



**Department
of Health**

OFFICE OF PRIMARY CARE AND HEALTH SYSTEMS MANAGEMENT

Essential Health Care Provider Support Program (EHCPSP)
and
EHCPSP: Health Care Delivery System Innovators Fund
Request for Applications

November 4, 2015

Essential Health Care Provider Support Program

Key Dates

Release Date: October 21, 2015

Questions Due: **extended** Extended to November 6, 2015

Questions, Answers and Updates

Posted (on or about): November 12, 2015

Applications Due:

Round 1: November 20, 2015 by 5:00PM EST

Round 2: December 18, 2015 by 5:00PM EST

Estimated Contract

Start Date: February 1, 2016



Authority and Appropriation

- Public Health Law 2825-c: Essential health care provider support program
- A total of up to \$300 million is available to fund multiple awards. Awards will be made in two separate rounds.
 - Up to \$150 million of the \$300 million available will be awarded in Round 1. Submission no later than November 20, 2015.
 - If any portion of the \$150 million is not awarded in Round 1, the balance will be added to the \$150 million available for Round 2 awards. Submissions for Round 2 must be submitted no later than December 18, 2015.
 - Applications not awarded funding in Round 1 will automatically be considered for funding in Round 2 unless withdrawn by the applicant.
 - Applicants are not expected to receive notification of their funding status in Round 1 prior to the Round 2 submission date.

Intent and Purpose

- Provide grants to essential health care providers that support debt retirement, capital projects or non-capital projects.
- Facilitate the health care transformation of these essential health care providers through mergers, consolidation and restructuring activities intended to create financially sustainable systems of care.

EHCPSP: Health Care Delivery System Innovators Fund

Key Dates

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Applications Due: November 20, 2015 by 5:00PM EST

Estimated Contract

Start Date: February 1, 2016

Authority and Appropriation

- Public Health Law 2825-c: Essential health care provider support program
- A total of up to \$55 million is available to fund multiple awards.

Intent and Purpose

- Provide grants to essential health care providers that support debt retirement, capital projects or non-capital projects.
- Contribute to the long-term financial sustainability or the preservation of essential health care services in the community with particular emphasis on preservation of innovative models of care and further expansion thereof.

Essential Health Care Provider Support Programs

Shared Characteristics

Eligible Applicants

- 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

Eligible Applicants

- 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.

Definition of a General Hospital

PHL Section 2801 (10) a "General hospital" means a hospital engaged in providing medical or medical and surgical services primarily to in-patients by or under the supervision of a physician on a twenty-four hour basis with provisions for admission or treatment of persons in need of emergency care and with an organized medical staff and nursing service, including facilities providing services relating to particular diseases, injuries, conditions or deformities. The term general hospital shall not include a residential health care facility, public health center, diagnostic center, treatment center, out-patient lodge, dispensary and laboratory or central service facility serving more than one institution.

Key Concepts

- A Project details the financial aspects of the application including proposed debt retirement, capital projects or non-capital projects.
- A Project must be part of a plan (“the Plan”) that details the Applicant’s overall approach to transformation, including merger, consolidation, and other restructuring activities, and describes how the Plan will preserve essential health care services in the Applicant’s communities.

Eligible Expenses

Expenditures eligible for funding include, but are not limited to:

- Debt retirement;
- Non-capital expenses other than those identified as “Excluded Expenses”;
- 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 Certificate of Need (CON) application preparation, construction activity or service expansion (so long as the costs are incurred in connection with original construction and not an ownership transfer).

Excluded Expenses

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.

Grants Gateway Reminder – Registration and Prequalification

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

Summary

- Eligible Applicants must be General Hospitals
- Eligible Projects may include those of the General Hospital and entities owned by the General Hospital
- Strength of an application is largely dependent on activities intended to make the General Hospital financially sustainable

Grant Award Determinations

- 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”. If funds are not sufficient to support all applications in a tier, DOH will select applications from within that tier by considering:
 - Applications that will help achieve a geographic distribution of funds; or
 - 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.



Questions?

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