



Small Rural Hospital Improvement Program Application Instructions

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Office of Rural Health & Primary Care
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To obtain this information in a different format, call: 651-201-3838.

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Small Rural Hospital Improvement Program Overview

The Small Rural Hospital Improvement Grant Program (SHIP) is supported by the U.S. Department of Health and Human Services, Health Resources and Services Administration's (HRSA) Federal Office of Rural Health Policy (FORHP). Section 1820(g)(3) of the Social Security Act (SSA) authorizes SHIP to assist eligible hospitals in meeting the costs of implementing data system requirements established under the Medicare Program, including using funds to assist hospitals in participating in improvements in value and quality to health care.

Hospital Eligibility

Eligible small rural hospitals are non-federal, short-term general acute care facilities located in a rural area of the United States and the territories, including faith-based hospitals. They may be for-profit, not-for-profit or tribal organizations.

1. "Eligible small rural hospital" is defined as a non-Federal, short-term general acute hospital that: (i) is located in a rural area as defined in 42 U.S.C.1395ww(d) and (ii) has 49 available beds or less, as reported on the hospital's most recently filed Medicare Cost Report;,,
2. "Rural area" is defined as either: (1) located outside of a Metropolitan Statistical Area (MSA); (2) located within a rural census tract of an MSA, as determined under the Goldsmith Modification or the Rural-Urban Commuting Areas (RUCAs) or (3) is being treated as if being located in a rural area pursuant to 42 U.S.C. 1395(d)(8)(E); and,
3. Eligible SHIP hospitals may be for-profit or not-for-profit, including faith-based. Hospitals in U.S. territories as well as tribally operated hospitals under Title I. and V. of P.L. 93-638 are eligible to the extent that such hospitals meet the above criteria.
4. Critical Access Hospitals (CAHs) are rural by definition and qualify for SHIP.

To verify that your location meets HRSA requirements, use the Rural Health Grants Eligibility Analyzer tool [Rural Health Grants Eligibility Analyzer \(https://data.hrsa.gov/tools/rural-health\)](https://data.hrsa.gov/tools/rural-health).

SHIP purpose and allowable expenses

The Small Rural Hospital Improvement Grant Program (SHIP) supports eligible hospitals in meeting value-based payment and care goals, through **purchases of hardware, software and training**. SHIP enables small rural hospitals to become or join accountable care organizations (ACOs); to participate in shared savings programs; and to purchase health information technology (hardware and software), equipment, and/or training to comply with quality improvement activities, such as advancing patient care information, promoting interoperability, and payment bundling.

Hospitals can apply for projects under the following investment categories:

- Value-Based Purchasing (VBP)
- Accountable Care Organizations (ACOs)/Shared Savings
- Payment Bundling (PB)/Prospective Payment System (PPS)

SHIP funds should be spent on **purchases of hardware, software and training**. Reference the SHIP Allowable Investments for details and examples of allowable and unallowable expenses.

- [SHIP Allowable Investments \(https://www.ruralcenter.org/ship/allowable-investments\)](https://www.ruralcenter.org/ship/allowable-investments)
- [Allowable Investments Search Tool \(https://www.ruralcenter.org/ship/allowable-investments/search-tool\)](https://www.ruralcenter.org/ship/allowable-investments/search-tool)

Funding Priorities

HRSA sets priority areas where hospitals are expected to invest funds before they are allowed to support other initiatives found on the Allowable Investments.

HCAHPS and ICD-10 priorities: **SUSPENDED FOR FY 2021**

Due to the impacts of COVID-19 on rural hospitals, FORHP suspended the HCAHPS and ICD-10 priorities for FY 2021. CAHs are still highly encouraged to participate and report their HCAHPS measures as part of MBQIP but will not be penalized during the FY 2021 SHIP year for not reporting. At this time, most hospitals have implemented ICD-10 for accurate billing. Participating SHIP hospitals are not required to prioritize these activities before they are allowed to select other investment options. HCAHPS and ICD-10 related activities will remain on the Allowable Investment Menu and hospitals may continue to select activities within these categories.

In **FY 2021, there are no priorities for SHIP expenditures**. FORHP *recommends* that hospitals utilize funding to support quality improvement (purchases of hardware, software and training) and/or healthcare finance requirements but these are not required of hospitals to participate in FY 2021 SHIP. Examples of recommended activities include, but are not limited, to:

- Developing or implementing training, hardware/software that supports the application and expansion of telehealth and/or telemedicine
- Complying with CMS's Price Transparency rule by January 1, 2021, which requires hospitals operating in the United States to provide clear, accessible online pricing information on the hospital services. The SHIP price transparency guide can provide additional information about potential projects. [SHIP Price Transparency Guide \(https://www.ruralcenter.org/resource-library/ship-pricing-transparency-guide\)](https://www.ruralcenter.org/resource-library/ship-pricing-transparency-guide)

Ineligible expenses

SHIP funds **may not** be used for:

- Provision of health care services, including telehealth provider salaries and telehealth network fees.
- Staff salaries are not allowed. This includes supporting salaries to offset costs for staff to attend trainings. Payment to contractors is not allowed without associated training or software costs. Hospitals should verify contractor eligibility with ORHPC before investment.

