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TO: Memo Distribution List

LeadingAge New York

FROM: Hinman Straub P.C.

RE: Statewide Health Care Facility Transformation Program II Request for Applications

DATE: January 8, 2018

NATURE OF THIS INFORMATION: This is general information you might find helpful or informative.

DATE FOR RESPONSE OR IMPLEMENTATION: Key deadlines for the RFA include: Applicant Webinar (January 31, 2018); Applicant Questions (due February 9, 2018); Letter of Interest (due February 23, 2018); and Application Deadline (March 14, 2018).

HINMAN STRAUB CONTACT PEOPLE: Sean Doolan and Michael Paulsen

THE FOLLOWING INFORMATION IS FOR YOUR FILING OR ELECTRONIC RECORDS:

Category: #4 Regulatory Process

Suggested Key Word(s):

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On January 8, 2018, the Department of Health (DOH) and the Dormitory Authority of the State of New York (“DASNY”) released the Request for Applications (RFA) for the Statewide Health Care Facility Transformation Program II (“Statewide II”), established in the 2017-18 state budget. A total of up to \$203,782,888 is available under this RFA for health care providers to fulfill a health care need for acute inpatient, outpatient, primary, home care or residential health care services in a community. An applicant webinar is scheduled for January 31, 2018. Applicants will have the opportunity to submit questions regarding the RFA, due on February 9, 2018. Applications are due on March 14, 2018 by 4:00 p.m. A copy of the RFA is [attached](#).

Background

The 2016-17 state budget established a statewide Health Care Facility Transformation Program (“Statewide I”) under the administration of DASNY and DOH to provide capital funding for projects that replace inefficient and outdated facilities as part of a merger, consolidation, or other significant corporate restructuring that is part of an overall transformation plan. The 2017-18 state budget established a second round of the Health Care Facility Transformation Program (“Statewide II”), appropriating a total of \$500 million for Statewide II. The statutory authorization for Statewide II authorized DOH to use up to \$300 million of the of the \$500 million allocated under Statewide II to be awarded to applications submitted under Statewide I that were not funded with funds appropriated for Statewide I. In addition, the funding appropriation for Statewide II allocated \$50 million of the \$500 million to Montefiore Medical Center.

Total Funding for Statewide II

The 2017-18 budget appropriated \$500 million for Statewide II, however, a significant amount of the appropriated funds have been dedicated to other purposes. Specifically, pursuant to Public Health Law §2825-e (4), \$296,217,112 million was allocated to fund awards under Statewide I, reducing the total amount available for Statewide II to \$203,782,888. The allocation from Statewide II funds included \$28,004,493 awarded to community-based health care providers and \$50 million for a project submitted by Montefiore Medical Center in full satisfaction of the statutory requirement that \$50 million of the Statewide II funds must be made available for grant awards to Montefiore.

PHL 2825-e (3) provides that a minimum of \$75 million of the Statewide II appropriation to be awarded to community-based providers, which include Article 28 diagnostic and treatment centers, Article 31 mental health clinics, alcohol and substance abuse clinics operating under Article 32, primary care providers, and Article 36 home care providers. However, a total of \$28,004,493 of the awards from the Statewide II appropriation to fund projects under Statewide I were awarded to community-based health care providers. As a result, the RFA provides that a minimum of \$46,995,507 must be awarded to community-based health care providers under Statewide II.

As a result, for Statewide II, a total of \$203,782,888 will be made available under the RFA, with a minimum of \$46,995,507 that must be awarded to community-based health care providers. A maximum of \$156,787,381 is available to all other eligible provider types.

Eligible Providers

The providers eligible to apply under Statewide II remain the same as those under Statewide I. Specifically, providers eligible for these funds include general hospitals, residential health care facilities, diagnostic and treatment centers, clinics, primary care providers, home care providers, Article 31 mental health clinics, alcohol and substance abuse clinics operating under Article 32. Eligible applicants must be a provider that fulfills or will fulfill a health care need for acute inpatient, outpatient, primary, home care or residential health care services in a community.

Eligible Expenses

Expenditures eligible for funding under Statewide II remain the same as those under Statewide I, which may include the following types of capital projects:

- 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 establishment action, construction activity or service expansion (so long as the costs incurred in connection with original construction and not an ownership transfer).

According to the RFA, approximately \$123,486,576 of the \$203,782,888 may be awarded for non-capital projects or purposes pursuant to the appropriation authority granted by Chapter 54 of the Laws of 2017. Such non-capital expenditures may include:

- Debt restructuring including costs to reduce, retire or refinance long-term liabilities such as mortgage, bank loans, capital leases and other liabilities, payments of debt service for such long-term liabilities, and costs for restructuring including professional fees, penalties, and interest; and
- Start-up operating expenses directly connected to the Eligible Project for which funding is being sought under this RFA.

Priority Status

PHL 2825-e (2) provides that priority shall be given to applications for projects not funded in response to the RFA for Statewide I, provided that the applicant submits an application in response to the RFA for Statewide II and satisfies the applicable Statewide II RFA requirements. The RFA, however, indicates that the priority granted under this provision applies only after the application of the geographic statewide distribution (as described further below), and will be applied to equally scored applications within the same geographic region. The RFA does not identify whether the same project that was submitted under Statewide I must be submitted under Statewide II in order to receive priority, or whether the applicant may modify their project for purposes of Statewide II.

The RFA also provides that priority, in a similar manner to the statutory priority described above, may be given for projects involving community and facility-based post-acute care and long-term care support services that:

- Reduce unnecessary emergency department visits or inpatient readmissions through innovative use of technology or workforce utilization;
- Establish collaborations across health care provider types;
- Provide services to patients/residents in a more home-like setting; or
- Result in long-term financial sustainability of an essential community provider.

Letter of Interest

Prospective applicants may complete and submit a letter of interest; however, the submission of a letter of interest is not a requirement for the Applicant to submit a response to the RFA. The RFA contains a form letter of interest that applicants can use, which must be submitted via the Grants Gateway in the Pre-Submission Uploads and emailed to Statewide2@health.ny.gov, with the RFA number and organization name in the subject line. The letter of interest is due on February 23, 2018.

Application Process

The RFA has been posted on Grants Gateway. Applicants will be required to complete and submit the application through Grants Gateway. Separate applications must be submitted for non-capital projects or purposes even if they are part of the same overall purpose for which an application for a capital project(s) is also being submitted. If an Applicant submits multiple applications for funding under this RFA, the Applicant must assign a priority to each application where indicated in the application.

Grant Evaluation Criteria

The RFA provides limited guidance on how Statewide II grants will be evaluated. The RFA states that the determination of grant awards shall include, but not be limited to, the statutory criteria for reviewing applications:

- The extent to which the proposed project will contribute to the integration of health care services or the long term sustainability of the applicant or preservation of essential health services in the community or communities served by the applicant;
- The extent to which the proposed project or purpose is aligned with delivery system reform incentive payment (“DSRIP”) program goals and objectives;
- Consideration of geographic distribution of funds;
- The relationship between the proposed project and identified community need;
- The extent to which the applicant has access to alternative financing;
- The extent that the proposed project furthers the development of primary care and other outpatient services;
- The extent to which the proposed project benefits Medicaid enrollees and uninsured individuals;
- The extent to which the applicant has engaged the community affected by the proposed project and the manner in which community engagement has shaped such project; and

- The extent to which the proposed project addresses potential risk to patient safety and welfare.

Review Process

Similar to Statewide I, DOH will initially review all applications submitted on time via the Grants Gateway for application completeness and compliance with Grants Gateway (Stage 1 Review). For applicants that are non-profits, DOH will review to determine whether the entity has registered and is pre-qualified in the Grants Gateway. For all applicants, DOH will review to determine if the application contains all of the components required by the RFA. According to the RFA, applications missing material elements, or applicants that failed to register/pre-qualify on Grants Gateway will be eliminated from further review; however, DOH may determine whether a clarification letter for additional information should be sent to the applicant.

