BACKGROUND

The Rural Hospital Capital Improvement Grant Program assists small rural hospitals in undertaking needed modernization projects to update, remodel or replace aging hospital facilities, record systems, and equipment necessary to maintain the operations of the hospital. An eligible hospital is a general acute care hospital of 50 or fewer beds located in a community with a population of less than 15,000, according to United States Census Bureau statistics, outside the seven-county Twin Cities metropolitan area.

Fiscal Year 2017 funding will total approximately $1,642,000. The maximum award is $125,000. MDH expects to make approximately 20 awards. Applicant hospitals must certify that at least 25 percent of the grant funding will be matched with non-state resources. In-kind services may be included in the match.

Because the program usually receives about 45 applications, MDH is again using a two-stage application process. This Pre-Application is Stage 1. The strongest pre-applicants will be invited to submit a proposal for Stage 2. All pre-applicants will be notified of the decision at the end of Stage 1. A complete Stage 2 application (i.e., the Final Application) will be required for any applicant to secure funding. Both the Stage 1 Pre-Application and the Stage 2 Final Application forms are available at [http://www.health.state.mn.us/divs/orhpc/funding/index.html#rural](http://www.health.state.mn.us/divs/orhpc/funding/index.html#rural).

TIMELINE

- Pre-Application RFP issue date: September 26, 2016
- Pre-Application due to MDH no later than 4 p.m.: November 4, 2016
- Pre-Application decisions and invitations: Approx. December 27, 2016
- Final Applications due to MDH no later than 4 p.m.: February 3, 2017
- Projects awarded: Approx. March 24, 2017
- Grant Contract Signature Process completed/funds available: Approx. April 15, 2017
SUBMISSION

Questions regarding these grant application guidelines should be directed to Lina Jau at 800-366-5424 or 651-201-3809. The completed Pre-Application may be emailed as an attachment to: lina.jau@state.mn.us. Or submit the original and three unbound copies of the pre-application to:

Lina Jau
Minnesota Department of Health
Office of Rural Health & Primary Care
PO Box 64882
St. Paul, MN 55164-0882

Courier Address:
Golden Rule Building
Suite 220
85 East Seventh Place
St. Paul, MN 55102

All Pre-Applications must be received by MDH no later than 4 p.m. November 4, 2016.
STAGE 1 – PRE-APPLICATION

I. APPLICANT INFORMATION

Please provide the following information:

A. Applicant Hospital:

Address:

B. Contact Person:

Name/Title:
Phone:
Email:

C. Person Authorized to Submit the Application (if different from the Contact Person)

Name/Title:
Phone:
Email:

D. System Affiliation (if applicable)

Name of system:
Nature of Affiliation:
(managed by, leased to, owned by, etc.)
Email:

E. Grant Funding Requested: $

Match Amount (must be at least 25% of the total cost of the project): $
Total Cost of the Project: $
F. Name of Project:

G. Independent Audit – new requirement in Fiscal Year 2017:

Please include a copy of your hospital’s most recently completed independent audit with your proposal.

H. Required Data:

Please provide the following information followed by an explanation narrative.

1. Current days of cash on hand: $

2. Current operating margin:

3. Current total margin:

4. Average daily census in the last 12 months:

5. Ratio of outpatient revenue in the last 12 months (as a percentage of total revenue):

You may include up to one page of written narrative to give further context and explain the data submitted in this section.
STAGE 1 – PRE-APPLICATION

II. PROJECT INFORMATION

The project information must include the following:

A. **Table of contents** (including page numbers)

B. **Brief project description** (no more than five pages) must include:
   1. Project description.
   2. Objectives and goals of the proposed project.
   3. Relationship of the proposed project to your strategic plan or capital improvement plan.
   4. Plan to maintain or operate facilities or equipment included in the project.

C. **Brief case for the project** (no more than six pages).
   1. What is the problem? (Document and quantify, if possible.)
   2. What is your proposed solution to the problem?
   3. Why is the project important to your hospital and your community?
   4. Who has been and will continue to be involved in the project?
   5. Who will be the project beneficiaries? How will they benefit? How will you know?
   6. Where will the project take place? Why here?
   7. What is the timeline for the project and why now?
   8. How much will it cost and why?
   9. Why do you need grant funds to support/undertake the project?
   10. How are you working with neighboring facilities and/or your hospital system to meet these needs jointly/cooperatively?
11. How do you know there will be a demand for the service(s) to be supported by the project and how will the project be sustained after the grant funds are expended?

12. Submit the relevant portion of your current hospital strategic plan or capital improvement plan that establishes the project as a priority (this will not count as part of the six-page maximum for this section). **Note:** If the project is not a priority in your plan (or you don’t have a plan), the project is not likely a priority project for grant funding for reviewers.

**D. Brief project budget**

1. Use the attached budget form.

2. Indicate the anticipated total project cost and the amount of grant funds requested.

3. Indicate the sources, uses and amount of the **25 percent match required**.

4. Indicate any other supporting project funding sought or proposed to be provided.

5. Prepare a narrative budget justification of cost, for each line, on the budget form.
# PRE-APPLICATION PRELIMINARY BUDGET FORM

<table>
<thead>
<tr>
<th>Categories</th>
<th>Rural Hospital Capital Improvement Grant Funding Requested</th>
<th>Funding From Other Sources</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition, demolition, site improvements and related</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Construction/remodeling</td>
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<tr>
<td>Architect and engineering fees</td>
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<tr>
<td>Other soft costs (legal, permits, survey, interim financing, etc)</td>
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<tr>
<td>Supplies</td>
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<tr>
<td>Capital equipment</td>
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<td></td>
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<tr>
<td>Other (explain)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Notes:

- **The budget must be accompanied by a budget justification narrative** that explains the cost basis for each line item.

- Please identify all sources of funding in addition to the Rural Hospital Capital Improvement Program *(including the required 25 percent match)* and include a description in the budget narrative.