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- Supplies (general and medical) are not allowed. Creation of manuals without training are considered supplies and are therefore not allowed. Supplies and equipment for patient rooms such as iPads, telephone, TV, and speakers, to improve satisfaction (HCAHPS) scores, do not qualify as a SHIP allowable investment.
- Reimbursement of food or travel expenses for staff or consultants are not allowed.
- Purchase or improvement of real property or any construction costs are not allowed.
- Purchase of ambulances and other vehicles, major communications equipment and telehealth network fees are not allowed. iPads or tablets are not allowable for patient purposes.
- Purchases related to supporting or responding to the COVID-19 public health emergency cannot be funded with FY 2021 SHIP. Hospitals can apply these costs to the COVID SHIP awards.
- RHC or hospital mock audits are not allowed.
- Emergency Department Consumer Assessment Healthcare Providers and Systems (EDCAHPS) or other outpatient surveys are not allowed.
- Any activity regarding a certificate of need are not allowed.

FY 2021 SHIP Application Instructions

The Office of Rural Health and Primary Care (ORHPC) will submit one SHIP application on behalf of all eligible hospital applicants to Federal Office of Rural Health Policy (FORHP). **The application form must be completed and returned by January 31, 2021 for inclusion in the FY 2021 SHIP Program. Late applications will not be accepted.** The FY 2021 grant is anticipated to start in July 2021 and end May 2022. The exact start and end dates for this program will be finalized and announced once ORHPC receives the award from FORHP.

ORHPC will award equal funding to each eligible hospital based on the total award amount received by the state. FORHP provides an estimated award amount. For FY2021 the estimated maximum award for each hospital is \$11,855. This is an estimate and the final amount will be determined when FORHP administers state awards in mid-2021.

How to apply for the SHIP Grant

Complete the application form in the Office of Rural Health and Primary Care's grant portal, using these instructions.

How to login to the Grants Portal

1. If you have not logged into the Grants Portal before, click 'Create an Account'. If you have accessed the Grants Portal previously, please log in using your email address and password.
2. Once you have created an account, you will be taken to the Grants Portal where you will be able to do the online application. The application and supporting documents are all

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submitted in the portal. You can save the application at any time and come back to finish later. You will receive a confirmation e-mail once the application is submitted.

How to Apply

1. Go to the [Grants Portal \(https://www.grantinterface.com/Home/Logon?urlkey=mdh\)](https://www.grantinterface.com/Home/Logon?urlkey=mdh) and select **Apply** at the top of your Applicant Dashboard.

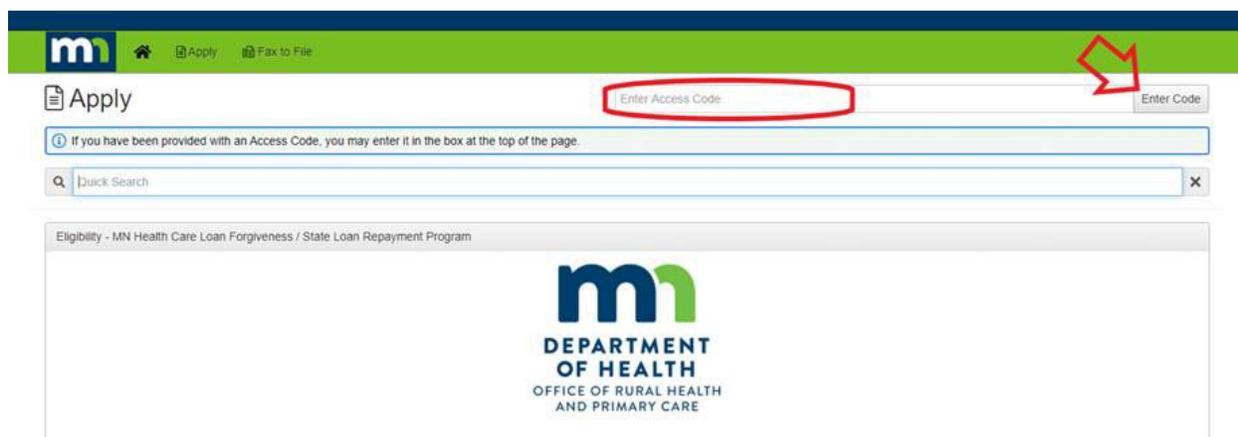
Image 1. Applicant Dashboard



2. Enter in the **Access Code** in the field toward the top right side of the page provided in the email received and then select the Enter Code button.