Applications passing Stage 1 will be reviewed under Stage 2 Review criteria. Under Stage 2, a “Review Team” that may consist of DOH and other agency staff shall, using a “Review Team Evaluation Tool”, assign an overall consensus rating of “Good”, “Acceptable”, “Poor” or “Not Responsive”. In determining the overall rating, the team will assign one of the ratings for each of the “Grant Evaluation Criteria”, with the overall rating determined by a majority count of the rating for each individual criterion.

In the event that available funds are not sufficient to support all projects assigned the “Good” rating, the Review team will use geographic distribution as a “Tie Breaker”. Each application will be assigned to a Regional Economic Development Council (REDC) region, based on the primary address of the applicant. The Review team will achieve a fair geographic distribution of funds by aligning the total value of projects awarded in a region divided by the total value of all eligible applications received; and

- The extent to which an application provides the greatest impact on the long-term financial stability of the applicant relative to other applications for funding in the same geographic region;
- The extent to which applications preserve or expand essential health care services in a community in a manner that is superior to other applications in the same geographic region;
- The extent to which applicants have access to alternative financing compared to other applicants in consideration for funding in the same region; and

In the event applications in the same geographic region remain equal, even after the application of the “Tie Breaker”, priority consideration will be given to applications for projects not funded in response to the RFA for Statewide I, provided that the applicant submits an application in response to the RFA for Statewide II and satisfies the applicable Statewide II RFA requirements.

Award Amounts

Similar to Statewide I, DOH and DASNY have informed applicants in the RFA that there are no prescribed minimum or maximum award amounts under Statewide II. However, the amount of funds requested are expected to significantly exceed available funds. As a result, applicants should consider the overall amount of funding available, the geographic distribution requirements, and

the minimum allocation for community-based providers. Statewide I contained 10 geographic regions, which would indicate that the maximum amount of awards available per region would be 10% the total amount of funding available under Statewide II.

The RFA indicates that the Department may grant award amounts regardless of the amount requested. The award amounts will be based on the amount necessary to achieve the goals of the applicant's overall transformation activities. In addition, while the application does not require applicants to provide matching funds, the evaluation criteria includes "the extent to which the applicant has access to alternative financing". As a result, the ability of an applicant to access funds for all or portion of the project costs will be an award consideration.

RFA # 17648 / Grants Gateway # DOH01-SHCFT2-2018

**New York State Department of Health
Office of Primary Care and Health Systems Management**

Request for Applications

**Statewide Health Care Facility Transformation Program II
(Phase 2)**

KEY DATES

Release Date:	January 8, 2018
Applicant Webinar:	January 31, 2018
Questions Due:	February 9, 2018
Questions, Answers and Updates Posted (on or about):	February 21, 2018
Letters of Interest Due:	February 23, 2018
Applications Due:	March 14, 2018 by 4:00PM
Estimated Contract Start Date:	July 6, 2018

DOH Contact Name & Address:

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I. Introduction

The New York State Department of Health (DOH) and the Dormitory Authority of the State of New York (DASNY) announce the availability of funds under the Statewide Health Care Facility Transformation Program II (SHCFTP II), as established pursuant to Section 2825-e of the Public Health Law (PHL), Chapter 54 of the Laws of 2017, and Section 1680-r of the Public Authorities Law (PAL), to provide grants in support of capital projects, debt retirement, working capital or other non-capital projects directly related to a capital project that facilitate health care transformation activities including, but not limited to, merger, consolidation, acquisition or other activities intended to create financially sustainable systems of care or preserve or expand essential health care services. Grants shall not be made to support general day-to-day operating costs not related to the start-up expenses of the Eligible Project.

Subdivision 3 of Section 2825-e of the PHL authorized up to \$500,000,000 for SHCFTP II and required \$75,000,000 of this total amount to be awarded to community-based health care providers. Subdivision 4 of Section 2825-e of the PHL further provided that up to \$300,000,000 of the \$500,000,000 appropriated for SHCFTP II awards could be made available for project applications submitted in response to the Request for Applications issued by DOH on July 20, 2016 for the Statewide Health Care Facility Transformation Program I (“SHCFTP I”) (RFA # 1607010255). DOH awarded a total of \$296,217,112 of the \$500,000,000 in SHCFTP I (herein Phase 1), including: \$28,004,493 awarded to community-based health care providers in partial satisfaction of the aforementioned \$75,000,000 requirement, and not less than \$50 million for a project submitted by Montefiore Medical Center in full satisfaction of the requirement (Chapter 54 of the Laws of 2017) that \$50 million of the \$500 million shall be made available for grant awards to Montefiore.

Based on the funding awarded in Phase 1, a total of up to \$203,782,888 is available under this RFA (herein, Phase 2), to health care providers that are deemed by the Commissioner to fulfill or will fulfill a health care need for acute inpatient, outpatient, primary, home care or residential health care services in a community. A minimum of \$46,995,507 (\$75,000,000 minus \$28,004,493) of this total amount is available for community-based health care providers, which are defined as diagnostic and treatment centers, mental health and alcohol and substance abuse treatment clinics, primary care providers and home care providers. See Section II below for further definitions of Eligible Applicants for the SHCFTP II.

In determining awards, as described in Section V. C., Review and Award Process, priority shall be given to projects that were not awarded a grant in response to the RFA for the SHCFTP I (RFA # 1607010255). **However, such Eligible Applicants must submit a qualifying grant application in response to this SHCFTP II Phase 2 RFA and satisfy all applicable SHCFTP II RFA requirements.**

Projects shall not receive awards under both this RFA and the Kings County Health Care Transformation Program (PHL §2825-a) or the Oneida County Health Care Transformation Program (PHL §2825-b).

To receive funding, the Eligible Applicant must demonstrate how the proposed use of the grant will strengthen and protect continued access to health care services in communities. Eligible Applicants should describe:

- i. Steps to be taken to promote an integrated, patient-centered model of health care delivery or to create a financially sustainable system of care or to preserve or expand the ongoing availability of essential health care services to the people of the community or communities served by the Eligible Applicant.
- ii. How the Eligible Project will maintain or improve the financial condition of the Eligible Applicant.
- iii. An estimate of the total costs of carrying out health care transformation activities (other than the Eligible Project as hereafter defined) and the sources of funding for such costs.
- iv. Steps to be taken to engage the community in the development of the Eligible Project.

Health care services developed as a result of the Eligible Project should be consistent with Delivery System Reform Incentive Payment (DSRIP) Program principles of improving core population health, patient outcomes and patient experience, as well as incorporate, as part of a sustainable business model, a transition to a payment system which emphasizes cost efficiency and quality outcomes (value) over service volume.

Applicants are hereby advised that, in accordance with Public Health Law 2825-e and Chapter 54 of the Laws of 2017, awards made under this RFA are determined on a non-competitive, discretionary basis. Funding will be awarded at the discretion of the Commissioner of Health for purposes described in this RFA. Without limitation to this authorization, the Commissioner of Health may consult with the President of DASNY, DOH and DASNY professional staff, and any other internal or external experts or local health care constituents as appropriate from time to time at any time in the evaluation of applications received pursuant to this RFA. The decision to award, or not to award, or to award a grant at a funding level that is less than the amount requested by the applicant, is discretionary and cannot be appealed.

As these awards are discretionary, there is no right of appeal and the decision of the Commissioner of Health is final. As such, applicants are advised to put forward their best efforts in thoroughly completing and fulfilling all the requirements of the RFA. While the award is discretionary, the criteria listed in PHL 2825-e and Chapter 54 of the Laws of 2017 will be utilized to make the awards.

The decision not to fund an application will be communicated by letter. Based on the number of applicants, DOH shall have the sole discretion of whether or not to provide an opportunity for non-successful applicants to request a debriefing to be conducted after the announcement of awards. Comparisons with other grant applications will not be made during a debriefing.

DOH's determination of applicable terms and conditions of award or a denial of a request to change the terms and conditions is discretionary and not subject to appeal.

II. Who May Apply

The minimum eligibility requirements for entities responding to this RFA have been established in accordance with PHL section 2825-e.

Each "Eligible Applicant" must meet all the following criteria to be eligible to receive grant funding under this RFA:

(a) Be a legally existing organization and capable of entering into a binding Master Grant Contract (MGC) with DOH.

