2018 Rural Hospital Planning and Transition Grant Program
REQUEST FOR PROPOSALS

The purpose of the Rural Hospital Planning and Transition Grant Program is to provide funds that assist small rural hospitals a) develop strategic plans that preserve or enhance access to health services, or b) implement transition projects to modify the type and extent of services provided, based on an existing strategic plan.

This Request for Proposals document is divided into four sections:
   Section I describes the funding source and the grant program
   Section II provides instructions on completing and submitting an application
   Section III summarizes the criteria for evaluating grant applications
   Section IV contains:
   • the Application Checklist that lists all the requirements for a complete application
   • required forms
   • a memo and a table with “observations and recommendations from previous reviewers”

Questions regarding these grant application guidelines should be directed to Craig Baarson at (651) 201-3840, or at craig.baarson@state.mn.us.

Section I – Funding Source and Grant Program Summary

LEGISLATIVE BACKGROUND

Minnesota Statutes Section 144.147 authorizes the Commissioner of Health to award grants to eligible hospitals under the Rural Hospital Planning and Transition Grant Program. The program helps small hospitals (50 or fewer beds) preserve or enhance access to health services through planning or implementation projects.

GRANT PROGRAM SUMMARY

A. Eligible Applicants

Eligible applicants are small, general, acute care rural hospitals that are non-federal and not-for-profit, and that fulfill all of the following criteria:
1. Is located in a rural area (a) as defined in federal Medicare regulations, Code of Federal Regulations, title 42, section 405.1041, or (b) located in a community with population of
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less than 15,000, according to the U.S. Census Bureau statistics, and is outside the seven county metropolitan area; and,
2. Has 50 or fewer beds.

B. Grant Program Requirement

Grant funds may be used for (1) developing strategic plans for preserving access to health services; and (2) implementing transition projects to modify the type and extent of services provided, based on an existing plan.

The minimum requirements for developing a strategic plan are established in Minnesota Statutes, Section 144.147, subdivision 2, as follows:

Subd. 2. Grants authorized. The commissioner shall establish a program of grants to assist eligible rural hospitals.

(a) Grants may be used by hospitals and their communities to develop strategic plans for preserving or enhancing access to health services. At a minimum, a strategic plan must consist of:

(1) a needs assessment to determine which health services are needed and desired by the community. The assessment must include interviews with or surveys of area health professionals, local community leaders, and public hearings;
(2) an assessment of the feasibility of providing needed health services that identifies priorities and timeliness for potential changes; and
(3) an implementation plan.

Furthermore, the strategic plan must be developed by a committee that includes representatives from the hospital, local public health agencies, other health providers, and consumers from the community.

(b) Grant funds may also be used by eligible rural hospitals that have developed strategic plans to implement transition projects which will modify the type and extent of services provided, in order to reflect the needs of a strategic plan. Grants may be used by hospitals under this section to develop hospital-based physician practices that integrate hospital and existing medical practice facilities that agree to transfer their practices, equipment, staffing, and administration to the hospital. The grants may also be used by the hospital to establish a health provider cooperative, a telemedicine system, an electronic health records system, or a rural health care system.

A key component of this grant program is the requirement of a 30-day period for the local Community Health Board (CHB) to review the proposal and submit comments to the Commissioner of Health. It is the responsibility of the applicant hospital to send a copy of the application to any relevant CHB.

C. Factors Taken into Account in Selecting Proposals for Funding

The following factors will be taken into account in the selection of proposals for funding:

• Improving community access to hospital or health services
• Changes in service populations
• Availability and upgrading of ambulatory and emergency services
• The extent that the health needs of the community are not currently being met by other providers in the service area
• The need to recruit and retain health professionals
• The extent of community support
• The integration of health care services and the coordination with local community organizations, such as community development and public health agencies and,
• The financial condition of the hospital

D. Special Requirements for Hospitals Applying as Part of a Consortium
Hospitals that are applying for funding as part of a consortium should submit one consolidated application. In addition to the narrative required below, the application should also contain a narrative summarizing the nature and overall objectives of the consortium project, the roles and impact on each hospital, and the management structure identifying the administrative agent and agency that will ensure a cohesive project among participating hospitals.

