

RFA #1510190320
New York State Department of Health
Office of Primary Care and Health Systems
Management
Request for Applications

Essential Health Care Provider Support Program:
Health Care Delivery System Innovators Fund

KEY DATES

Release Date:	October 21, 2015
Questions Due:	October 26, 2015
Questions, Answers and Updates Posted (on or about):	November 12, 2015
Applications Due:	November 20, 2015 by 5:00 PM EST
Estimated Contract Start Date:	February 1, 2016

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I. Introduction

The New York State Department of Health (DOH) announces the availability of funds under the Essential Health Care Provider Support Program (EHCPSP), as established pursuant to Section 2825-c of the Public Health Law (PHL), to provide grants to essential health care providers that support debt retirement, capital projects or non-capital projects, for the purpose of facilitating the health care transformation of these essential health care providers through mergers, consolidation and restructuring activities intended to create financially sustainable systems of care.

A total of up to \$55 million is available under this Request for Applications (RFA) to essential health care providers that are licensed general hospitals or a hospital system, and eligible under PHL 2825-c, which have also demonstrated a commitment to establishing innovative models of health care delivery that might include, but are not limited to, the following:

- Achieving measurable health improvement for a defined managed care population;
- Reducing hospital readmissions for patients with chronic conditions;
- Reducing emergency department inpatient admissions for ambulatory care sensitive conditions;
- Increasing the number of Medicaid beneficiaries served;
- Achieving PCMH level 3 status at one or more of its primary care clinics;
- Effectively using care coordination, resulting in better outcomes for patients and more efficient utilization of services;
- Working with the New York State Department of Health on a shared Medicaid Savings Program;
- Sponsoring or directly operating programs such as supportive housing, and incorporating such programs into discharge planning; or
- Developing programs for populations with special needs in order to reduce unnecessary hospitalizations for that population.

To receive funding, the Eligible Applicant must demonstrate how the proposed use of the grant will directly contribute to its long-term financial sustainability or the preservation of essential health care services in the community served by the Eligible Applicant; **with particular emphasis on preservation of the innovative models of care and further expansion thereof.** Accordingly, each application submitted must include a plan (“the Plan”) that details the Eligible Applicant’s overall approach for this transformation, including merger, consolidation, and other restructuring activities and describe how the Plan will preserve essential health care services in these communities. Elements of the Plan should include:

- i. The Eligible Applicant’s current and future vision for providing innovative health care services to a defined geographic region where such service would otherwise be unavailable to the population of the region.
- ii. A description of the innovative health care services currently offered and planned for the future, including programmatic features, services and locations.
- iii. Steps to be taken to improve the financial situation of the Eligible Applicant, including debt retirement, capital or non-capital improvements.

- iv. Additional actions to create a sustainable system of care through mergers, consolidation or restructuring.
- v. An estimate of the costs of carrying out the Plan (other than the Eligible Project as hereafter defined) and the sources of funding for such costs.
- vi. Steps to be taken to engage the community in the development of the Plan.

A further objective is that the health care services developed be consistent with Delivery System Reform Incentive Payment (DSRIP) Program principles of improving core population health, patient outcomes and patient experience, as well as incorporate, as part of a sustainable business model, a transition to a payment system which emphasizes cost efficiency and quality outcomes (value) over service volume.

Applications received under this announcement will be reviewed in accordance with the provisions of PHL Section 2825-c.

Applicants are hereby advised that this is not a traditional competitive process.

Notwithstanding State Finance Law Section 163 or any inconsistent provision of law to the contrary, Public Health Law Section 2825-c[1] states that funds appropriated for this program may be awarded without a competitive bid or request for proposal process.

In accordance with PHL 2825-c and the authorized appropriation, funding (if any) will be awarded in the discretion of the Commissioner of Health for purposes in support of the essential health care services described in this RFA. Without limitation to this authorization, the Commissioner of Health may consult with DOH professional staff, and any other internal or external experts as required from time to time at any time in the evaluation of applications received pursuant to this RFA.

II. Who May Apply

The minimum eligibility requirements for entities responding to this RFA have been established in accordance with PHL Section 2825-c.

An “Eligible Applicant” must meet all of the following criteria to be eligible to receive grant funding under this RFA:

(a) Be a legally existing organization and capable of entering into a binding Master Grant Contract (MGC) with DOH;

(b) Be a General Hospital as defined in Article 28 of the PHL;

and,

(c) Shall have unsustainable operations as indicated by:

- a loss from operations for each of the three consecutive preceding years as evidenced by audited financial statements;

- a negative fund balance or negative equity position in each of the three preceding years as evidenced by audited financial statements; and
- a current ratio of less than 1:1 for each of three consecutive preceding years as evidenced by audited financial statements;

or, alternatively,

- be deemed by the Commissioner to be a provider that fulfills or will fulfill (as evidenced by the application for this program) an unmet need for acute inpatient, outpatient, primary, or residential health care services, in a defined geographic region where such services would otherwise be unavailable to the population of such region.

In determining whether an Eligible Applicant is a provider located in a defined geographic region where acute inpatient, outpatient or residential health care services would otherwise be unavailable to the population of such region, the Commissioner will consider criteria such as whether the applicant is a: Federally designated Critical Access Hospital; or a Federally designated Sole Community Hospital; or a State designated rural hospital; or a hospital or hospital system whose location, due to transportation infrastructure, distance, and/or travel time, presents a risk to safe and timely patient transfer or service coordination; or a hospital or hospital system that provides specialized services that would otherwise be unavailable to the population of such region.

III. Project Narrative/Work Plan Outcomes

A total of up to \$55 million is available under this RFA. Multiple awards will be made, and an Eligible Applicant may choose to submit a single application seeking funding for both capital and non-capital (i.e., debt retirement) purposes as part of an overall transformation Plan.

