

RFA: Statewide Health Care Facility Transformation Program III

OVERVIEW

On September 30th, 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 Three of the Statewide Health Care Facility Transformation Program (SHCFTP III). Like the previous two phases of this program, SHCFTP III awards will support capital projects, debt retirement, working capital, and certain 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;
- Preserve or expand essential health services;
- Modernize obsolete facility physical plants and infrastructure;
- Foster participation in alternative payment arrangements (such as contracts with managed care organizations or accountable care organizations);
- Increase the quality of resident care or experience (for residential facilities); or
- Improve health information technology infrastructure, including telehealth.

A total of \$208.3 million in funding is available to be awarded through this RFA. This amount represents the remaining balance of the \$525 million in funding originally allocated for SHCFTP III in the 2019 Enacted Budget. Previously, \$20 million was awarded in a separate RFA to assisted living programs in May 2021, and \$296.7 million was awarded to project applications submitted in the previous funding round (SHCFTP II).

The full RFA is attached. Applications are due on January 12, 2022.

FUNDING

Of the \$208.3 million available through this RFA, the following allocations are required by law:

- A minimum of \$23.1 million must be awarded to residential health care facilities;
- A minimum of \$529,611 must be awarded to community-based providers; and
- Up to \$5 million may be awarded to Regional Perinatal Centers to establish telehealth applications.

DOH will determine award amounts at its discretion, regardless of the amount requested. Contracts will last for five years beginning on October 1, 2022.

ELIGIBLE PROJECTS

Funding is available through this RFA for both capital projects and non-capital projects. All projects must have one eligible applicant, and the project must be designed to primarily benefit the applicant.

Eligible capital projects may include, but are not limited to:

- Planning or design costs for the acquisition, construction, demolition, replacement, or major repair or renovation of a property;

- Construction costs;
- Renovation costs;
- Asset acquisitions;
- Equipment costs; and
- Consultant fees and other expenditures associated with the preparation of a Certificate of Need (CON) application.

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; or
- Start-up operating expenses directly connected to the project.

General operating expenses (including employee salaries and benefits) are not eligible for funding through SHCFTP III. Projects that have been awarded funds under the Kings County Health Care Transformation Program or the Oneida County Health Care Transformation Program are also ineligible for funding, although a separate and distinct project by the same applicant may be considered.

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 funding include:

- Article 28 licensed general hospitals or residential health care facilities;
- Article 31 licensed children’s residential treatment facilities;
- Adult care facilities;
- Assisted living programs; and
- Community-based health care providers, defined as:
 - Article 16 licensed clinics for individuals with intellectual/developmental disabilities;
 - Article 28 licensed diagnostic and treatment centers (DTCs);
 - Article 31 licensed mental health clinics;
 - Article 32 alcohol and substance abuse treatment clinics;
 - Article 36 licensed home care providers;
 - Article 40 licensed hospices; and
 - Primary care providers “with a New York State Medical License” (new language in SHCFTP III). previous rounds, awards have been made to primary care LLCs and professional LLCs.

Applicants will need to upload a copy of the relevant license, including a Medical License for a primary care provider.

Although an active hospital parent entity (that has been legally established by the Public Health and Health Planning Council) may be eligible to apply, a passive hospital parent entity is not.

APPLICATION

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

- The extent to which the project contributes to the integration of health care services, the long-term sustainability of the applicant, or the 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 the above description, as well as the following criteria:

- The extent to which the project 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 applicant has engaged the community affected by the proposed project and the manner in which community engagement has shaped the project;
- 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. Priority may be given to projects, as applicable, that create a patient-centered approach to achieve better quality of life outcomes for older adults.

As with previous rounds, 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.

Timeline

Proposals must be submitted by January 12, 2022. There will be an optional applicant webinar on October 14th at 3pm. Interested parties may send an email to Statewide3@health.ny.gov to request notification when registration information becomes available.

Questions should be submitted to Joan Cleary Miron at the email address above and should cite the RFA section and paragraph to which it refers by October 28th. Answers to questions will be posted on November 30th.