

RFA: Statewide Health Care Facility Transformation Program IV (General and NH Alternatives)

OVERVIEW

On January 9th, the New York State Department of Health (DOH) and the Dormitory Authority of the State of New York (DASNY) released two Requests for Applications (RFAs) as part of the fourth phase of the Statewide Health Care Facility Transformation Program (SHCFTP IV).

As in previous rounds of the program, SHCFTP IV funding will be used to support capital projects that facilitate health care transformation initiatives. This round's funding will focus on activities "intended to build innovative patient-centered models of care, to increase access to care, to improve quality of care, and to ensure financial sustainability of providers." This funding derives from the April 2022 budget, covering Fiscal Year (FY) 2022-2023. The two RFAs released this week are:

1. **SHCFTP IV (General):** Interested entities may submit one or more applications to support capital projects or related expenses with the goal of facilitating health care transformation activities. Allowable purposes may include debt retirement and restructuring, working capital or other non-capital projects directly related to a capital project. Note that applicants must submit separate applications for non-capital projects or debt retirement and restructuring purposes, even if they are part of the same overall purpose for which an application for a capital project(s) is also being submitted.

Priority will be given to eligible applicants in severe financial distress or that demonstrate how the proposed use of the grant will strengthen their financial sustainability and protect continued access to critical health services in their communities.

As allocated in the FY 2022-23 budget, the expected total pool of funding awards allocated through this RFA is up to \$750 million, although DOH also indicated in a separate message that this round may comprise only \$250 million of the available funds.

By statute, of the total allocation of \$750 million, at least \$25 million must be awarded to community-based health care providers and at least \$25 million must be awarded to community-based behavioral health care providers. However, these allocations are not explicitly specified in the RFA. The definition of eligible community-based providers is discussed below.

The full RFA is available [here](#). Applications are due by March 26th.

2. **SHCFTP IV Residential and Community-based Alternatives to the Traditional Model of Nursing Home Care (NH Alternatives):** Interested entities may submit one or more applications to support capital projects that will transform, redesign, and strengthen the quality and innovation of residential healthcare services and programs in the continuum of long-term

care. This may include, but is but not limited to, the conversion of traditional nursing homes into separate residential-style homes.

Priority may be given to projects that create a patient-centered approach to achieve better quality of life outcomes for older adults. As allocated in the FY 2022-2023 Budget, the expected total funding pool for awards allocated through this RFA is up to \$50 million.

The full RFA is available [here](#). Applications are due by April 9th.

The issuance of these two RFAs follows the January 2nd release of a third tranche of SHCFTP capital funding allocated specifically for “technology and telehealth projects” (the Technology RFA). SPG’s summary of the Technology RFA is available [here](#), and the full RFA is available [here](#). **Please note that applicants to the Technology RFA must submit only one application and that projects may not overlap between RFAs.**

ELIGIBLE COSTS

Under either the General or NH Alternatives RFA, capital expenditures that may be eligible for funding include but are not limited to:

- 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 project.

The General RFA only allows for funding of non-capital expenditures, including:

- Debt restructuring; and
- Start-up operating expenses directly connected to the proposed project.

Under both RFAs, funding may not be used for general ongoing operating costs, including operating lease payments, utilities, employee salaries and benefits, routine training and maintenance costs related to IT projects, and routine supplies. For projects funded under the General RFA, costs related to health information technology and/or telehealth are allowable, but may not exceed 15% of applicants’ requested project funds.

DOH will determine award amounts at its discretion, regardless of the amount requested. Contracts will last for five years, beginning on October 1, 2024.

ELIGIBLE APPLICANTS

Under both RFAs, organizations eligible for funding include:

- Hospitals;
- Residential health care facilities and nursing homes;
- Adult care facilities;
- Assisted living programs;
- Article 31 licensed children’s residential treatment facilities (RTFs);
- Article 16 licensed or certified residential facilities;
- Community-based health care providers, defined as:
 - Article 28 diagnostic and treatment centers;
 - Article 36 certified or licensed home care providers;
 - Hospices;
 - Primary care providers with a New York State Medical License; and
 - Independent Practice Associations (IPAs) or organizations with a valid New York Department of State Identification Number.
- Community-based behavioral health care providers, defined as:
 - Article 31 mental health clinics;
 - Article 32 alcohol and substance use disorder treatment clinics;
 - Article 16 day program facilities;
 - Article 16 clinics; and
 - Community-based programs funded under the Office of Mental Health (OMH), Office of Addiction Services and Supports (OASAS), Office for People with Developmental Disabilities (OPWDD), or through local governmental units.

Applicants may apply to both the General and NH Alternatives RFAs, if relevant. Applicants may also submit multiple applications within either of the RFA pools, but must indicate a priority order for each separate application submitted within each pool.

Funds will not be awarded for duplicative expenditures that are covered under any of the following RFAs:

- The General RFA;
- The NH Alternatives RFA;
- The Technology RFA;
- Other components of the SHCFTP IV funding opportunity;
- The DASNY Nonprofit Infrastructure Capital Investment Program (NICIP) opportunity released in December 2023; or
- Any other state or federal funding opportunity.

APPLICATION

For both RFAs, applicants must submit a robust description of the proposed project, including:

- Details on how the project contributes to the applicant’s long-term financial sustainability;
- Details on how the project will result in improved quality of care, patient outcomes and patient experience, for the populations in the communities served by the applicant;
- Details on how the project contributes to the integration, preservation, or expansion of essential health care services in the communities served by the applicant;
- The relationship of the project to an identified community need and steps taken to engage the community in the development of the project;
- Details on how the project will advance health equity for populations in the communities served by the applicant;
- The extent to which the project will benefit Medicaid beneficiaries, Medicare beneficiaries and uninsured/underinsured individuals;
- A budget estimate of the total costs of the project, including the amount of funding requested from the RFA and any alternative funding necessary to fully fund the project, if applicable; and
- A project timeline and workplan.

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 a determination that the project is in the best financial interest of the State and/or provides the greatest impact to improve quality of care, patient outcomes, and patient experiences. The capability of an applicant to access debt or institutional funds for all or a portion of the project costs will also be an award consideration.

As with previous rounds, these RFAs are 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

For the General RFA pool, proposals must be submitted by March 26th. Questions should be submitted to Megan Prokorym at Statewide4transformation@health.ny.gov by February 20th with a reference to the RFA section and paragraph to which the question refers.

For the NH Alternatives RFA, proposals must be submitted by April 9th. Questions should be submitted to Amanda Tinaphong at LTCStatewide4@heath.ny.gov by February 14th, with a reference to the RFA section and paragraph to which the question refers.

Letters of interest are not required for either RFA, and applicant conference webinars will not be held.