The DOH will review applications to determine the appropriate level of public investment needed for the Eligible Project. This approach will provide the basis for negotiation, as needed, of changes in costs and activities proposed by the applicant to implement the Eligible Project. The final amount of each Eligible Applicant's total award will be determined by the Commissioner based upon:

- An evaluation of the scope of work presented;
- The degree to which the Eligible Project and overall transformation Plan meet the goals and priorities of the Essential Health Care Provider Support Program, and the objectives and requirements of this RFA;
- The appropriateness of expenses to the Eligible Project;
- The amount necessary to achieve the goals of the Eligible Applicant's overall transformation Plan; and
- The amount necessary to achieve, to the extent practicable, a geographic distribution of funds from this Program.

A. Eligible Projects

An “Eligible Project” must include Eligible Expenses, as defined herein, for the purposes of debt retirement, capital projects, or non-capital projects. A project cannot be funded under both this RFA and the Essential Health Care Provider Support Program RFA (#1510160807).

B. Eligible and Excluded Expenses and Disallowed Costs

Expenditures eligible for funding under this solicitation (“Eligible Expenses”) include, but are not limited to:

- Debt retirement;
- Non-capital expenses other than those identified as “Excluded Expenses” below.
- The planning or design of the acquisition, construction, demolition, replacement, major repair or renovation of a fixed asset or assets, including the preparation and review of plans and specifications including engineering and other services;
- Construction costs;
- Renovation costs;
- Asset acquisitions;
- Equipment costs; and
- Consultant fees and other expenditures associated with the preparation of Certificate of Need (CON) applications required for the proposed establishment action, construction activity or service expansion (so long as the costs are incurred in connection with original construction and not an ownership transfer)

Excluded Expenses are general operating expenses, including but not limited to:

- Personnel costs;
- Supplies and other routine non-personal services costs applicable to day-to-day operations;
- Utilities; and
- Lease payments.

If applicable to the Eligible Project, Eligible Applicants may subcontract components (sub-projects) of the scope of work. Eligible Applicants that plan to subcontract are expected to describe the specific components of the scope of work to be performed through subcontracts (the sub-projects), and to also identify the subcontracting entities in the application. Applicants should note that the Eligible Applicant, if awarded a grant under this RFA, will have overall responsibility for all contract activities, including those performed by subcontractors, and will be the primary contact for the DOH. All subcontractors must be approved by the Department of Health.

Eligible Applicants must include a description and justification for all expenditures included in the Project Budget as well as a discussion of how the expenditure relates to the Eligible Project. Disallowed costs include expenditures identified in the Eligible Project Budget that are Excluded Expenses or are not sufficiently described and/or justified in type or amount by the applicant or are considered to be unrelated to the proposed Eligible Project. If applicable to the Eligible Project, it is understood that design plans and specifications are unlikely to be available at this stage of Project development. However, an Eligible Applicant should be able to describe the project elements and their anticipated costs in sufficient detail for the reviewer to make a judgment on the reasonableness of the anticipated costs and how the Eligible Applicant estimated those costs. Disallowed costs will be excluded from the amount considered as the grant request.

C. Evaluation Criteria

In determining awards for Eligible Projects, the Commissioner shall consider the following criteria including, but not limited to:

- i. The extent to which the Eligible Project contributes to the long term sustainability of the Eligible Applicant or preservation of essential health services in the community or communities served by the Eligible Applicant.
- ii. The extent to which the Eligible Project is part of an overall Plan through which the Eligible Applicant will achieve long-term sustainability.
- iii. The extent to which the Eligible Project is aligned with Delivery System Reform Incentive Payment (DSRIP) program goals and objectives.
- iv. Consideration of geographic distribution of funds.
- v. The relationship between the Plan and the Eligible Project and an identified community need.
- vi. The extent to which the Eligible Applicant has access to alternative funding.
- vii. The extent that the Plan and the Eligible Project furthers the development of primary care.
- viii. The extent to which the Plan and the Eligible Project benefits Medicaid enrollees and uninsured individuals.
- ix. The extent to which the Eligible Applicant has engaged the community affected by the proposed Eligible Project and the manner in which community engagement has shaped the Eligible Project.
- x. The demonstrated support of the communities to be served for the Eligible Project and the overall Plan that it contributes to.
- xi. The extent to which the Plan and the Eligible Project address potential risk to patient safety and welfare.
- xii. The extent to which the Eligible Project meets or exceeds the participation goals for Minority and Women-Owned Business Enterprises (“MWBE”) as set forth in this RFA.
- xiii. The extent to which, as part of a sustainable business model, the Plan describes how the Eligible Applicant will transition to a payment system which emphasizes cost efficiency and quality outcomes (value) over service volume.

In addition, in determining awards for Eligible Projects, the Commissioner shall further consider the following criteria:

- i. The extent to which the Eligible Applicant has achieved measurable health improvement for a defined managed care population;
- ii. The extent to which the Eligible Applicant has reduced hospital readmissions for patients with chronic conditions;
- iii. The extent to which the Eligible Applicant has reduced emergency department inpatient admissions for ambulatory care sensitive conditions;
- iv. The extent to which the Eligible Applicant has increased the number of Medicaid beneficiaries it serves;
- v. The extent to which the Eligible Applicant has achieved PCMH level 3 status at one or more of its primary care clinics;
- vi. The extent to which the Eligible Applicant is effectively using care coordination, resulting in better outcomes for patients and more efficient utilization of services;

- vii. The extent to which the Eligible Applicant is working with the New York State Department of Health on a shared Medicaid Savings Program;
- viii. The extent to which the Eligible Applicant is sponsoring or directly operating programs such as supportive housing, and incorporating such programs into discharge planning;
- ix. The extent to which the Eligible Applicant is developing programs for populations with special needs in order to reduce unnecessary hospitalizations for that population; and
- x. The extent to which the Plan described in this application preserves innovative models of care reflective of the preceding criteria and furthers the expansion thereof.