(b) Be one of the following types of provider organizations:

- General Hospitals licensed under Article 28 of the PHL;
- Residential health care facilities licensed under Article 28 of the PHL;
- Community-based health care providers which, in accordance with statute and for purposes of this RFA, are defined as:
 - Diagnostic and treatment centers certified or licensed under Article 28 of the PHL;
 - Mental health clinics certified or licensed under Article 31 of the Mental Hygiene Law (MHL);
 - Alcohol and substance abuse treatment clinics certified or licensed under Article 32 of the MHL;
 - Primary care providers;
 - Home care providers certified or licensed under Article 36 of the PHL.

(c) Be deemed by the Commissioner to be a provider that fulfills or will fulfill (as evidenced by the application for this program) a health care need for acute inpatient, outpatient, primary, or residential health care services in a community; and,

(d) At the time the application is submitted, and at all times thereafter, applicants MUST be prequalified, if not exempt, in the New York State Grants Gateway. Please refer to Section IV.M. Vendor Prequalification for Not-for-Profits for details on the steps that must be completed to meet registration and prequalification requirements.

III. Project Narrative/Workplan

A total of up to \$203,782,889 is available to fund awards made under this RFA. Multiple awards will be made, and an Eligible Applicant may choose to submit a single application or multiple applications.

Separate applications must be submitted for non-capital projects or purposes even if they are part of the same overall purpose for which an application for a capital project(s) is also being submitted.

If an Eligible Applicant submits multiple applications for funding under this RFA, the Eligible Applicant must assign a priority to each application where indicated in the application.

The DOH will review applications to determine the appropriate level of public investment needed for the Eligible Project, and the final amount of each Eligible Applicant's total award will be determined based upon the criteria set forth in Section III-C.

A. Eligible Projects

An “Eligible Project” must include Eligible Expenses, as defined herein. Projects shall not receive an award under both this RFA and the Kings County Health Care Transformation Program (PHL §2825-a) or the Oneida County Health Care Transformation Program (PHL §2825-b).

B. Eligible and Excluded Expenses and Disallowed Costs

Expenditures eligible for funding under SHCFTP II (“Eligible Expenses”) are expected to be for capital projects, which may 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 establishment action, construction activity or service expansion (so long as the costs are incurred in connection with original construction and not an ownership transfer).

However, based on the initial review of awards in Phase 1, approximately \$123,486,576 of the \$203,782,888 available to be awarded in Phase 2 may be awarded for non-capital projects or purposes may also be eligible for funding under this solicitation (“Other Eligible Expenses”) pursuant to the appropriation authority granted by Chapter 54 of the Laws of 2017. Such non-capital expenditures may include:

- Debt restructuring including costs to reduce, retire or refinance long-term liabilities such as mortgage, bank loans, capital leases and other liabilities, payments of debt service for such long-term liabilities, and costs for restructuring including professional fees, penalties, and interest; and
- Start-up operating expenses directly connected to the Eligible Project for which funding is being sought under this RFA.

Eligible Applicants must include a robust description of the Eligible Project and justification for all expenditures included in the Project Budget as well as a discussion of how the expenditure relates to the Eligible Project. If applicable to the Eligible Project, it is understood that design plans and specifications are unlikely to be available at this stage of Project development. However, an Eligible Applicant should be able to describe the project elements and their anticipated costs in sufficient detail for the reviewer to make a judgment on the reasonableness of the anticipated costs and how the Eligible Applicant estimated those costs.

If applicable to the Eligible Project, Eligible Applicants may subcontract components (sub-projects) of the scope of work. Eligible Applicants that plan to subcontract are expected to describe the specific components of the scope of work to be performed through subcontracts (the sub-projects), and to also identify the subcontracting entities in the application. Applicants should note that the Eligible Applicant, if awarded a grant under this RFA, will have overall

responsibility for all contract activities, including those performed by subcontractors, and will be the primary contact for the DOH. All subcontractors must be approved by the Department of Health. Subcontracts of \$100,000 or more requires vendor responsibility documentation, see Section IV. M. Vendor Responsibility Questionnaire.

Excluded Expenses are not eligible for funding under SHCFTP II. Excluded expenses include general ongoing operating costs applicable to day-to-day operations and not directly related to the start-up operating costs of the Eligible Project for which funding is being sought under this RFA. Costs not eligible for funding under SHCFTP II include general ongoing operating expenses such as routine supplies; utilities; operating lease payments, equipment with a useful life less than three years; ongoing, routine training and maintenance costs related to IT projects; and employee salaries and benefits.

Disallowed costs include expenditures identified in the Eligible Project Budget that are Excluded Expenses or are not sufficiently described and/or justified in type or amount by the applicant or are considered to be unrelated to the proposed Eligible Project. Disallowed costs will be excluded from the amount considered as the grant request.

C. Evaluation Criteria

In determining awards for Eligible Projects, the DOH shall consider criteria including, but not limited to:

- i. The extent to which the Eligible Project contributes to the integration of health care services or the long-term sustainability of the Eligible Applicant or preservation of essential health services in the community or communities served by the Eligible Applicant.
- ii. The extent to which the Eligible Project or purpose is aligned with Delivery System Reform Incentive Payment (DSRIP) program goals and objectives.
- iii. Consideration of geographic distribution of funds.
- iv. The relationship between the Eligible Project and an identified community need.
- v. The extent to which the Eligible Applicant has access to alternative funding.
- vi. The extent that the Eligible Project furthers the development of primary care and other outpatient services.
- vii. The extent to which the Eligible Project benefits Medicaid enrollees and uninsured individuals.
- viii. The extent to which the Eligible Applicant has engaged the community affected by the proposed Eligible Project and the manner in which community engagement has shaped the Eligible Project.
- ix. The extent to which the Eligible Project addresses potential risk to patient safety and welfare.

IV. Administrative Requirements

A. Issuing Agency

This RFA is issued by the New York State DOH, Office of Primary Care and Health Systems Management, Center for Facility Planning, Licensure and Finance. Pursuant to PHL section 2825-e, Statewide Health Care Facility Transformation Program II grants may be awarded by the Commissioner of DOH. The DOH is responsible for the requirements specified herein and for the evaluation of all applications.

B. Question and Answer Phase

All substantive questions must be submitted in writing or via email to:

Joan Cleary Miron, MPH
Director, Health Care Facility Transformation Program Implementation Team
Office of Primary Care and Health Systems Management
1805 Corning Tower, Albany, NY 12237
E-mail: Statewide2@health.ny.gov

To the degree possible, each inquiry should cite the RFA section and paragraph to which it refers. Written questions will be accepted until the date posted on the cover of this RFA. This includes Minority and Women Owned Business Enterprise (MWBE) questions and questions pertaining to the MWBE forms.

Questions of a technical nature can be addressed via e-mail to Statewide2@health.ny.gov.
Questions are of a technical nature if they are limited to how to prepare your application (e.g., uploading attachments) rather than relating to the substance of the application.

Some helpful links for questions of a technical nature are below. Questions regarding specific opportunities or applications should be directed to the DOH contact listed on the cover of this RFA.

- <https://grantsreform.ny.gov/grantees>
- Grants Gateway Videos (includes a document vault tutorial and an application tutorial) on YouTube: <https://grantsreform.ny.gov/youtube>
- Grants Gateway Team Email: grantsgateway@its.ny.gov
Phone: 518-474-5595
Hours: Monday thru Friday 8am to 4:30pm
(Application Completion, Policy, and Registration questions)
- Agate Technical Support Help Desk
Phone: 1-800-820-1890
Hours: Monday thru Friday 8am to 8pm
Email: helpdesk@agatesoftware.com
(Technical questions)

Prospective applicants should note that all clarifications and exceptions, including those relating to the terms and conditions of the contract, are to be raised prior to the submission of an application.

This RFA has been posted on the NYS Grants Gateway website at: https://grantsgateway.ny.gov/IntelliGrants_NYSGG/module/nysgg/goportal.aspx and a link provided on the Department's public website at: <http://www.health.ny.gov/funding/>. Questions and answers, as well as any updates and/or modifications, will also be posted on these websites. All such updates will be posted by the date identified on the cover of this RFA.