E. Duration of Grants
Projects awarded funding will be approved for a period of one year (12 months). The anticipated start date of grant agreements for successful applicants is January 15, 2018.

F. Total Available Funding
Approximately $250,000 is available for grant contracts. A grant to a hospital, including hospitals that submit applications as a consortium member, may not exceed $45,000. In recent years the average grant amount has been between $25,000 and $35,000.

Matching requirement: Applicants must certify that at least one-half of the total cost of the project will be matched from non-state sources. For example, if the total cost of the proposed project is $60,000, no more than $30,000 can be awarded in grant funds from this program. The match may include in-kind services.

G. Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP issue date</td>
<td>September 18, 2017</td>
</tr>
<tr>
<td>Application due to MDH</td>
<td>November 3, 2017</td>
</tr>
<tr>
<td>Application submitted to Community Health Board (CHB) no later than:</td>
<td>November 3, 2017</td>
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<tr>
<td>MDH receives any comments from CHB’s by:</td>
<td>December 3, 2017</td>
</tr>
<tr>
<td>Grant Agreements begin (estimate):</td>
<td>January 15, 2018</td>
</tr>
</tbody>
</table>

Note: The legislation establishing this grant program gives the Community Health Board (CHB) 30 days in which to review and comment to the Commissioner on grant applications. Therefore, a copy of the application must be submitted to the relevant CHB no later than November 3, 2017. Include instructions to the CHB to email any comments to craig.baarson@state.mn.us Contact information for Community Health Boards can be found at:
http://www.health.state.mn.us/divs/opi/gov/context.html#chbs
Section II – Instructions on Completing and Submitting an Application

The following outline and instructions should be used to complete the grant application. Proposals must be typewritten and all pages numbered. While additional documentation can be submitted, please limit attachments to information relevant to the specific scope and purpose of the project.

A. Application Checklist (form attached, in Section IV).

B. Grant Application Form (form attached, in Section IV).

Applicants are required to complete and submit this form. Complete all items. One copy of the application must bear an original signature, title and date.

C. Project Summary (1-2 pages, using 12-point font)

1. Title of Project

2. Project Summary, which concisely states the following:
   a) Description of the hospital and its service area (e.g., how many available inpatient beds, how many people are served, average daily census, distance to the next nearest hospital and to the nearest tertiary care center, special populations served, financial condition of the hospital, and the nature of the relationships in the consortium if this request is a consortium application.)
   b) Problem statement.
   c) Goals, objectives and anticipated outcomes of the proposed project.
   d) Proposed activities.

   1) Description of the activities the proposed project will be undertaking to achieve its objectives and goals.

   2) Statement whether the grant funds will be used for the development of a strategic plan or for the implementation of a transition project based on an existing plan.

D. Narrative (15 double-spaced pages maximum, using 12-point font)

1. Hospital and Service Area Overview

The application must describe the hospital, the services provided, and the population served. It should describe the hospital’s service area, daily census, relevant service lines,
and any identified trends in the service area. Also include supporting documentation such as census data, demographic data, and/or relevant county health rank.

**Note**: This section should also include a discussion of the hospital’s current financial condition as supported by financial statement data.

### 2. Problem Statement

The application must clearly describe the nature of the health service problem(s) in the service area. The narrative should document changes in service populations over time, the extent to which health care needs of the community are not being currently met by the hospital or other providers in the service area, and the projected demand for ambulatory and emergency services.

### 3. Project Description

The application must clearly explain how the grant funding will be used, what will be accomplished and the outcomes to be expected. The application must contain a clear statement of achievable objectives, a project work plan, an evaluation plan and a project timeline.