IV. Administrative Requirements

A. Issuing Agency

This RFA is issued by the New York State Department of Health (DOH), Office of Primary Care and Health Systems Management, Center for Facility Planning, Licensure and Finance. Pursuant to PHL § 2825-c, Essential Health Care Provider Support Program grants may be awarded by the Commissioner of DOH. The DOH is responsible for the requirements specified herein and for the evaluation of all applications.

B. Question and Answer Phase

All substantive questions must be submitted in writing or via email to:

Joan Cleary Miron, MPH

Director, Essential Health Care Provider Support Program Implementation Team

New York State Department of Health

Office of Primary Care and Health Systems Management

1805 Corning Tower

Albany, NY 12237

e-mail: EHCPS.Innovators@health.ny.gov

To the degree possible, each inquiry should cite the RFA section and paragraph to which it refers. Written questions will be accepted until the date posted on the cover of this RFA. This includes Minority and Women Owned Business Enterprise (MWBE) questions and questions pertaining to the MWBE forms.

Questions of a technical nature can be addressed via e-mail to

EHCPS.Innovators@health.ny.gov. **Questions are of a technical nature if they are limited to how to prepare your application (e.g., formatting) rather than relating to the substance of the application.**

Some helpful resources for questions of a technical nature are below. Questions regarding specific opportunities or applications should be directed to the DOH contact listed on the cover of this RFA.

- www.grantsreform.ny.gov/grantees
- Grants Reform Videos (includes a document vault tutorial and an application tutorial) on YouTube: <http://www.youtube.com/channel/UCYnWskVc7B3ajjOVfOHL6UA>

- Agate Technical Support Help Desk
Phone: 1-800-820-1890
Hours: Monday thru Friday 8am to 8pm
Email: helpdesk@agatesoftware.com
(Technical questions)
- Grants Team Email: Grantsreform@budget.ny.gov
(Application Completion, Policy, and Registration questions)
- www.grantsgateway.ny.gov

Prospective applicants should note that all clarifications and exceptions, including those relating to the terms and conditions of the contract, are to be raised prior to the submission of an application.

This RFA has been posted on the DOH's public website at: <http://www.health.ny.gov/funding/>. Questions and answers, as well as any updates and/or modifications, will also be posted on this website. All such updates will be posted by the date identified on the cover of this RFA.

C. How to file an application

Applicants must submit paper proposals. **Applications submitted via fax or e-mail will not be accepted.**

Applications must be **received** at the following address by the date and time posted on the cover sheet of this RFA. Late applications will not be accepted.*

Joan Cleary Miron, MPH
Director, Essential Health Care Provider Support Program Implementation Team
New York State Department of Health
Office of Primary Care and Health Systems Management
1805 Corning Tower
Albany, New York 12237

The Technical and Financial Proposals must each include two (2) signed originals, five (5) copies in hardcopy format, and one (1) electronic copy in a standard searchable PDF format on a flash drive with copy/read permission only, with the exception of Attachment 6 Project Financial Information which should be in Excel format.

Original proposals should be marked as such. Where signatures are required, the original proposals should be signed in ink. Electronic signatures are not acceptable. **Application packages should be clearly labeled with the name and number of the RFA as listed on the cover of this RFA document.**

*It is the applicant's responsibility to ensure that applications are delivered to the address above prior to the date and time specified. Late applications due to a documentable delay by

the carrier may be considered at the Department of Health's discretion.

D. Department of Health's Reserved Rights

The Department of Health reserves the right to:

1. Reject any or all applications received in response to this RFA.
2. Withdraw the RFA at any time, at the DOH's sole discretion.
3. Make an award under the RFA in whole or in part.
4. Use application information obtained through site visits, management interviews and the state's investigation of an applicant's qualifications, experience, ability or financial standing, and any material or information submitted by the applicant in response to the agency's request for clarifying information in the course of evaluation and/or selection under the RFA.
5. Prior to application opening, amend the RFA specifications to correct errors or oversights, or to supply additional information, as it becomes available.
6. Prior to application opening, direct applicants to submit proposal modifications addressing subsequent RFA amendments.
7. Change any of the scheduled dates.
8. Waive any requirements that are not material.
9. Conduct contract negotiations with the next responsible applicant, should the Department be unsuccessful in negotiating with the selected applicant.
10. Utilize any and all ideas submitted with the applications received.
11. Unless otherwise specified in the RFA, every offer is firm and not revocable for a period of 60 days from the bid opening.
12. Waive or modify minor irregularities in applications received after prior notification to the applicant.
13. Require clarification or revision at any time during the procurement process and/or require correction of arithmetic or other apparent errors for the purpose of assuring a full and complete understanding of an applicant's application and/or to determine an applicant's compliance with the requirements of the RFA. If an applicant does not respond to the correspondence requesting clarification within 10 business days, then the applicant will be deemed "non-responsive" and will be removed from consideration.
14. Eliminate or waive any mandatory, non-material specifications that cannot be complied with by all applicants.

15. Award multiple Master Grant contracts (MGCs) resulting from this RFA.
16. Adjust or correct cost figures with the concurrence of the applicant if errors exist and can be documented to the satisfaction of DOH and the State Comptroller.
17. Negotiate with an awardee within the requirements of the Essential Health Care Provider Support Program: Health Care Delivery System Innovators Fund to serve the best interests of the State, including programmatic and financial changes in project scope.
18. If DOH is unsuccessful in negotiating a MGC with an awardee within an acceptable time frame, it may award the funds to the next most qualified applicant in order to serve and realize the best interests of the State.

