

## **RFA: Statewide Health Care Facility Transformation Program II**

### **OVERVIEW**

On January 8<sup>th</sup>, the New York State Department of Health (DOH) and the Dormitory Authority of the State of New York (DASNY) released a Request for Applications (RFA) for Phase 2 of the Statewide Health Care Facility Transformation Program (SHCFTP II). Like Phase 1 of this program (SHCFTP I), for which the RFA was issued in July 2016 and awards were announced in July 2017, SHCFTP II will support capital projects, debt retirement, working capital, or other non-capital projects directly related to a capital project with the goal of facilitating health care transformation activities. Such transformation activities may include, but are not limited to, mergers, consolidations, acquisitions, or other activities intended to create financially sustainable systems of care or to preserve or expand essential health services.

Like SHCFTP I, this RFA is non-competitive. As such, determinations by DOH are final and there is no right of appeal for either application denials or the amount of funding awarded.

Applications for SHCFTP II are due on March 14<sup>th</sup>. The full RFA is attached.

### **FUNDING**

A total of \$203.8 million is available for awards through SHCFTP II, of which \$47 million will be allocated to community-based health care providers (as defined below). These amounts represent the balance of the total of \$500 million (with a minimum of \$75 million for community-based providers) allocated for both phases of the SHCFTP. Priority for awards will be given to projects that were submitted to, but not funded by, SHCFTP I. Such applications will not be automatically reconsidered, but must be resubmitted and must satisfy all requirements of this new RFA.

DOH will determine award amounts at its sole discretion, regardless of the amount requested. Contracts will last for five years, beginning on July 6<sup>th</sup>.

### **ELIGIBLE PROJECTS**

Funding is available through this RFA for both capital projects and non-capital projects. Capital projects may include, but are not limited to:

- Planning or design costs for the acquisition, construction, demolition, or major renovation of a property;
- Construction costs;
- Renovation costs;
- Asset acquisitions;
- Equipment costs; and
- Consultant fees associated with the preparation of a Certificate of Need (CON) application.

Based on funding allocated in SHCFTP I, approximately \$123.5 million of the total award amount will be awarded in SHCFTP II for non-capital projects or purposes. Non-capital projects or purposes may include, but are not limited to:

- Debt restructuring (including costs to reduce, retire or refinance long-term liabilities; payments of debt service for such long-term liabilities; and costs associated with restructuring, including professional fees, penalties, and interest); and
- Start-up operating expenses directly connected to the project.

General operating expenses (including employee salaries and benefits) will not be eligible for funding through SHCFTP II. Projects awarded funds under the Kings County Health Care Transformation Program or the Oneida County Health Care Transformation Program are also ineligible for funding.

Applicants may choose to submit multiple applications. If submitting multiple applications, applicants must indicate a priority for each project. Requests for funding for non-capital projects or purposes must be submitted separately from applications for capital projects, even if they are related to the same overall purpose.

## ELIGIBLE APPLICANTS

Organizations eligible for this RFA include:

- Article 28 licensed hospitals or residential health care facilities; and
- Community-based health care providers, defined as:
  - Article 28 licensed diagnostic and treatment center (DTCs);
  - Article 31 licensed mental health clinics;
  - Article 32 licensed alcohol and substance abuse treatment clinics;
  - Primary care providers; and
  - Article 36 licensed home care providers.

Additionally, DOH must deem that the applicant is a provider that fulfills or will fulfill (through the proposed project) a health care need for acute inpatient, outpatient, primary, or residential health care services in a community.

## APPLICATION

Applicants must submit a robust description of the proposed project, including:

- How the project would contribute to the integration of health care services, the long-term sustainability of the applicant, or preservation of essential health services in the applicant’s community;
- How the project would maintain or improve the applicant’s financial condition;
- An estimate of the total costs of carrying out other related health care transformation activities (other than the project) and funding sources for such costs; and
- A plan to engage the community in the project’s development.

Proposals will be reviewed based on that description as well as the following other criteria:

- The extent to which the Eligible Project or purpose is aligned with Delivery System Reform Incentive Payment (DSRIP) program goals and objectives;
- Consideration of geographic distribution of funds;
- The relationship between the project and an identified community need;
- The extent to which the applicant has access to alternative funding;

- The extent that the project furthers the development of primary care and other outpatient services;
- The extent to which the project benefits Medicaid enrollees and uninsured individuals;
- The extent to which the project addresses potential risk to patient safety and welfare.

DOH will assign applications ratings of “Good,” “Acceptable,” “Poor,” and “Not Responsive.” Awards will be made to all applications rated within each successive tier until funds are exhausted. When funds are insufficient to cover all requests within the next remaining tier, DOH will choose awardees based on geographic distribution and other factors at its discretion. If applications are still determined to be equal based on these criteria, priority will be given to applications for projects submitted to but not funded by SHCFTP I.

## Timeline

Proposals for the first round of funding through this RFP are due on March 14<sup>th</sup>. Applicants may submit a non-mandatory Letter of Interest, which should be submitted both in the Grants Gateway and to [Statewide2@health.ny.gov](mailto:Statewide2@health.ny.gov) by February 23<sup>rd</sup>.

There will be an optional Applicant Webinar on January 31<sup>st</sup>, and additional information will be posted on the Grants Gateway when available. Interested parties may also send an email to the address above to request notification when webinar registration becomes available. Questions should be submitted to Joan Cleary Miron at the email address above by February 9<sup>th</sup>. Answers to questions will be posted on or about February 21<sup>st</sup>.