**a) Objectives and Goals of the Proposed Project**

State the projected objectives and goals for the project. Objectives are tangible, specific, measurable and achievable. Goals are more long-range benefits that are broad in scope. An objective statement describes the steps towards achieving a goal. A goal statement describes what will exist if the stated problem is resolved.

**b) Methods**

Present a detailed description of how the proposed project will reach the objectives and goals. The methods section should:

1. Demonstrate clearly defined strategies or activities.
2. Provide a realistic timeline for implementation and contain a discussion of your business plan to generate sufficient revenue for maintenance or operation of a new project, initiative or equipment following the grant period.
3. Describe the roles and capabilities of responsible individuals and organizations.

**c) Staff Qualifications**

Use the enclosed Biographical Sketch form to describe qualifications of only the proposed key project staff who will be involved in implementing the project, or a brief description for vacant positions.
E. Budget

Grant funds may be used for expenses incurred in the development of strategic plans or the implementation of transition projects based on an existing plan.

Grant funding may not be used for any expenditure or obligation made prior to the date on which a grant agreement becomes effective.

1. Budget Form (form attached, in Section IV)
The budget form provides the categories to be used for calculating resources needed for project expenditures.

Identify all sources of funding (cash or in-kind match) in addition to state grant funding requested for each budget category.

Applicants must verify to the Department of Health that at least one-half of the total cost of the project, which may include in-kind services, is available for the same purposes from non-state sources (i.e., required match).

2. Budget Justification Narrative
On a separate page(s) labeled “Budget Justification” provide justifications for each line item/cost listed on the Budget Form. The narrative must provide a rationale and details regarding how the budgeted cost items are calculated.

a) Salaries and Fringe
Describe each position proposed to be paid as part of this project grant, provide the position title, total salary, fringe benefits, FTE and the basis for the calculation. Indicate whether the position will be funded by grant funds.

Include a detailed description of the activities of each position as it relates to the project, including the percent of time to be spent on project activities and the amount of salary to be funded by the project budget.

b) Travel
Include a detailed description of the proposed travel as it relates to the completion of the project. Provide the number of miles planned for project activities as well as the rate of reimbursement per mile to be paid from the project funds. Out-of-state travel will likely not be funded.

c) Supplies
Include a description of supplies needed for the completion of the project.

d) Contracted Services
For each contract, provide the name of the subcontractor, components or services to be provided by the subcontractor, and cost per service, client or unit.
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If a subcontractor has been chosen, include background information on previous experience and any bids. If no subcontractor has been chosen, include a rationale for the cost estimate, and the method to choose a subcontractor.

e) Equipment and Capital Improvements
Include a detailed description of proposed equipment and/or capital improvements requested for the project. If possible, provide itemized costs. Please note that no portion of the grant may be used to retire debt incurred with respect to any capital expenditure made prior to the grant award.

f) Indirect cost reimbursement is unlikely to be funded.

g) Other Expenses
Whenever possible, include proposed expenditures in the categories listed above. If it is necessary to include expenditures in this general category, include a detailed description of the activities as it relates to the project. If possible, include a separate line-item budget and budget narrative.

F. Evidence of Community Support for Proposed Project

The application should demonstrate support for the hospital’s effort to undertake the proposed project from other local health service providers, the local community and government leaders from outside the hospital and/or consortia. Evidence of such support may include recent commitments of financial support from local individuals, organizations and government entities; and pledges of future in-kind services or cash for this project.