E. Term of Contract

Any contract resulting from this RFA will be effective only upon approval by the New York State Office of the Comptroller.

It is anticipated that the term of Master Grant Contract (MGCs) under the Essential Health Care Provider Support Program: Innovative Care Initiative will begin in February 2016 and run for a period of up to three years (consistent with the accepted construction schedule). Any MGC resulting from this RFA will be effective only upon approval by the New York State Office of the Comptroller.

Continued funding throughout this period is contingent upon availability of funding and state budget appropriations. DOH also reserves the right to revise the award amount as necessary due to changes in the availability of funding.

F. Payment & Reporting Requirements of Grant Awardees

1. No advances will be allowed for contracts resulting from this procurement.
2. The grant contractor will be required to submit QUARTERLY invoices and required reports of expenditures through the Grants Gateway (in the future) to the State's designated payment office:

Essential Health Care Provider Support Program Implementation Team
NYS Department of Health
1805 Corning Tower
Albany, NY 12237

Grant contractors must provide complete and accurate billing invoices in order to receive payment. Billing invoices submitted to the DOH must contain all information and supporting documentation required by the Contract, the DOH and the Office of the State Comptroller (OSC). Payment for invoices submitted by the CONTRACTOR shall only be rendered electronically unless payment by paper check is expressly authorized by the Commissioner, in the Commissioner's sole discretion, due to extenuating circumstances. Such electronic payment shall be made in accordance with OSC's procedures and

practices to authorize electronic payments. Authorization forms are available at OSC's website at: <http://www.osc.state.ny.us/epay/index.htm>, by email at: epayments@osc.state.ny.us or by telephone at 855-233-8363. CONTRACTOR acknowledges that it will not receive payment on any claims for reimbursement submitted under this contract if it does not comply with OSC's electronic payment procedures, except where the Commissioner has expressly authorized payment by paper check as set forth above.

Payment of such claims for reimbursement by the State (NYS Department of Health) shall be made in accordance with Article XI-A of the New York State Finance Law.

Payment terms will be: Contractor will be reimbursed for actual expenses incurred and expensed as allowed in the Contract Budget and Work Plan.

The grant contractor will be required to submit quarterly reports on the status of the EHCPS project. Such reports shall be submitted no later than 30 days after the close of the quarter, and shall be consistent with the provisions of the terms of the State of New York Master Contract for Grants. The reports shall include:

- Progress made toward EHCPS objectives;
- A status update on Project milestone progress;
- Information on Project spending and budget; and
- A summary of public engagement and public comments received

The grant contractor will be required to submit any forms outlined in Attachment D of the NYS Master Grant Contract through the Grants Gateway.

All payment and reporting requirements will be detailed in Attachment D of the final NYS Master Grant Contract.

G. Minority & Woman-Owned Business Enterprise Requirements

Pursuant to New York State Executive Law Article 15-A, the New York State Department of Health ("DOH") recognizes its obligation to promote opportunities for maximum feasible participation of certified minority- and women-owned business enterprises and the employment of minority group members and women in the performance of DOH contracts.

In 2006, the State of New York commissioned a disparity study to evaluate whether minority and women-owned business enterprises had a full and fair opportunity to participate in state contracting. The findings of the study were published on April 29, 2010, under the title "The State of Minority and Women-Owned Business Enterprises: Evidence from New York" ("Disparity Study"). The report found evidence of statistically significant disparities between the level of participation of minority- and women-owned business enterprises in state procurement contracting versus the number of minority- and women-owned business enterprises that were ready, willing and able to participate in state procurements. As a result of these findings, the Disparity Study made recommendations concerning the implementation and operation of the statewide certified minority- and women-owned business enterprises program. The recommendations from the Disparity Study culminated in the enactment and the implementation of New York State Executive Law Article 15-A, which requires, among

other things, that DOH establish goals for maximum feasible participation of New York State Certified minority- and women-owned business enterprises (“MWBE”) and the employment of minority groups members and women in the performance of New York State contracts.

Business Participation Opportunities for MWBEs

For purposes of this solicitation, the New York State Department of Health hereby establishes a goal of **30%** on any subcontracted labor or services, equipment, materials, or any combined purchase of the foregoing greater than \$25,000 under a contract awarded from this solicitation. The goal on the eligible portion of this contract will be 15% for Minority-Owned Business Enterprises (“MBE”) participation and 15% for Women-Owned Business Enterprises (“WBE”) participation (based on the current availability of qualified MBEs and WBEs and outreach efforts to certified MWBE firms). A contractor (“Contractor”) on the subject contract (“Contract”) must document good faith efforts to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of the Contract and Contractor agrees that DOH may withhold payment pending receipt of the required MWBE documentation. For guidance on how DOH will determine “good faith efforts,” refer to 5 NYCRR §142.8.

The directory of New York State Certified MWBEs can be viewed at: <https://ny.newnycontracts.com>. The directory is found in the upper right hand side of the webpage under “Search for Certified Firms” and accessed by clicking on the link entitled “MWBE Directory”. Engaging with firms found in the directory with like product(s) and/or service(s) is strongly encouraged and all communication efforts and responses should be well documented.

By submitting an application, a grantee agrees to complete an MWBE Utilization plan as directed in **Attachment 7** of this RFA. DOH will review the submitted MWBE Utilization Plan. If the plan is not accepted, DOH may issue a notice of deficiency. If a notice of deficiency is issued, Grantee agrees that it shall respond to the notice of deficiency within seven (7) business days of receipt. DOH may disqualify a Grantee as being non-responsive under the following circumstances:

- a) If a Grantee fails to submit a MWBE Utilization Plan;
- b) If a Grantee fails to submit a written remedy to a notice of deficiency;
- c) If a Grantee fails to submit a request for waiver (if applicable); or
- d) If DOH determines that the Grantee has failed to document good-faith efforts to meet the established DOH MWBE participation goals for the procurement.

