



Protecting, maintaining and improving the health of all Minnesotans

MEMO

Date: February 7, 2011
To: Small Rural Hospital Improvement Program (SHIP) participants in Minnesota
From: Anne Schloegel, Office of Rural Health and Primary Care
Re: **FY 2011 Application for SHIP funds**

It's time again to apply for the Small Rural Hospital Improvement Program (SHIP) grant. The 2011 form is online for you to complete. **Please return to me via email by April 1, 2011.**

Use of funds:

SHIP grant funds may be used to purchase computer hardware/software, technical assistance, consultant services, or training and education in the funding categories listed below. *SHIP funds may not to be used for travel, routine equipment replacement or capital improvements.*

You may use the funds in one of the four areas listed here or you may split your grant fund request among two or more of them. 2011 funding categories include:

Prospective Payment Systems (PPS)

SHIP continues to make funds available for costs related to implementation of PPS (such as updating chargemasters or providing training in billing and coding) or on activities related to implementation of ICD-10. Some resources for ICD-10 implementation and training include:

- CMS ICD-10 website: <http://www.cms.gov/ICD10/>.
- American Health Information and Management Association website: <http://www.ahima.org/ICD10/faqsall.aspx#56>.

Value Based Purchasing (VBP)

One of the key challenges small rural hospitals face with VBP is improving data collection activities to facilitate Hospital Compare reporting; funds may be used for participation in Hospital Compare.

Accountable Care Organizations (ACOs)

The ACO concept is heavily focused on improving quality outcomes. Consequently, grantees could focus SHIP activities on activities that support quality improvement such as reduction of medical errors, education and training in data collection and reporting and benchmarking.

Bundled Payments

Building accountability across the continuum of care is a key concept for bundled payments. SHIP funding may be used to improve care transitions among ambulatory, acute, long term care, home health and pharmacy facilities/providers. This could include training, clinical care transition protocol development or data collection that documents these processes.



Protecting, maintaining and improving the health of all Minnesotans

Instructions for completing the form

This form is designed to be completed electronically and submitted by email. Fields will expand as needed. If you have problems with the form, please let me know.

- 1. On line A, the “returning” box is checked. Do not check the box that says “new.”**
- 2. Answer all questions.** Answers can be brief, but should include a description when that is requested.
- 3. Make your total request for \$8,280 (2010 award).** The actual award will be determined based on the number of hospital applications nationally and the amount of appropriated funds. The final award will probably be between \$8,000 and \$9,000.
- 4.** Be sure to include the signature of either the CEO or the CEO’s designated representative at the end of the application. Either a scanned PDF file or Word document with an electronic signature is acceptable.
- 5. Staffed Beds:** According to grant guidance, hospitals must have 49 staffed beds or less. This number is obtained from Line 12 of Worksheet S-3, Part I, Column 1 on the hospital’s Medicare Cost Report. **Submit a copy of Worksheet S-3 from the most recently filed Medicare Cost Report as confirmation of your hospital’s eligibility.**

Return the signed form as an email attachment by April 1, 2011 to:

Anne.Schloegel@state.mn.us

There is no need to send a hard copy.

The Office of Rural Health and Primary Care submits all Minnesota hospital applications on behalf of the hospitals. To help maximize purchasing power through economies of scale, we encourage eligible hospitals, not already in an existing system or network, to organize into consortiums and pool their grant funds for the purchase of services. If you have questions about forming a consortium or would like our assistance in doing so, please contact me.

Time line

April 1, 2011	Hospital applications due to Office of Rural Health & Primary Care (ORHPC)
May 13, 2011	ORHPC submits applications on behalf of hospitals
September 1, 2011 (Estimate)	ORHPC receives notice of award
November 1, 2011	Grant agreements completed; hospitals may begin work on projects

If you have any questions or need assistance, please do not hesitate to contact me.

Anne Schloegel
Office of Rural Health & Primary Care
Phone: 651-201-3850
anne.schloegel@state.mn.us