C. Letter of Interest

Prospective applicants may complete and submit a letter of interest (see Attachment 1: Letter of Interest Template). Prospective applicants may also use the letter of interest to receive notification when updates/modifications are posted; including responses to written questions. Letters of interest should be submitted via the Grants Gateway in the Pre-Submission Uploads section of the online application. A copy should also be e-mailed to Statewide2@health.ny.gov. Please ensure that the RFA number and organization name are noted in the subject line. The letter of interest must be submitted via both formats by the date posted on the cover of the RFA.

Submission of a letter of interest is not a requirement or obligation upon the applicant to submit an application in response to this RFA. Applications may be submitted without first having submitted a letter of interest.

D. Applicant Webinar

It is anticipated that an Applicant Webinar will be held on or about January 31, 2018. Information will be posted on the Grants Gateway when available. Potential applicants should check the Grants Gateway for details about the Applicant Webinar. Interested parties may also send an e-mail to Statewide2@health.ny.gov to request notification when registration information becomes available. Failure to attend the Applicant Webinar will not preclude the submission of an application.

E. How to File an Application

Applications must be submitted online via the Grants Gateway by the date and time posted on the cover of this RFA. Reference materials and videos are available for Grantees applying to funding opportunities on the NYS Grants Gateway. Please visit the Grants Reform website at the following web address: <http://grantsreform.ny.gov/Grantees> and select the “Grantee Quick Start Guide Applications” from the menu on the left. There is also a more detailed “Grantee User Guide” available on this page as well. Training webinars are also provided by the Grants Gateway Team. Dates and times for webinar instruction can be located at the following web address: <http://grantsreform.ny.gov/training-calendar>.

To apply for this opportunity:

1. Log into the Grants Gateway as either a “Grantee” or “Grantee Contract Signatory”.
2. Click on the “View Opportunities” button under “View Available Opportunities”.

3. In the Search Criteria, enter the Grant Opportunity name “Statewide Health Care Facility Transformation Program II” and select the Department of Health as the Funding Agency.
4. Click on “Search” button to initiate the search.
5. Click on the name of the Grant Opportunity from the search results grid and then select the “APPLY FOR GRANT OPPORTUNITY” button located bottom left of the Main page of the Grant Opportunity.

Once the application is complete, prospective grantees are strongly encouraged to submit their applications at least 48 hours prior to the due date and time. This will allow sufficient opportunity for the applicant to obtain assistance and take corrective action should there be a technical issue with the submission process. Both DOH and Grants Gateway staff are available to answer applicant’s technical questions and provide technical assistance prior to the application due date and time. Contact information for the Grants Gateway Team is available under Section IV. B. of this RFA.

PLEASE NOTE: The Grants Gateway will not permit the submission or resubmission of applications after the application deadline. Although DOH and the Grants Gateway staff will do their best to address concerns that are identified less than 48 hours prior to the due date and time, there is no guarantee that they will be resolved in time for the application to be submitted and, therefore, considered for funding.

The Grants Gateway will always notify applicants of successful submission. If a prospective grantee does not get a successful submission message assigning their application a unique ID number, it has not successfully submitted an application. During the application process, please pay particular attention to the following:

- Not-for-profit applicants must be prequalified on the due date for this application submission. Be sure to maintain prequalification status between funding opportunities. Three of a not-for-profit’s essential financial documents - the IRS990, Financial Statement and Charities Bureau filing - expire on an annual basis. If these documents are allowed to expire, the not-for-profit’s prequalification status expires as well, and it will not be eligible for State grant funding until its documentation is updated and approved, and prequalified status is reinstated.
- Only individuals with the roles “Grantee Contract Signatory” or “Grantee System Administrator” can submit an application.
- Prior to submission, the system will automatically initiate a global error checking process to protect against incomplete applications. An applicant may need to attend to certain parts of the application prior to being able to submit the application successfully. Be sure to allow time after pressing the submit button to clean up any global errors that may arise. You can also run the global error check at any time in the application process (see p.66 of the Grantee User Guide).
- Grantees should use numbers, letters and underscores when naming their uploaded files. There cannot be any special characters in the uploaded file name. Also, be aware of the restriction on file size (10 MB) when uploading documents.

The following table will provide a snapshot of which roles are allowed to Initiate, Complete, and Submit the Grant Application(s) in the Grants Gateway.

Role	Create and Maintain User Roles	Initiate Application	Complete Application	Submit Application	Only View the Application
Delegated Admin	X				
Grantee		X	X		
Grantee Contract Signatory		X	X	X	
Grantee Payment Signatory		X	X		
Grantee System Administrator		X	X	X	
Grantee View Only					X

PLEASE NOTE: Waiting until the last several days to complete your application online may impact your ability to meet the application submission deadline, as you may have technical questions. Beginning the process of applying as soon as possible will produce the best results.

Late applications will not be accepted. Applications will not be accepted via fax, e-mail, hard copy or hand delivery.

F. Department of Health’s Reserved Rights

The Department of Health reserves the right to:

1. Reject any or all applications received in response to this RFA.
2. Withdraw the RFA at any time, at the DOH’s sole discretion.
3. Make an award under the RFA in whole or in part, or make no awards.
4. Disqualify any applicant whose conduct and/or proposal fails to conform to the requirements of the RFA.
5. Use application information obtained through site visits, management interviews and the state’s investigation of an applicant’s qualifications, experience, ability or financial standing, and any material or information submitted by the applicant in response to the agency’s request for clarifying information in the course of evaluation and/or selection under the RFA.
6. Prior to application opening, amend the RFA specifications to correct errors or oversights, or to supply additional information, as it becomes available.
7. Prior to application opening, direct applicants to submit proposal modifications addressing subsequent RFA amendments.
8. Change any of the scheduled dates.

9. Waive any requirements that are not material.
10. Conduct contract negotiations with the next responsible applicant, should the Department be unsuccessful in negotiating with the selected applicant.
11. Utilize any and all ideas submitted with the applications received.
12. Unless otherwise specified in the RFA, every offer is firm and not revocable for a period of 60 days from the bid opening.
13. Waive or modify minor irregularities in applications received after prior notification to the applicant.
14. Require clarification or revision at any time during the procurement process and/or require correction of arithmetic or other apparent errors for the purpose of assuring a full and complete understanding of an applicant's application and/or to determine an applicant's compliance with the requirements of the RFA. If an applicant does not respond to the correspondence requesting clarification within 10 business days, then the applicant will be deemed "non-responsive" and will be removed from consideration.
15. Eliminate or waive any mandatory, non-material specifications that cannot be complied with by all applicants.
16. Award multiple Master Grant Contracts (MGCs) from this RFA.
17. Award grants based on geographic or regional considerations to serve the best interests of the state (see Section V. C. Stage 2.2 for further clarification).
18. Adjust or correct cost figures with the concurrence of the applicant if errors exist and can be documented to the satisfaction of DOH and the State Comptroller.
19. Negotiate with an awardee within the requirements of the Statewide Health Care Facility Transformation Program II to serve the best interests of the State, including programmatic and financial changes in project scope.

G. Term of Contract

Any contract resulting from this RFA will be effective only upon approval by the New York State Office of the Comptroller.

It is anticipated that the term of the MGC under the Statewide Health Care Facility Transformation Program II will begin on July 6, 2018 and run for a period of up to five years (consistent with the accepted construction schedule).

Continued funding throughout this period is contingent upon availability of funding and state budget appropriations. DOH and DASNY also reserve the right to revise the award amount as necessary due to changes in the availability of funding.

A sample New York State Master Contract for Grants can be found in the Forms Menu once an application to this funding opportunity is started.

H. Payment & Reporting Requirements of Grant Awardees

1. No advances will be allowed for contracts resulting from this procurement.
2. The grant contractor will be required to submit quarterly invoices and required reports of expenditures to the State's designated payment office (below) or, in the future, through the Grants Gateway:

Statewide Health Care Facility Transformation Program II Implementation Team
NYS Department of Health
1805 Corning Tower
Albany, NY 12237

Grant contractors must provide complete and accurate billing invoices in order to receive payment. Billing invoices submitted to the Department must contain all information and supporting documentation required by the Contract, the Department and the Office of the State Comptroller (OSC). Payment for invoices submitted by the CONTRACTOR shall only be rendered electronically unless payment by paper check is expressly authorized by the Commissioner, in the Commissioner's sole discretion, due to extenuating circumstances. Such electronic payment shall be made in accordance with OSC's procedures and practices to authorize electronic payments. Authorization forms are available at OSC's website at: <http://www.osc.state.ny.us/epay/index.htm>, by email at: epayments@osc.state.ny.us or by telephone at 855-233-8363. CONTRACTOR acknowledges that it will not receive payment on any claims for reimbursement submitted under this contract if it does not comply with OSC's electronic payment procedures, except where the Commissioner has expressly authorized payment by paper check as set forth above.