In addition, successful awardees will be required to certify they have an acceptable Equal Employment Opportunity policy statement.

H. Limits on Administrative Expenses and Executive Compensation

On July 1, 2013, limitations on administrative expenses and executive compensation contained within Governor Cuomo’s Executive Order #38 and related regulations published by the DOH (Part 1002 to 10 NYCRR – Limits on Administrative Expenses and Executive Compensation) went into effect. Eligible Applicants agree that all state funds dispersed under this procurement will, if applicable to them, be bound by the terms, conditions,

obligations and regulations promulgated by the DOH. To provide assistance with compliance regarding Executive Order #38 and the related regulations, please refer to the Executive Order #38 website at: <http://executiveorder38.ny.gov>.

I. Vendor Identification Number

Effective January 1, 2012, in order to do business with New York State, you must have a vendor identification number. As part of the Statewide Financial System (SFS), the Office of the State Comptroller's Bureau of State Expenditures has created a centralized vendor repository called the New York State Vendor File. In the event of an award and in order to initiate a contract with the New York State Department of Health, vendors must be registered in the New York State Vendor File and have a valid New York State Vendor ID.

If already enrolled in the Vendor File, please include the Vendor Identification number on the application cover sheet. If not enrolled, to request assignment of a Vendor Identification number, please submit a New York State Office of the State Comptroller Substitute Form W-9, which can be found on-line at:

http://www.osc.state.ny.us/vendor_management/issues_guidance.htm.

Additional information concerning the New York State Vendor File can be obtained on-line at: http://www.osc.state.ny.us/vendor_management/index.htm, by contacting the SFS Help Desk at 855-233-8363 or by emailing at helpdesk@sfs.ny.gov.

J. Vendor Responsibility Questionnaire

The New York State Department of Health recommends that vendors file the required Vendor Responsibility Questionnaire online via the New York State VendRep System. To enroll in and use the New York State VendRep System, see the VendRep System Instructions available at http://www.osc.state.ny.us/vendrep/vendor_index.htm or go directly to the VendRep system online at <https://portal.osc.state.ny.us>.

Vendors must provide their New York State Vendor Identification Number when enrolling. To request assignment of a Vendor ID or for VendRep System assistance, contact the Office of the State Comptroller's Help Desk at 866-370-4672 or 518-408-4672 or by email at ciohelpdesk@osc.state.ny.us.

Vendors opting to complete and submit a paper questionnaire can obtain the appropriate questionnaire from the VendRep website at: http://www.osc.state.ny.us/vendrep/forms_vendor.htm or may contact the Office of the State Comptroller's Help Desk for a copy of the paper form.

Eligible Applicants should complete and submit the Vendor Responsibility Attestation (Attachment 8).

K. Vendor Prequalification for Not-for-Profits

All not-for-profit vendors subject to prequalification are required to prequalify prior to grant application and execution of contracts.

Pursuant to the New York State Division of Budget Bulletin H-1032, dated June 7, 2013, New York State has instituted key reform initiatives to the grant contract process which requires not-for-profits to register in the Grants Gateway and complete the Vendor Prequalification process in order for applications to be evaluated. Information on these initiatives can be found on the [Grants Reform Website](#).

Applications received from not-for-profit applicants that have not Registered and are not Prequalified in Grants Gateway on the application due date listed on the cover of this RFA cannot be evaluated. Such applications will be disqualified from further consideration.

Below is a summary of the steps that must be completed to meet registration and prequalification requirements. The [Vendor Prequalification Manual](#) on the Grants Reform Website details the requirements and an [online tutorial](#) are available to walk users through the process.

1) Register for the Grants Gateway

- On the Grants Reform Website, download a copy of the [Registration Form for Administrator](#). A signed, notarized original form must be sent to the Division of Budget at the address provided in the instructions. You will be provided with a Username and Password allowing you to access the Grants Gateway.

If you have previously registered and do not know your Username, please email grantsreform@budget.ny.gov. If you do not know your Password, please click the [Forgot Password](#) link from the main log in page and follow the prompts.

2) Complete your Prequalification Application

- Log in to the [Grants Gateway](#). **If this is your first time logging in**, you will be prompted to change your password at the bottom of your Profile page. Enter a new password and click SAVE.
- Click the *Organization(s)* link at the top of the page and complete the required fields including selecting the State agency you have the most grants with. This page should be completed in its entirety before you SAVE. A *Document Vault* link will become available near the top of the page. Click this link to access the main Document Vault page.
- Answer the questions in the *Required Forms* and upload *Required Documents*. This constitutes your Prequalification Application. Optional Documents are not required unless specified in this Request for Application.
- Specific questions about the prequalification process should be referred to your agency representative or to the Grants Reform Team at grantsreform@budget.ny.gov.

3) Submit Your Prequalification Application

- After completing your Prequalification Application, click the **Submit Document Vault Link** located below the Required Documents section to submit your Prequalification Application for State agency review. Once submitted the status of the Document Vault will change to *In Review*.
- If your Prequalification reviewer has questions or requests changes you will receive email notification from the Gateway system.
- Once your Prequalification Application has been approved, you will receive a Gateway notification that you are now prequalified to do business with New York State.

Vendors are strongly encouraged to begin the process as soon as possible in order to participate in this opportunity.