FY 2021 Access Code: 4858bdcb

Image 2. How to enter your Access Code



Helpful Hints

1. We recommend that you bookmark the Grants Portal for ease of access.
2. Please remove the following email: 'MN Department of Health' from your spam filters to ensure you receive emails from the system.
3. Your internet browser should be updated to the most recent version for an optimal system experience. (Internet Explorer version 11, for example)

Tutorials & Help

1. Click on the following links for short videos on creating an account, applying for funding, or managing your applicant dashboard, or detailed written instructions on these topics. Please direct questions to Health.RuralSHIPGrant@state.mn.us.
 - a. [Creating an account](https://drive.google.com/file/d/1SLXk9WuiGqmagMuAu8XlyeBApYZBL04V/view)
(<https://drive.google.com/file/d/1SLXk9WuiGqmagMuAu8XlyeBApYZBL04V/view>)
 - b. [Applying for funding](https://drive.google.com/file/d/1cmTa7Hmacg4pqJpn5Xo92vp3RzRxfoeS/view)
(<https://drive.google.com/file/d/1cmTa7Hmacg4pqJpn5Xo92vp3RzRxfoeS/view>)
 - c. [Applicant dashboard](https://drive.google.com/file/d/155ta4kdwfWbiSnftjux_PGJHfMkse5Bz/view)
(https://drive.google.com/file/d/155ta4kdwfWbiSnftjux_PGJHfMkse5Bz/view)
 - d. [Detailed written instructions](https://docs.google.com/document/d/1HyVKOrd9FiHscl3tsuplHKpwzcrMRqwWF43t4zXK9NY/edit)
(<https://docs.google.com/document/d/1HyVKOrd9FiHscl3tsuplHKpwzcrMRqwWF43t4zXK9NY/edit>)

Technical Assistance

For technical assistance on eligibility or the application, contact the Office of Rural Health and Primary Care at Health.RuralSHIPGrant@state.mn.us.

FY 2021 Reporting Requirements

Grantees will be required to submit two reports during the grant year. A progress report is due mid-year; this report is released in conjunction with the application for the following year. A final report and invoice must be submitted at the end of the grant year. These reports are required to receive payment. Final dates for all reports will be released with the grant award announcements and grant agreements. See the timeline for proposed dates.

FY 2021 Timeline

January 31, 2021	Hospital applications due to ORHPC
February 23, 2021	ORHPC submits State application to HRSA/Office of Rural Health Policy on behalf of hospitals
May, 2021 (<i>estimate</i>)	ORHPC receives notice of award
July, 2021 (<i>estimate</i>)	Grant agreement signed by hospital and State; hospitals may begin work on projects
December, 2021 (<i>estimate</i>)	Progress report and hospital applications for 2022 due to ORHPC
May 1, 2022 (<i>estimate</i>)	All projects must be completed
May 31, 2022 (<i>estimate</i>)	All reports and invoices must be submitted to the ORHPC to receive final payment.

FY 2021 Application Example

Hospitals will be required to provide the following information as requested by HRSA. Administrator and SHIP project director contact information must be provided. These individuals will be notified of the final award information, grant dates and reporting deliverables.

Please direct any questions to Health.RuralSHIPGrant@state.mn.us.

General information

Hospital Legal Name

Hospital DBA Name

CMS Certification Number (CCN)

Hospital Data Universal Number System (DUNS) Number

Address

City

State

Zip

County

Phone

Administrator / CEO Name

Administrator / CEO E-mail

Hospital SHIP Project Director Name

Hospital SHIP Project Director Email

Phone (direct line)

Hospital Details

CAH: Yes No

Number of beds, per Line 14 of the most recently filed Medicare Cost Report*

Cost Reporting Period: MM/YEAR – MM/YEAR

*Note: If hospital reports a licensed bed count greater than 49 on Line 14 but staffs 49 beds or fewer, eligibility may be certified by submitting a written statement that includes: 1) the number of staffed beds at the time of the most recent cost report submission, 2) the cost reporting period of the most recently filed cost report, and 3) the signature of the certifying official. **This must be submitted with the application.**

Tribally operated hospital under Titles I and V of P.L. 93-638? Yes No

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Does your hospital participate in any of the following Centers for Medicare and Medicaid Services (CMS) programs?

- a. Medicare Shared Savings Program Yes No
- b. Other Accountable Care Organization Model Yes No
- c. Hospital Inpatient Quality Reporting Program Yes No
- d. Hospital Compare Yes No
- e. Hospital Value-Based Purchasing Program Yes No

FY 2020 Progress Report (FY 2020 Returning Hospitals only)

1. Do you have an FY 2020 SHIP grant?
 Yes No
2. Do you anticipate expending all FY2020 funds by the end of the current grant (May 31, 2021)?
 Yes No

If no, briefly explain challenges.