Payment of such claims for reimbursement by the State (NYS Department of Health) shall be made in accordance with Article XI-A of the New York State Finance Law.

Payment terms will be: Contractor will be reimbursed for actual expenses incurred and expensed as allowed in the Contract Budget and Workplan.

3. The grant contractor will be required to submit quarterly reports on the status of the Statewide Health Care Facility Transformation Program II project. Such reports shall be submitted no later than 30 days after the close of the quarter, and shall be consistent with the provisions of the terms of the State of New York Master Contract for Grants. The reports shall include:
 - Progress made toward Statewide Health Care Facility Transformation Program II objectives;
 - A status update on Project process and performance metrics and milestones;
 - Information on Project spending and budget; and
 - A summary of public engagement and public comments received.

The grant contractor will be required to submit any forms outlined in Attachment D of the NYS Master Grant Contract. Also, all payment and reporting requirements will be detailed in Attachment D of the final NYS Master Grant Contract.

I. Minority & Woman-Owned Business Enterprise Requirements

Pursuant to New York State Executive Law Article 15-A, the New York State Department of Health (“DOH”) recognizes its obligation to promote opportunities for maximum feasible participation of certified minority- and women-owned business enterprises and the employment of minority group members and women in the performance of DOH contracts.

In 2006, the State of New York commissioned a disparity study to evaluate whether minority and women-owned business enterprises had a full and fair opportunity to participate in state contracting. The findings of the study were published on April 29, 2010, under the title "The State of Minority and Women-Owned Business Enterprises: Evidence from New York" (“Disparity Study”). The report found evidence of statistically significant disparities between the level of participation of minority- and women-owned business enterprises in state procurement contracting versus the number of minority- and women-owned business enterprises that were ready, willing and able to participate in state procurements. As a result of these findings, the Disparity Study made recommendations concerning the implementation and operation of the statewide certified minority- and women-owned business enterprises program. The recommendations from the Disparity Study culminated in the enactment and the implementation of New York State Executive Law Article 15-A, which requires, among other things, that DOH establish goals for maximum feasible participation of New York State Certified minority- and women-owned business enterprises (“MWBE”) and the employment of minority groups members and women in the performance of New York State contracts.

Business Participation Opportunities for MWBEs

For purposes of this solicitation, the New York State Department of Health hereby establishes a goal of **30%** as follows:

- 1) For Not-for Profit Applicants: Eligible Expenditures include any subcontracted labor or services, equipment, materials, or any combined purchase of the foregoing under a contract awarded from this solicitation.
- 2) For-Profit and Municipality Applicants: Eligible Expenditures include the value of the budget in total.

The goal on the eligible portion of this contract will be 15% for Minority-Owned Business Enterprises (“MBE”) participation and 15% for Women-Owned Business Enterprises (“WBE”) participation (based on the current availability of qualified MBEs and WBEs and outreach efforts to certified MWBE firms). A contractor (“Contractor”) on the subject contract (“Contract”) must document good faith efforts to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of the Contract and Contractor agrees that DOH may withhold payment pending receipt of the required MWBE documentation. For guidance on how DOH will determine “good faith efforts,” refer to 5 NYCRR §142.8.

The directory of New York State Certified MWBEs can be viewed at: <https://ny.newnycontracts.com>. The directory is found in the center of the webpage under “NYS

Directory of Certified Firms” and accessed by clicking on the link entitled “Search the Directory”. Engaging with firms found in the directory with like product(s) and/or service(s) is strongly encouraged and all communication efforts and responses should be well documented.

By submitting an application, a grantee agrees to complete an MWBE Utilization Plan as directed in **Attachment 4** of this RFA. DOH will review the submitted MWBE Utilization Plan. If the MWBE Utilization Plan is not accepted, DOH may issue a notice of deficiency. If a notice of deficiency is issued, Grantee agrees that it shall respond to the notice of deficiency within seven (7) business days of receipt. DOH may disqualify a Grantee as being non-responsive under the following circumstances:

- a) If a Grantee fails to submit a MWBE Utilization Plan;
- b) If a Grantee fails to submit a written remedy to a notice of deficiency;
- c) If a Grantee fails to submit a request for waiver (if applicable); or
- d) If DOH determines that the Grantee has failed to document good-faith efforts to meet the established DOH MWBE participation goals for the procurement.

In addition, successful awardees will be required to certify they have an acceptable Equal Employment Opportunity policy statement.

J. Participation Opportunities for New York State Certified Service-Disabled Veteran Owned Businesses

The New York State Department of Health is required to implement the provisions of New York State Executive Law Article 17-B and 9 NYCRR 252 which provides for more meaningful participation in public procurement by certified Service-Disabled Veteran-Owned Businesses (“SDVOB”), thereby further integrating such businesses into New York State’s economy. Department of Health recognizes the need to promote the employment of service-disabled veterans and to ensure that certified service-disabled veteran-owned businesses have opportunities for maximum feasible participation in the performance of Department of Health contracts.

In recognition of the service and sacrifices made by service-disabled veterans and in recognition of their economic activity in doing business in New York State, applicants are expected to consider SDVOBs in the fulfillment of the requirements of the Contract and by submitting this application the applicant agrees to be bound by all of the SDVOB the terms and requirements as provided for in Attachment S of the awarded contract. Such participation may be as subcontractors or suppliers, as protégés, or in other partnering or supporting roles.

For this procurement, the Department of Health hereby establishes an overall goal of 2% for SDVOB participation, based on the current availability of qualified SDVOBs. For purposes of providing meaningful participation by SDVOBs, the Applicant/Contractor should reference the directory of New York State Certified SDVOBs found at:

https://ogs.ny.gov/veterans/Docs/CertifiedNYS_SDVOB.pdf.

In accordance with 9 NYCRR § 252.2(i), Bidders are required to submit a completed SDVOB Utilization Plan on Form SDVOB 100 with their application. (Provided as Attachment 7 of the RFA). If the applicant, after making good faith efforts, is unable to comply with SDVOB goals,

the applicant should also submit a Request for Waiver form SDVOB 200 documenting good faith efforts by the Contractor to meet such goals. (Provided as Attachment 7 of the RFA). Reporting requirements on the utilization of SDVOBs during the contract term are described in the Master Grants Contract Attachment S.

Questions regarding compliance with SDVOB participation goals should be submitted to Statewide2@health.ny.gov. Additionally, following Contract execution, Contractor is encouraged to contact the Office of General Services' Division of Service-Disabled Veterans' Business Development at 518-474-2015 or VeteransDevelopment@ogs.ny.gov to discuss additional methods of maximizing participation by SDVOBs on the Contract.

K. Limits on Administrative Expenses and Executive Compensation

On July 1, 2013, limitations on administrative expenses and executive compensation contained within Governor Cuomo's Executive Order #38 and related regulations published by the Department (Part 1002 to 10 NYCRR – Limits on Administrative Expenses and Executive Compensation) went into effect. Applicants agree that all state funds dispersed under this procurement will, if applicable to them, be bound by the terms, conditions, obligations and regulations promulgated by the Department. To provide assistance with compliance regarding Executive Order #38 and the related regulations, please refer to the Executive Order #38 website at: <http://executiveorder38.ny.gov>.

L. Vendor Identification Number

Effective January 1, 2012, in order to do business with New York State, you must have a vendor identification number. As part of the Statewide Financial System (SFS), the Office of the State Comptroller's Bureau of State Expenditures has created a centralized vendor repository called the New York State Vendor File. In the event of an award and in order to initiate a contract with the New York State Department of Health, vendors must be registered in the New York State Vendor File and have a valid New York State Vendor ID.

