptable to CMS.

Q23) Will capital costs received under HEAL be carved out of future nursing home reimbursement rates?

A23) Yes.

Q24) Where should the questions on Quality, Outcomes and HIT be addressed since there is no obvious place in the HEAL technical application to include them?

A24) Responses to questions regarding these subject areas can be built into the project description section of the technical application or included on a separate page labeled Quality, Outcomes and HIT.

Q25) If only 25% of project costs are to be covered by HEAL and the 25% of the project covered by HEAL will be expended by March 31, 2014, is this an eligible project?

A25) Yes, this project would be eligible, however all HEAL-related project costs must be incurred by March 31, 2014 in order to be reimbursed.

Q26) Do architectural plans have to be completed prior to submitting a HEAL application?

A26) No. However completing schematics in advance of the submission of an application may assist you in getting a more complete and accurate handle on costs and a project timeline. Schematics are also helpful to reviewers in understanding and evaluating projects that propose facility renovation or new construction.

Q27) Can the 15 page limitation be exceeded given all the material that must go into an application?

A27) No. Fifteen pages should be sufficient.

Q28) Can the cost of a certificate of need application be included in the application budget to be paid for with grant funds?

A28) Yes.

Q29) Can HEAL be used for Infrastructure improvements?

A29) No. A project's main focus should not be on infrastructure improvements under this RFA, however, HEAL funds could be considered if the request is in the context of a merger or combination and infrastructure upgrades are necessary to effectuate such merger or combination.

Q30) If an awardee has an ALP, but not in a nursing home would they be eligible to apply for a grant under HEAL21?

A30) An applicant whose has been awarded ALP beds under SOI 2 would also have to be eligible to receive grants under HEAL 21. (They must be a General Hospital, Residential Health Care Facility or Active Parent of either or part of an Article 28 network that includes a general or residential health care facility).