3. Briefly describe activity and progress by investment category.
 - a. Value Based Purchasing (VBP)
 - i. Describe VBP activities:
 - ii. VBP activities conducted in a network or consortium? Yes No
 - iii. Progress: Started Not started Completed
 - b. Accountable Care Organizations (ACO) or Shared Savings Investments
 - i. Describe ACO activities:
 - ii. ACO activities conducted in a network or consortium? Yes No
 - iii. Progress: Started Not started Completed
 - c. Prospective Payment Systems (PPS)/Payment Bundling (PB)
 - i. Describe PPS/PB activities:
 - ii. Activities conducted in a network or consortium? Yes No
 - iii. Progress: Started Not started Completed
4. Briefly describe lessons learned and/or investment impact (such as number of participants that attended training).

Activity and purchasing selections

Please note: For each of the three SHIP funding categories, select all activities you plan to expend funds during FY 2021. Briefly describe the proposed activity for each category that is selected.

- Hospitals may select more than one category, dividing the estimated \$11,855 request among multiple categories, if priorities are followed.
- Hospitals are **recommended to propose a maximum of three activities for the FY21 project year**. Hospitals that indicate more than three projects will be required to provide additional supporting documentation of the proposed scope of work and rationale to ORHPC.
- Check that all proposed projects and investments are allowable expenses according to the SHIP Purchasing Menu.

Table 1. Value-Based Purchasing (VPB) Investment Activities

Activities that support improved data collection to facilitate quality reporting and improvement.	Hospital Activity(s):	Briefly describe the activity
A. Quality reporting data collection/related training or software	<input type="checkbox"/>	
B. HCAHPS data collection process/related training	<input type="checkbox"/>	
C. Efficiency or quality improvement training in support of VBP related initiatives	<input type="checkbox"/>	
D. Provider-Based Clinic quality measures education	<input type="checkbox"/>	
E. Alternative Payment Model and Quality Payment Program training/education	<input type="checkbox"/>	

Table 2. Accountable Care Organization (ACO) or Shared Savings Investment Activities

Activities that support the development or the basic tenets of ACOs or shared savings programs.	Hospital Activity(s):	Briefly describe the Activity
A. Computerized provider order entry implementation and/or training	<input type="checkbox"/>	
B. Pharmacy services	<input type="checkbox"/>	
C. Disease registry training and/or software/hardware Population Health software	<input type="checkbox"/>	
D. Social Determinants of Health Screening software/training	<input type="checkbox"/>	
E. Efficiency or quality improvement training in support of ACO or shared savings related initiatives	<input type="checkbox"/>	
F. Systems performance training in support of ACO or shared savings related initiatives	<input type="checkbox"/>	
G. Mobile health and telehealth hardware/software	<input type="checkbox"/>	
H. Community paramedicine hardware/software and training	<input type="checkbox"/>	
I. Health Information Technology (HIT) training for value and ACOs	<input type="checkbox"/>	

Table 3. Payment Bundling (PB) or Prospective Payment System (PPS) Investment Activities

Activities that improve hospital financial processes.	Hospital Activity(s)	Briefly describe the Activity
A. ICD-10 software	<input type="checkbox"/>	
B. ICD-10 training	<input type="checkbox"/>	
C. Efficiency or quality improvement training in support of PB or PPS related initiatives	<input type="checkbox"/>	
D. S-10 Cost Reporting training	<input type="checkbox"/>	
E. Pricing Transparency training or software	<input type="checkbox"/>	

Table 4. Investment Categories

Enter the amount requested for each category area. **Total budget estimate CANNOT exceed \$11,855.** This amount is an **estimated** award ceiling provided by FORHP. Final award amount will be determined based on the total amount received by ORHPC. Each participating hospital receives an equal award.

Investment Category	Amount Requested	Percent by Category
VBP Investment Activities	Enter amount.	Enter percent.
ACO or Shared Savings Investment Activities	Enter amount.	Enter percent.
PB or PPS Investment Activities	Enter amount.	Enter percent.
Total Requested	\$11,855.00 (estimated maximum award)	100%

FY2021 network/consortium expenditures

5. Will FY2021 funds be allocated to a SHIP network/consortium? (A network formed solely for the purposes of SHIP?)
- Yes, network/consortium name: No
6. Will FY2021 SHIP funds be allocated to any other network/consortium? (A network formed for purposes other than SHIP that offers programs/services that SHIP hospital can “buy into” with SHIP funds?)
- Yes, network/consortium name: No