G. Other Attachments

1. Governing Board Resolution authorizing submission of the application (form attached, in Section IV).
2. Biographical Sketches for Essential Personnel (form attached, in Section IV).
3. Consortium Summary Sheet, if applicable (form attached, in Section IV).
4. Accounting System and Financial Capability Questionnaire (form attached, in Section IV).
5. Hospitals with an already developed a strategic plan that are applying for funding to implement a transition project must submit a copy of the relevant portion of their strategic plan with their application, along with an indication of the project’s priority as established in the plan.
6. Evidence that the application was submitted to the appropriate Community Health Board (CHB) for review, along with any comments the CHB may have made.
7. Any other relevant, supplemental materials (please keep to a minimum).
H. Submission:

Applications must be received no later than 4:30 p.m. on November 3rd, 2017.
Submit the original and three copies of the application to:
Cindy LaMere
Minnesota Department of Health
Office of Rural Health & Primary Care
P.O. Box 64882
St. Paul, Minnesota 55164-0882

Courier Address:
Golden Rule Building, Suite 220
85 E. 7th Place
St. Paul, MN 55101

Questions regarding these grant application guidelines should be directed to Craig Baarson at (651) 201-3840, or at craig.baarson@state.mn.us.
Section III – Criteria for Evaluation

Applications will be evaluated based on the following criteria:

1) The degree to which the project will improve access to quality care.

2) Responsiveness to and adequacy of changes in service area population(s) as documented in the application.

3) Documented demand/need for additional ambulatory and/or emergency services.

4) The scope of the project -- whether the goals sufficiently address the health care needs identified in the application, and whether the stated objectives of the project are achievable and measurable.

5) The extent to which the health needs of the community are not currently being met by other providers in the service area.

6) The need to recruit and retain health care professionals in the service area.

7) The extent of coordination with local community organizations, such as other providers, community development and public health agencies.

8) The financial condition of the hospital and the need for grant funds to undertake the proposed project.

9) The administrative capacity of the applicant to undertake the proposed project based, in part, on their performance on previous grant projects from the Office of Rural Health and Primary Care and the Minnesota Department of Health.

In determining grant awards, the Commissioner of the Minnesota Department of Health will also consider the following factors: (1) the applicant’s description of the problem; (2) adequacy of the description of the project; (3) likelihood of successful outcome of the project; (4) the nature and extent of community support for the hospital and the proposed project; and (5) the comments, if any, resulting from a review of the application by the Community Health Board (CHB).

Scoring System

In evaluating applications, the commissioner will score each application on a 100-point scale, assigning a maximum of **70 points** for an applicant’s understanding of the problem, the adequacy of the description of the project and expected outcomes, and the likelihood of a successful outcome, and a maximum of **30 points** for the extent of community support for the hospital and the proposed project (see Item G under Application Requirements). The commissioner may also take into account other relevant factors.
Section IV – Application Checklist, Required Forms, and Observations and Recommendations from Previous Reviewers

The following pages contain the Application Checklist, required forms, and a memo and table with information on observations and recommendations from previous reviewers of the grant program.
APPLICATION CHECKLIST

This page (Application Checklist) is the cover page to your application and is used as the Table of Contents. All the forms and information required for a complete application are preceded by a box, ☐. You may click on or place an “X” in each box.

☐ Application Checklist (this page)

Project Summary and Narrative – use 12-point font and double spacing:
  ☐ Project Summary (1-2 pages)
  ☐ Narrative (not to exceed 15 pages; number the pages at the bottom of each page), including:
    • Hospital and Service Area Overview
    • Problem Statement
    • Project Description

Grant Budget:
  ☐ Budget Form (form)
  ☐ Budget Justification Narrative (use 12-point font)

Required Forms:
  ☐ Grant Application Form (form)
  ☐ Governing Body Resolution (form)
  ☐ Accounting System and Financial Capability Questionnaire (form)
  ☐ Consortium Summary Sheet, if applicable (form)
  ☐ Biographical Sketches for Essential Personnel (form)

Required Attachments:
  ☐ Evidence that Community Health Board was offered an opportunity to review and comment on your application, and copies of any written comment (including emails)
  ☐ Copy of appropriate sections of the hospital’s Current Strategic Plan that support the project
  ☐ Evidence of community support for proposed project (attachments)

Optional Attachments:
  ☐ Other relevant supplemental materials (please keep to a minimum)