If already enrolled in the Vendor File, please include the Vendor Identification number on the application cover sheet. If not enrolled, to request assignment of a Vendor Identification number, please submit a New York State Office of the State Comptroller Substitute Form W-9, which can be found on-line at:

http://www.osc.state.ny.us/vendor_management/issues_guidance.htm.

Additional information concerning the New York State Vendor File can be obtained on-line at: http://www.osc.state.ny.us/vendor_management/index.htm, by contacting the SFS Help Desk at 855-233-8363 or by emailing at helpdesk@sfs.ny.gov.

M. Vendor Responsibility Questionnaire

The New York State Department of Health strongly encourages that vendors file the required Vendor Responsibility Questionnaire online via the New York State VendRep System. To enroll in and use the New York State VendRep System, see the VendRep System Instructions available at http://www.osc.state.ny.us/vendrep/vendor_index.htm or go directly to the VendRep system online at <https://portal.osc.state.ny.us>.

Vendors must provide their New York State Vendor Identification Number when enrolling. To request assignment of a Vendor ID or for VendRep System assistance, contact the Office of the State Comptroller's Help Desk at 866-370-4672 or 518-408-4672 or by email at ciohelpdesk@osc.state.ny.us.

Applicants should complete and submit the Vendor Responsibility Attestation (**Attachment 5**).

N. Vendor Prequalification for Not-for-Profits

All not-for-profit vendors subject to prequalification are required to prequalify prior to grant application and execution of contracts.

Pursuant to the New York State Division of Budget Bulletin H-1032, dated July 16, 2014, New York State has instituted key reform initiatives to the grant contract process which requires not-for-profits to register in the Grants Gateway and complete the Vendor Prequalification process in order for applications to be evaluated. Information on these initiatives can be found on the [Grants Reform Website](#).

Applications received from not-for-profit applicants that have not Registered and are not Prequalified in Grants Gateway on the application due date listed on the cover of this RFA cannot be evaluated. Such applications will be disqualified from further consideration.

Below is a summary of the steps that must be completed to meet registration and prequalification requirements. The [Vendor Prequalification Manual](#) on the Grants Reform Website details the requirements and an [online tutorial](#) are available to walk users through the process.

1) Register for the Grants Gateway

- On the Grants Reform Website, download a copy of the [Registration Form for Administrator](#). A signed, notarized original form must be sent to the Division of Budget at the address provided in the instructions. You will be provided with a Username and Password allowing you to access the Grants Gateway.

If you have previously registered and do not know your Username, please email grantsgateway@its.ny.gov. If you do not know your Password, please click the [Forgot Password](#) link from the main log in page and follow the prompts.

2) Complete your Prequalification Application

- Log in to the [Grants Gateway](#). **If this is your first time logging in**, you will be prompted to change your password at the bottom of your Profile page. Enter a new password and click SAVE.
- Click the *Organization(s)* link at the top of the page and complete the required fields including selecting the State agency you have the most grants with. This page should be completed in its entirety before you SAVE. A *Document Vault* link will become available near the top of the page. Click this link to access the main Document Vault page.

- Answer the questions in the *Required Forms* and upload *Required Documents*. This constitutes your Prequalification Application. Optional Documents are not required unless specified in this Request for Application.
- Specific questions about the prequalification process should be referred to your agency representative or to the Grants Reform Team at grantsgateway@its.ny.gov.

3) **Submit Your Prequalification Application**

- After completing your Prequalification Application, click the **Submit Document Vault Link** located below the Required Documents section to submit your Prequalification Application for State agency review. Once submitted the status of the Document Vault will change to *In Review*.
- If your Prequalification reviewer has questions or requests changes you will receive email notification from the Gateway system.
- Once your Prequalification Application has been approved, you will receive a Gateway notification that you are now prequalified to do business with New York State.

Vendors are strongly encouraged to begin the process as soon as possible in order to participate in this opportunity.

O. General Specifications

1. By submitting the "Application Form" each applicant attests to its express authority to sign on behalf of the applicant.
2. Contractors will possess, at no cost to the State, all qualifications, licenses and permits to engage in the required business as may be required within the jurisdiction where the work specified is to be performed. Workers to be employed in the performance of this contract will possess the qualifications, training, licenses and permits as may be required within such jurisdiction.
3. Submission of an application indicates the applicant's acceptance of all conditions and terms contained in this RFA, including the terms and conditions of the contract. Any exceptions allowed by the Department during the Question and Answer Phase (Section IV.B.) must be clearly noted in a cover letter attached to the application.
4. An applicant may be disqualified from receiving awards if such applicant or any subsidiary, affiliate, partner, officer, agent or principal thereof, or anyone in its employ, has previously failed to perform satisfactorily in connection with public bidding or contracts.

5. Provisions Upon Default

- a. The services to be performed by the Applicant shall be at all times subject to the direction and control of the Department as to all matters arising in connection with or relating to the contract resulting from this RFA.
- b. In the event that the Applicant, through any cause, fails to perform any of the terms, covenants or promises of any contract resulting from this RFA, the Department acting for and on behalf of the State, shall thereupon have the right to terminate the contract by giving notice in writing of the fact and date of such termination to the Applicant.
- c. If, in the judgement of the Department, an Eligible Applicant awarded a grant under this RFA acts in such a way which is likely to or does impair or prejudice the interests of the State, the Department acting on behalf of the State, shall thereupon have the right to terminate any contract resulting from this RFA by giving notice in writing of the fact and date of such termination to the Contractor. In such case the Contractor shall receive equitable compensation for such services as shall, in the judgement of the State Comptroller, have been satisfactorily performed by the Contractor up to the date of the termination of this agreement, which such compensation shall not exceed the total cost incurred for the work which the Contractor was engaged in at the time of such termination, subject to audit by the State Comptroller.

V. Completing the Application

A. Application Format/Content

Please refer to the Quick Start Guide for assistance in applying for this procurement through the NYS Grants Gateway. This guide is available on the Grants Reform website at: www.grantsreform.ny.gov/Grantees. In addition, Section IV. Administrative Requirements, E. “How to File an Application” provides important guidance.

Please respond to each of the sections described below when completing the Grants Gateway online application. Your responses comprise your application. Please respond to all items within each section. When responding to the statements and questions, be mindful that application reviewers may not be familiar with the agency and its services. Therefore, answers should be specific, succinct and responsive to the statements and questions as outlined.

1. Previous Funding Applications

Identify if your organization previously submitted a project in response to the RFA for the SHCFTP I (RFA # 1607010255) and if the project that was submitted is substantially the same as the project submitted under this SHCFTP II RFA. If a project was submitted in response to the RFA for SHCFTP I, also indicate the applicant name, project name and requested amount. If funded, indicate the award amount.

2. Organizational Capacity

Describe the Eligible Applicant's organization. The description should specifically address the following:

- a. The Eligible Applicant's exact corporate name, board composition, ownership and affiliations, and number of employees. Provide the name, title and phone number of the highest-ranking employee in the organization. For example, the Chief Executive Officer of the hospital, diagnostic and treatment center, or clinic; or the Administrator of the nursing home.
- b. A discussion of the Eligible Applicant's mission, including the size of the organization and scope of services provided.
- c. Number of admissions or patient visits during the most recent 12-month cost reporting year.
- d. Payer composition of populations served by the Eligible Applicant. Describe the payer mix of the population served and indicate the percent of the population served that is (1) Medicaid, (2) Medicare, (3) uninsured, and (4) commercially insured.
- e. Geographic region served by the Eligible Applicant's organization. The geographic region served is defined as the service area from which the provider draws at least 75 percent of its patients during the most recent 12-month cost reporting period.
- f. Applicant location in relation to like providers. Identify if the Eligible Applicant provides health care services that otherwise would not be available to the population of the geographic region due to transportation infrastructure, distance and/or travel times from other like providers. Specify by name(s) the next closest like provider(s) and the distance or travel time to this provider.
- g. Types of health care services provided. Identify if the Eligible Applicant provides any specialized health care services that otherwise would not be available to the population of the geographic region.