L. General Specifications

1. By submitting the "Application Form" each applicant attests to its express authority to sign on behalf of the applicant.
2. Contractors will possess, at no cost to the State, all qualifications, licenses and permits to engage in the required business as may be required within the jurisdiction where the work specified is to be performed. Workers to be employed in the performance of this contract will possess the qualifications, training, licenses and permits as may be required within such jurisdiction.
3. Submission of an application indicates the applicant's acceptance of all conditions and terms contained in this RFA, including the terms and conditions of the contract. Any exceptions allowed by the DOH during the Question and Answer Phase (Section IV.B.) must be clearly noted in a cover letter attached to the application.
4. An applicant may be disqualified from receiving awards if such applicant or any subsidiary, affiliate, partner, officer, agent or principal thereof, or anyone in its employ, has previously failed to perform satisfactorily in connection with public bidding or contracts.
5. Provisions Upon Default
 - a. The services to be performed by the Applicant shall be at all times subject to the direction and control of the DOH as to all matters arising in connection with or relating to the contract resulting from this RFA.
 - b. In the event that the Applicant, through any cause, fails to perform any of the terms, covenants or promises of any contract resulting from this RFA, the DOH acting for and on behalf of the State, shall thereupon have the right to terminate the contract by giving notice in writing of the fact and date of such termination to the Applicant.

c. If, in the judgement of the DOH, Eligible Applicant awarded a grant under this RFA acts in such a way which is likely to or does impair or prejudice the interests of the State, the DOH acting on behalf of the State, shall thereupon have the right to terminate any contract resulting from this RFA by giving notice in writing of the fact and date of such termination to the Contractor. In such case the Contractor shall receive equitable compensation for such services as shall, in the judgement of the State Comptroller, have been satisfactorily performed by the Contractor up to the date of the termination of this agreement, which such compensation shall not exceed the total cost incurred for the work which the Contractor was engaged in at the time of such termination, subject to audit by the State Comptroller.

V. Completing the Application

A. Application Format/Content

Cover Page

The applicant should complete all of the information requested on the application cover page (Attachment 1) and have the cover page endorsed by the proposed contract signatory.

1. Technical Proposal

The Technical Proposal should be submitted using Attachment 2 - Technical Proposal Requirements and Attachment 3 – Work Plan. The Technical Proposal should not exceed a total of 15 pages, including the Executive Summary and Technical Proposal Requirements (Attachment 2), and excluding the Work Plan (Attachment 3) and any tables, charts, or graphs needed to support the narrative.

1. Executive Summary

This part of the Technical Proposal should briefly describe:

- a. The overall Plan and how the Eligible Project contributes to the Plan.
- b. How the Plan and Eligible Project meet stated Essential Health Care Provider Support Program: Health Care Delivery System Innovators Fund goals.

2. Organizational Capacity:

- a. Describe the size and scope of the Eligible Applicant's organization including a discussion of its mission, regions and communities served, and types of services provided. This should include information such as the Eligible Applicant's exact corporate name, board composition, ownership and affiliations, and number of employees;
- b. Provide a description of the steps taken by the Eligible Applicant to prepare for this Plan and Eligible Project; and
- c. Describe any subcontractors, consultants, and advisors participating in the proposal, and their role in the Plan and the Eligible Project.

3. Assessment of Community Need:

- a. Identify if your organization is a Federally designated Critical Access Hospital; Federally designated Sole Community Hospital; State designated rural hospital; a hospital or hospital system whose location, due to transportation infrastructure, distance, and/or travel time, presents a risk to safe and timely patient transfer or service coordination; or a hospital or hospital system that provides specialized services that would otherwise be unavailable to the population of a region.
- b. Describe how the needs of the residents of the community(ies) that will be served by the Eligible Project proposed by the Eligible Applicant will benefit from the preservation of essential health care services of the hospital or hospital system in their defined geographic region. This should be based on documented information, such as health status indicators, demographics, insurance status of the population, and data on service volume, occupancy, and discharges by existing providers.
- c. Identify what services are needed to address the disparities, service needs, and health status of the community being served. Include a discussion of adequacy of service capacity in the community, including data on service volume, occupancy, and discharges by existing providers. Eligible Applicants should provide thorough, concise information that demonstrates a comprehensive understanding of the unmet health care needs of the communities.

4. Program Summary

- a. Describe the Plan and how it addresses each of the essential elements identified in Part I of this RFA that include:
 - i. The Eligible Applicant's current and future vision for providing innovative health care services to a defined geographic region where such service would otherwise be unavailable to the population of the region.
 - ii. A description of the innovative health care services currently offered and planned for the future, including programmatic features, services and locations.
 - iii. Steps to be taken to improve the financial situation of the Eligible Applicant, including debt retirement, capital or non-capital improvements.
 - iv. Additional actions to create a sustainable system of care through mergers, consolidation or restructuring.
 - v. An estimate of the costs of carrying out the Plan (other than the Eligible Project as hereafter defined) and the sources of funding for such costs.
 - vi. Steps to be taken to engage the community in the development of the Plan.
- b. Explain how the Plan and Eligible Project will:
 - i. Contribute to the long term sustainability of the Eligible Applicant or preservation of essential health services in the community or communities served by the Eligible Applicant.
 - ii. Contribute to an overall Plan through which the Eligible Applicant will achieve long-term sustainability.
 - iii. Be aligned with Delivery System Reform Incentive Payment (DSRIP) program goals and objectives.