3. The Project(s)

Describe the Eligible Project(s). Applicants are encouraged to provide a robust, detailed description of the Eligible Project to be funded with SHCFTP II grant funding so that it may be fairly evaluated. Separate applications must be submitted for non-capital projects or purposes even if they are part of the same overall purpose for which an application for a capital project(s) is also being submitted. Include in the description of each Eligible Project how it addresses each of the following:

- a. The purpose of the Eligible Project(s).
- b. For each Eligible Project, how it will contribute to integrating patient-centered health care services or creating a financially sustainable system of care or preserving or expanding essential health care services.

- c. As applicable, steps to be taken or that have been implemented to create a sustainable system of care through a merger, consolidation, acquisition or other significant restructuring activity and/or the partnership or other relationship between the Eligible Applicant and a separate health care facility or system(s).
- d. For each Eligible Project, the extent to which the Eligible Project will support the following:
 - i. Alignment with Delivery System Reform Incentive Payment (DSRIP) program goals and objectives.
 - ii. Further develop primary care and other outpatient services.
 - iii. Benefit Medicaid enrollees and uninsured individuals.
 - iv. Address potential risk to patient safety and welfare.
 - v. Transition to a payment system which emphasizes cost efficiency and quality outcomes (value) over service volume.
- e. For each Eligible Project, an estimate of the total cost, including the amount of SHCFTP II grant funding requested and any other sources and associated amounts of alternative funding necessary to fully fund the Eligible Project, if applicable.
- f. Describe the financial impact of Eligible Project(s) on the Eligible Applicant. Include any assumptions used in projecting the incremental revenues and expenses associated with the Eligible Project(s) and their impact on the Eligible Applicant.
- g. If submitting multiple applications, indicate the rank order of priority for each Project.

4. Identified Community Need:

- a. Describe how the needs of the residents of the community or communities that will be served by the Eligible Project were assessed. Eligible Applicants should provide thorough, concise information that demonstrates a comprehensive understanding of the health care needs of the community or communities served. The assessment should discuss:
 - i. The health status of the community served by the Eligible Applicant and any disparities noted. The assessment should be based on documented information, such as health status indicators, demographics, and insurance status of the population.
 - ii. The adequacy of service capacity in the community. The analysis of service capacity should be based on data on service volume, occupancy, and utilization by existing providers.
- b. Based on the community needs assessment, identify what additional health care services are needed to address the health status, disparities, and service needs of the community served. If health care services are proposed to be eliminated or consolidated, provide the rationale.
- c. Describe the relationship between the Eligible Project and identified community need for health care services.

- d. Demonstrate the extent to which the Eligible Applicant has engaged the community affected by the Eligible Project and the manner in which community engagement has shaped the Eligible Project.

5. Project Budget

- a. A budget that includes cost estimates for all components of the Eligible Project must be submitted as part of the application in the Grants Gateway. Using Attachment 3: Projected Financial Information, Tab 1, Project Fund Sources, identify and describe sources of alternative funding for the Eligible Project (funds other than the SHCFTP II grant funds or “Other Funds”), including cash, borrowed funds, governmental agencies or other grant funds or other sources. Provide evidence of the commitment of these fund sources. A commitment that is contingent upon receipt of the Grant is acceptable. Only applications that request grant funding for Eligible Expenditures (as defined in Section III.B. of the RFA) will be funded.
- b. Provide a detailed narrative description of each budgeted item, including the factors used to determine the reasonableness of each budgeted item such as any standard or benchmark used to determine the expenditure, if available. These budget justifications should be specific enough to show what the Eligible Applicant means by each line item and how the line item supports the overall Eligible Project.

6. Eligible Applicant Financial Stability

Submit a copy of the prior three years’ annual audited financial statements and any other evidence of this stability. Entities whose financial statements have not been subjected to an audit should include any additional information available to satisfy this test and appropriate certifications. Please note this question in the Grants Gateway will only allow one document to be uploaded. The reports must be combined into one PDF no larger than 10MB. **DO NOT PASSWORD PROTECT THE DOCUMENT. ENSURE ALL PASSWORDS ARE REMOVED PRIOR TO UPLOADING.** If an applicant uploads a password protected PDF, the Application PDF will fail and could result in disqualification of your application.

7. Eligible Project Impact on Eligible Applicant Long-term Financial Sustainability

- a. Using Attachment 3: Projected Financial Information, Tab 2, Impact – Financial Viability, submit financial feasibility projections for the Eligible Applicant.
- b. Provide a narrative detailing all financial projections including assumptions made for utilization, revenue and expense, balance sheet and cash uses and sources. Describe the impact or benefit of the Eligible Project on the Applicant.

8. Cost Savings

Describe and quantify to the extent possible how the Eligible Project(s) will result in savings to the health care system relative to the Eligible Project(s) costs and quantify the proposed value or return of the state grant investment in the Eligible Project(s) relative to the Eligible Project(s) costs. Include a discussion of all means by which projected savings can be verified

after the Eligible Project(s) are complete.

9. Project Timeline

Describe the timeline anticipated to achieve implementation of the Eligible Project. This timeline should identify specific milestones and approximate dates of completion for each milestone. The application should also address:

- a. Timeframes for any architectural and engineering design and construction necessary to accomplish each phase of the Eligible Project, if applicable;
- b. Scheduled milestones for the preparation and processing of any application, as required by CON regulations (10 NYCRR Part 710), necessary to secure DOH approval for service revisions, changes in governance, relocations, or capital construction that rises to the level of CON review.

In addition to completing the application questions outlined above, an online Workplan must be completed in the Grants Gateway. The online Workplan will be included in any awarded contract; therefore, it should be sufficiently detailed to allow monitoring of progress toward project goals.

The online Workplan is essentially an outline/summary of the work associated with the Project(s) described in the sections above. Please note that if an application is selected for award, the Workplan will be subject to change and can be updated during the contract development/negotiation process.

Applicants should refer to Section 6.2.11.3 – Grantee Defined Workplan of the Grantee User Guide (available on the Grants Reform website) for detailed instructions on how to complete the Workplan.

Applicants are hereby advised that, in accordance with Public Health Law 2825-e and Chapter 54 of the Laws of 2017, awards made under this RFA are determined on a non-competitive, discretionary basis. Funding will be awarded at the discretion of the Commissioner of Health for purposes described in this RFA. Without limitation to this authorization, the Commissioner of Health may consult with the President of DASNY, DOH and DASNY professional staff, and any other internal or external experts or local health care constituents as appropriate from time to time at any time in the evaluation of applications received pursuant to this RFA. The decision to award, or not to award, or to award a grant at a funding level that is less than the amount requested by the applicant, is discretionary and cannot be appealed.

As these awards are discretionary, there is no right of appeal and the decision of the Commissioner of Health is final. As such, applicants are advised to put forward their best efforts in thoroughly completing and fulfilling all the requirements of the RFA. While the award is discretionary the criteria listed in PHL 2825-e and Chapter 54 of the Laws of 2017 will be utilized to make the awards.

The decision not to fund an application will be communicated by letter. Based on the number of applicants, DOH shall have the sole discretion of whether or not to provide an opportunity

for non-successful applicants to request a debriefing to be conducted after the announcement of awards. Comparisons with other grant applications will not be made during a debriefing.

DOH's determination of applicable terms and conditions of award or a denial of a request to change the terms and conditions is discretionary and not subject to appeal.

B. Freedom of Information Law

All applications may be disclosed or used by DOH to the extent permitted by law. DOH may disclose an application to any person for the purpose of assisting in evaluating the application or for any other lawful purpose. All applications will become State agency records, which will be available to the public in accordance with the Freedom of Information Law. **Any portion of the application that an Eligible Applicant believes constitutes proprietary information entitled to confidential handling, as an exception to the Freedom of Information Law, must be clearly and specifically designated in the application.** No such designation or claim is binding on DOH and DOH reserves all of its rights with respect thereto. If DOH agrees with the proprietary claim, the designated portion of the application will be withheld from public disclosure. Blanket assertions of proprietary material will not be accepted, and failure to specifically designate proprietary material may be deemed a waiver of any right to confidential handling of such material.

C. Review and Award Process

Applications received in response to this RFA will be evaluated as follows:

Stage 1 Review

1. DOH staff shall undertake an initial review of all Grant Applications submitted online via the Grants Gateway by the date and time posted on the cover of the RFA and determine:
 - i. If the applicant is a not-for-profit entity, it has registered and pre-qualified in the Grants Gateway; and
 - ii. Whether the Application contains all of the components required by the RFA. Applications missing material elements may be eliminated from further review. Applicants may be contacted by the DOH if additional information is needed.
2. A list of all applications proposed to be eliminated in Stage 1 due to failure to register or pre-qualify in the Grants Gateway shall be compiled by DOH and reviewed for determination of whether a disqualification or clarification letter should be sent to the applicant.

Stage 2 Review

Applications passing Stage 1 review will be forwarded to Stage 2 for evaluation.

The final eligibility determinations and rating of the evaluation criteria will be conducted by a "Review Team", which may include DOH and other State agency staff as determined by the Commissioner. The evaluation of applications by the Review Team will be based on or supported by summaries and other factual analyses prepared for the Review Team by DOH or other State agency staff, or in consultation with other internal or external sources. After receipt of initial application summaries and other factual analyses, the Review Team may request that

DOH or other State agency staff perform additional review and analysis of selected applications to assist the Review Team in developing final award recommendations.

Concurrent with the evaluation of the Review Team, DASNY shall undertake a review of those Grant Applications identified by DOH and determine whether the Grant Application contains a request for a Grant to fund Eligible Project Costs in connection with a capital work or purpose which may properly be reimbursed from Bond Proceeds under the Act.

Grant Award

The Review Team will make award recommendations to the Commissioner of Health in accordance with the following:

Overall Award Methodology:

Stage 2.1: The Review Team will utilize a “Review Team Evaluation Tool” to assign an overall consensus rating of “Good”, “Acceptable”, “Poor”, or “Not Responsive” to each application that has advanced to Stage 2. In determining the overall rating, the review team will assign one of the aforementioned four ratings to each of the “Grant Evaluation Criteria” listed in Section III (C) of this RFA “Evaluation Criteria”. The overall rating for an application will be determined by a simple majority count of the rating for each individual criterion. For example, if the sum of individual criterion rated “Good” exceeds that of those rated “Acceptable”, “Poor” or “Not Responsive” then the overall rating for that application will be “Good”. In the event of an equal count of two or more ratings, the overall rating shall be the highest one.

Stage 2.2: In the event that available funds are not sufficient to support all projects assigned to the highest rating tier (e.g., “Good”), the Review Team will develop consensus recommendations for project awards in accordance with the following “Tie Breaker” criteria:

1. The extent to which applications will help achieve geographic distribution of funds. All applications reaching Stage 2.2 will be assigned to the Regional Economic Development Council region where the proposed Eligible Project would be located¹. If a project is located in more than one region, then the primary address of the applicant will determine the region to which the application is assigned. To the extent practicable, the Review Team will achieve a fair geographic distribution of funds by aligning the total value of projects awarded in a region with the proportion (i.e., percentage) derived from dividing the total value of eligible applications from that region by the total value of all eligible applications received in response to the SHCFTP II (Phase 2) Request for Applications. The Commissioner may, in his sole discretion, modify the method by which “fair geographic distribution” is determined; and
2. The extent to which:
 - i. Applications provide the greatest impact on the long-term financial sustainability of the applicant relative to other applications under consideration for funding in the same geographic region; or,
 - ii. Applications preserve or expand essential health care services in a community in a manner that is superior to other applications in a geographic region; or,
 - iii. Applicants have access to alternative financing compared to other applicants under

¹ <https://regionalcouncils.ny.gov/>

consideration for funding in the same region.

3. If applications in a geographic region are still largely determined to be equal based on the second “tie breaker” criteria, then priority consideration will be given to applications for projects submitted but not funded in response to the 2016 RFA (# 1607010255) issued by the Department on July 20, 2016; provided, however, that any such application was re-submitted in response to the SHCFTP II RFA and satisfies all SHCFTP II RFA requirements.

In addition, based on stakeholder, community and legislative input received pursuant to subdivisions 4-a and 5 of section 2825-e of the PHL, and consistent with meeting the evaluation criteria for geographic distribution, priority may be given to projects involving community- and facility-based post-acute care and long-term care support services that: reduce unnecessary emergency department visits or inpatient readmissions through the innovative use of technology or workforce utilization; or establish collaborations across health care provider types; or provide services to patients/residents in a more home-like setting; or result in long-term financial sustainability of an essential community provider.

Community-Based Health Care Provider Minimum Award Requirement:

In accordance with the “Overall Award Methodology” outlined above, a minimum of \$46,995,507 of the total available amount of \$203,782,888 will be reserved for community-based health care providers, as defined in Section II (“Who May Apply”) of the RFA. If the aggregate amount of applications received from Eligible Applicants who are community-based health care providers is less than \$46,995,507, the differential amount will not be awarded under the RFA and will be reserved for a future RFA targeted exclusively at community-based providers.

After a minimum of \$46,995,507 of awards to community-based health care providers are made, awards will be made to all Eligible Applicants (including community-based providers) in accordance with the “Overall Award Methodology” outlined above until the available amount of funds pursuant to the RFA are exhausted.

Awards for Non-Capital Projects or Purposes:

Awards for non-capital projects or purposes, defined as those that are not eligible to be funded with the proceeds of bonds issued pursuant to Section 1680-r of the PAL, will be made in accordance with the “Overall Award Methodology” outlined above and considered together with projects or purposes that are eligible to be funded with such bond proceeds. DOH reserves the right, in consultation with DASNY, to make awards in amounts that will result in not more than \$300,000,000 of the Phase I and Phase II awards being eligible to be funded, in whole or in part, with the proceeds of bonds and \$200,000,000 of Phase I and Phase II awards that may or may not be eligible to be funded in whole or in part with bond proceeds and to achieve such result, DOH may utilize the “Tie Breaker” criteria pursuant to Stage 2.2 of the “Overall Award Methodology”.

Determination of the Final Award Amount:

The final amount of each Eligible Applicant’s total award, regardless of the amount requested, will be determined by the Commissioner based upon:

- An evaluation of the scope of work presented;

- The degree to which the Eligible Project meets the goals and priorities of the SHCFTP II and the objectives and requirements of the RFA;
- The appropriateness of the expenses to the Eligible Project;
- The amount necessary to achieve the goals of the Eligible Applicant’s overall transformation activities; and,
- The amount necessary to achieve, to the extent practicable, a geographic distribution of funds from this Program.

Other Information about Award Determinations:

- Although there are no prescribed minimum or maximum award amounts for SHCFTP II, the amount of project requests is expected to significantly exceed available funds. Therefore, the RFA should be clear that in structuring SHCFTP II requests, applicants should be mindful of the overall amount of funds available for award from this program in the context of the criteria by which projects will be selected for award, particularly, geographic distribution and the minimum allocation for community-based providers.
- SHCFTP II does not require applicants to provide matching funds. However, given that PHL 2825-e[5][e] establishes as an evaluation criteria “the extent to which the applicant has access to alternative financing” and recognizing that the value of project requests is expected to significantly exceed available funds, the capability of an applicant to access debt or institutional funds for all or a portion of the project costs will be an award consideration.

VI. Attachments

Please note that certain attachments are accessed in the “Pre-Submission Uploads” section of an online application and are not included in the RFA document. In order to access the online application and other required documents such as the attachments, prospective applicants must be registered and logged into the NYS Grants Gateway in the user role of either a “Grantee” or a “Grantee Contract Signatory”.

- Attachment 1: Letter of Interest Template*
- Attachment 2: Application Cover Sheet*
- Attachment 3: Projected Financial Information*
- Attachment 4: Minority & Women-Owned Business Enterprise Requirement Forms*
- Attachment 5: Vendor Responsibility Attestation*
- Attachment 6: Statewide Health Care Facility Transformation Program II Statute (Section 2825-e of the PHL)
- Attachment 7: SDVOB Utilization Plan Form SDVOB 100
- Attachment 8: SDVOB Waiver Form SDVOB 200

*These attachments are located/included in the Pre-Submission Upload section of the Grants Gateway online application.