- iv. Address identified community need.
 - v. Further develop primary care and other outpatient services to meet community need.
 - vi. Benefit Medicaid enrollees and uninsured individuals.
 - vii. Demonstrate the involvement of the community and its support for the Plan and the Eligible Project.
 - viii. Address potential risk to patient safety and welfare.
 - ix. Demonstrate that the Eligible Project meets or exceeds the participation goals for MWBE as set forth in this RFA.
 - x. Describe how the Eligible Applicant will transition to a payment system which emphasizes cost efficiency and quality outcomes (value) over service volume.
- c. Explain the extent to which the Eligible Applicant has achieved the following:
- i. Measurable health improvement for a defined managed care population;
 - ii. Reduced hospital readmissions for patients with chronic conditions;
 - iii. Reduced emergency department inpatient admissions for ambulatory care sensitive conditions;
 - iv. Increased the number of Medicaid beneficiaries it serves;
 - v. Achieved PCMH level 3 status at one or more of its primary care clinics;
 - vi. Effectively used care coordination, resulting in better outcomes for patients and more efficient utilization of services;
 - vii. Worked with the New York State Department of Health on a shared Medicaid Savings Program;
 - viii. Sponsored or directly operated programs such as supportive housing, and incorporated such programs into discharge planning; and
 - ix. Developed programs for populations with special needs in order to reduce unnecessary hospitalizations for that population; and
 - x. How the Plan described in this application preserves innovative models of care reflective of the preceding criteria and furthers the expansion thereof.
- d. Describe health care delivery in the Eligible Applicant's defined geographic region after completion of the Plan and Eligible Project, how it will change, and how the completion of the Plan and the Eligible Project will contribute to the change.

5. Plan and Project Timeline:

- a. Provide the goal(s) of the Eligible Project, process objectives/milestones, and outcome objectives with a corresponding performance metric identified for each outcome.
- b. Provide a timeline for the Plan and the Eligible Project up through the date of implementation, including identification of major milestones and the person or entity accountable for each milestone.
- c. Describe the phasing plan anticipated to achieve implementation of the Plan and the Eligible Project. This phasing plan should identify specific milestones and approximate dates of completion for each milestone. The application and phasing plan should also address:

- i. If applicable, timeframes for any architectural and engineering design and construction necessary to accomplish each phase of the Eligible Project;
- ii. Scheduled milestones for the preparation and processing of any application, as required by CON regulations (10 NYCRR Part 710), necessary to secure DOH approval for service revisions, relocations, or capital construction that rises to the level of CON review.

6. Plan and Project Monitoring Plan

- a. Describe the methodology that will be used to track progress within the Plan and Eligible Project, including any quality assurance testing that will be performed.
- b. Describe how the monitoring plan will include identification of barriers and strategies to resolve issues.

2. Financial Proposal

For Eligible Projects that involve debt retirement or other non-capital purposes it is understood that not all of the components of the Financial Proposal section are applicable.

The Financial Proposal should be submitted using Attachment 4 – Financial Proposal Requirements. The Financial Proposal should not exceed a total of 10 pages, not including the Capital Budget (Attachment 5), Projected Financial Information (Attachment 6), and any tables, charts, or graphs needed to support the narrative.

1. Financial Summary

This part of the Application should briefly describe the financial aspects of the overall Eligible Project including a narrative description of the following:

- a. The Eligible Project fund sources including the amount of funding being requested under this RFA as well a description of the Eligible Applicant's sources of funding for the Eligible Project. *Requests for funding under this RFA for the purposes of debt retirement are not expected to demonstrate other sources of funding;*
- b. The expenditures in the budget(s) and detail as to any assumptions used in estimating such budget expenditures; and
- c. The financial impact of the Eligible Project on the Eligible Applicant including any assumptions used in projecting the incremental revenues and expenses associated with the Eligible Project and their impact on the Eligible Applicant.

2. Project Budget

- a. Provide a Budget for the Eligible Project that includes all components of the application, including those that will be funded with sources other than Essential Health Care Provider Support Program: Health Care Delivery System Innovators Fund grant funds. Show the amount of each budget line that will be funded with grant funds. Only applications that request grant funding for Eligible Expenditures (as defined in Section III.B. of the RFA) will be funded. (Use

Attachment 5 Capital Budget and Attachment 6 Projected Financial Information, Tab 1 Use of Funds).

- b. Provide a detailed discussion of the reasonableness of each budgeted item including any standard or benchmark used to determine the expenditure, if available. These budget justifications should be specific enough to show what the Eligible Applicant means by each line item and how the line item supports the overall Eligible Project.
- c. Describe how the proposed Eligible Project will address negative assets, debt and operating liabilities.
- d. Describe how the Eligible Project will use capital or non-capital funding as part of the Plan.

3. Project Fund Sources - Other

Identify and describe all private or other sources of funding, if any, for the Project, including governmental agencies or other grant funds; and evidence of the commitment of these fund sources (use Attachment 6 Projected Financial Information, Tab 2 Fund Sources). A commitment that is contingent upon receipt of the Grant is acceptable.

4. Cost Effectiveness

- a. Describe why the Eligible Project is a cost-effective investment as compared to other alternatives.
- b. Describe and quantify to the extent possible how the Eligible Project will result in savings to the health care system relative to the Eligible Project costs and quantify the proposed value or return on the state grant investment in the Eligible Project relative to the Eligible Project costs. Include a discussion of all means by which projected savings can be verified after the Eligible Project is complete.

5. Project Impact on Eligible Applicant Financial Viability

- a. Provide a detailed discussion showing how the Eligible Project will support and/or improve the institution's financial viability upon completion.
- b. Provide financial feasibility projections for the Eligible Applicant including the impact of the Eligible Project and plans for retiring any capital debt associated with financing the Eligible Project (use Attachment 6 Projected Financial Information, Tab 3 Impact – Financial Viability).
- c. Include supporting documents such as projected balance sheets, income statements, cash flows, etc. from the project start through three years after project completion.

Financial Projections should provide detailed utilization, revenue and expense assumptions. The utilization assumptions should include, but are not limited to, assumptions of patient volume by inpatient and outpatient service, and any anticipated reduction of preventable admissions, readmissions or emergency department visits. The revenue assumptions should include, but are not limited to, impacts of value based payment arrangements, transition to managed care, any

associated impact of the Affordable Care Act (ACA), and/or any impact related to the Delivery System Reform Incentive Payment (DSRIP) Program. The expense assumptions should include, but are not limited to, incremental operating costs or savings associated with the Eligible Project including labor/staffing and non-labor costs or savings.

6. Eligible Applicant Financial Stability

Discuss the financial stability of the Eligible Applicant. This would include a copy of the prior three year's annual audited financial statements and any other evidence of this stability. Entities whose financial statements have not been subjected to an audit should include any additional information available to satisfy this test and appropriate certifications.

Applicants are hereby advised that this is not a traditional competitive process.

Notwithstanding State Finance Law Section 163 or any inconsistent provision of law to the contrary, Public Health Law Section 2825-c[1] states that funds appropriated for this program may be awarded without a competitive bid or request for proposal process.

In accordance with PHL2825-c and the authorized appropriation, funding (if any) will be awarded in the discretion of the Commissioner of Health for purposes in support of the essential health care services described in this RFA. Without limitation to this authorization, the Commissioner of Health may consult with DOH professional staff, and any other internal or external experts as required from time to time at any time in the evaluation of applications received pursuant to this RFA.

B. Freedom of Information Law

All applications may be disclosed or used by DOH to the extent permitted by law. DOH may disclose an application to any person for the purpose of assisting in evaluating the application or for any other lawful purpose. All applications will become State agency records, which will be available to the public in accordance with the Freedom of Information Law. **Any portion of the application that an Eligible Applicant believes constitutes proprietary information entitled to confidential handling, as an exception to the Freedom of Information Law, must be clearly and specifically designated in the application.** If DOH agrees with the proprietary claim, the designated portion of the application will be withheld from public disclosure. Blanket assertions of proprietary material will not be accepted, and failure to specifically designate proprietary material may be deemed a waiver of any right to confidential handling of such material.

VI. Review & Award Process

Review Process

Applications received in response to this RFA will be evaluated as follows:

Stage 1: Applications that are not submitted by the deadline will be eliminated and will not proceed to further review.

APPLICANTS THAT HAVE NOT REGISTERED AND ARE NOT PRE-QUALIFIED IN GRANTS GATEWAY ON THE APPLICATION DUE DATE CANNOT BE EVALUATED. SUCH APPLICATIONS WILL ALSO BE DISQUALIFIED FROM FURTHER CONSIDERATION.

Each application will be reviewed for completeness. Applications missing material elements may be eliminated from further review. Applicants will be contacted by the DOH if additional information is needed.

Stage 2: Applications passing the initial review will be forwarded to Stage 2 review to determine applicant eligibility and for technical and financial evaluation.

DOH will determine if the applicant meets either of the eligibility criteria as defined under Section II. of the RFA, “Who May Apply”.

The Technical proposal review will evaluate the following components:

1. The extent to which the Eligible Project and Plan meets all of the requirements outlined in RFA;
2. The ability of the Eligible Applicant to complete the Eligible Project and Plan; and
3. Viability of the Eligible Project or the likelihood of its success.

The Financial proposal review will evaluate the following components:

1. Overall cost;
2. Reasonableness of the Eligible Project’s budget;
3. Impact of the Eligible Project on the financial viability of the Eligible Applicant; and
4. The extent to which the application meets all requirements outlined in the RFA.

In addition to information provided in the grant application, DOH may use information obtained from other sources, such as information obtained as a part of their normal regulatory responsibilities.

Grant Award

Based on an evaluation of the technical and financial proposals, and consideration of any information obtained by the Department from other sources, applications will be assigned to the following tiers: “Good” “Acceptable”, or “Poor”. Applications ranked as “Poor” will be removed from consideration. Awards will be made first to applications ranked as “Good”, then “Acceptable”. In the event that funds are not sufficient to support all applications in the lowest tier for which funding is available, DOH will select applications from within that tier by considering:

1. Applications that will help achieve a geographic distribution of funds; or

2. Applications that, based on the Department's knowledge of community needs, will fulfill the program goals or preserve essential healthcare services in a community in a manner that is superior to other applications in the same tier.

If changes in funding amounts are necessary for this initiative or if additional funding becomes available, funding will be modified and awarded in the same manner as outlined in the award process described above.

Once an award has been made, applicants may request a debriefing of their application. Please note the debriefing will be limited only to the strengths and weaknesses of the subject application and will not include any discussion of other applications. Requests must be received no later than ten (10) business days from date of award or non-award announcement.

In the event unsuccessful applicants wish to protest the award resulting from this RFA, applicants should follow the protest procedures established by the Office of the State Comptroller (OSC). These procedures can be found on the OSC website at <http://www.osc.state.ny.us/agencies/guide/MyWebHelp>.

Disbursement of awards shall be conditioned on the awardee achieving the process and performance metrics and milestones as agreed upon in the contract. The metrics and milestones are structured to ensure that the health care transformation and sustainability goals of the project are achieved and will be included in grant disbursement agreements or other contractual documents as required by the Commissioner.

VII. Attachments

- Attachment 1: Application Cover Sheet and Checklist
- Attachment 2: Technical Proposal Requirements
- Attachment 3: Work Plan
- Attachment 4: Financial Proposal Requirements
- Attachment 5: Capital Budget
- Attachment 6: Projected Financial Information
- Attachment 7: Minority & Women-Owned Business Enterprise Requirement Forms
- Attachment 8: Vendor Responsibility Attestation
- Attachment 9: Essential Health Care Provider Support Program (EHCPS): Innovative Care Initiatives (Section 2825-c of the PHL)
- Attachment 10: Master Grant Contract

These attachments are separate forms posted under the RFA on the DOH website at <http://www.health.ny.gov/funding/>.