Nursing Facility Transformation Program Application

The Nursing Facility Transformation Grant Initiative is established as a partnership initiative to provide additional financial assistance for long-term care facilities in Rhode Island. This document will provide an overview of the documents needed to submit an application for funding through this competitive grant Program.

Overview:

The Nursing Facility Tranformation Grant Initiative will distribute a total of up to $10 million in funding via a competitive grant process to nursing facilities in Rhode Island. These grants will allow nursing facilities to diversify their business models to remain viable through the public health emergency, mitigating the impact of the current pandemic through the following options:

1. **Nursing Facility Diversification** that reduces the number of nursing facility beds, enabling the facility to diversify their sources of revenue to counter losses from business interruption due to the public health emergency .
2. **Targeted, Specialized Nursing Facility Service Capacity Building** to develop a specialized unit under current licensure with the structural capacity and approved clinical care models to support at risk populations with specialized needs where service provision by a nursing facility to these populations can stabilize occupancy and free up hospital capacity.

For additional information, including eligibility for the Program and Evaluation Criteria, please refer to the Program Guidance available on the EOHHS website at http://www.eohhs.ri.gov/Portals/0/Uploads/Documents/Inititatives/LTSSResiliency/Nusing%20Facility%20Transformation%20Grant%20Guidance-FINAL-08252020.pdf

Application Instructions:

To apply for funding through the **Nursing Facility Transformation Program,** please submit the following three (3) documents to EOHHS by emailing them to OHHS.LTSSResiliency@ohhs.ri.gov. with "Application for Nursing Facility Transformation" and applicant name in the subject line.

Documents to be submitted:
1 – Application Form (Attachment A)
2 – Business Proposal (Attachment B)
3 – Financial Plan (Attachment C)

The forms are included as attachments in this document and are also available as separate Word and Excel documents to be filled out by the Applicant.

Application Dates:

- **August 28 2020**: Applications available online at EOHHS website.
- **September 9, 2020**: Deadline to submit questions about the application to OHHS.LTSSResiliency@ohhs.ri.gov
- **October 1, 2020**: Applications due to the State by 5pm.
- **December 15, 2020**: Funds tied to evidence of either a permanent reduction in licensed beds or evidence of reservced targeted, specialized capacity disbursed to facilities

ATTACHMENT A: APPLICATION FORM

1. Contact Information	
Name of Facility	[ENTER]
Contact Name	[ENTER]
Contact Phone	[ENTER]
Contact Email	[ENTER]

2. Bed Reduction/Reservation Commitment	
a. # Licensed Beds	[ENTER #]
b. # Beds to delicense/take out of service/reserve for specialized use by December 15, 2020[1]	[ENTER #]
c. Remaining Beds	[ENTER # - subtract b from a]
d. Investment option proposed (select one)	___ Diversification ___ Targeted, Specialized Capacity Building
e. Indicate method for bed reduction (must be consistent with investment option selected in (d), see guidance)	____ Delicensed ____ Taken out of service ____ Reserved for specialized capacity
f. If Diversification selected, indicate type of diversification planned	[ENTER SHORT DESCRIPTION]
g. If Capacity Building selected, indicate which at-risk population will be targeted	Enter # beds reserved for each population: ____ Populations with a behavioral health diagnosis, especially SPMI/SMI ____ Populations with I/DD ____ Populations in need of memory care services ____ Hospital transitions of populations with complex behavioral health and medical conditions (e.g. Eleanor Slater Hospital) ____ Populations with a Traumatic Brain Injury (TBI) in need of Habilitative Services ____ Populations either dependent upon or transitioning from a Ventilator ____ Pediatric long term care services ____ Populations wih complex social needs, such as people with prior criminal convictions, prior

[1] Note: The Medicaid Director may consider restoring the beds at a future date if occupancy is greater than 95% and the facility demonstrates significant unmet need. In accordance with the Nursing Facility Principles of Reimbursement, the Medicaid Director must approve an increase to the licensed bed capacity, new beds or beds out of service brought back into service, for participation and payment in Title XIX Medicaid.

	sex offenders, or people who have a history of assaultive behavior ____ Other specialized populations (please specify in Business Proposal)
Total Amount Requested Grants will be issued for either up to $500,000 or up to $1,000,000. Amount requested should be supported by Attachment B.	[ENTER AMOUNT REQUESTED]

3. Attestations

a. **Legal Entity:** This assures that Applicant is a Rhode Island corporation or other legal entity able to accept an agreement with the State.

b. **Facility Transformation:** Applicant agrees to either a reduction in beds (either delicensed or taken out of service) or a commitment to reserve a predetermined number of current licensed beds to support targeted at-risk populations (as defined in the Guidance) as indicated in (2b) above.

c. **Active Medicaid Participation:** Applicant commits to participating in the Medicaid program and accepting Medicaid eligible populations, such that at least forty (40%) of the residents/users in the new/transformed facility will be Medicaid eligibles.

d. **Comply with the Federal Minimum Data Set (MDS):** Applicant commits to completing Section Q for all residents and actively participating in nursing facility transition initiatives including the Money Follows the Person (MFP) and the Care Transitions Program. Grant recipients will need to provide a monthly referral list to EOHHS in accordance with EOHHS specifications.

e. **Minimum Medicaid partner**: Applicant attests to providing at least 10,000 Medicaid days in CY 2019 (or 20% of days provided in CY 2019 were for Medicaid days), based on the EOHHS 2019 BN-64 Cost Report for Total Medicaid days provided, including managed care days; or at least 20% of residents at Applicant facility were Medicaid eligible as of January 15, 2020.

f. **Implement Financial Controls:** Applicant agrees to retain and track funds and expenditures in a separate operating account consistent with sound grant management practices; provide periodic status and financial reports in a format approved by EOHHS and DOA, and respond to state auditing requests as needed.

g. **Financial Need:** Applicant attests to a demonstrable financial needs in the amount of the funds requested through this grant based on revenue loss sustained due to reduced occupancy or business interruption, after taking into account any other federal/state assistance received. Applicant must be able to provide evidence of this demonstrated need upon request.

h. **Evidence of Reduction**: Applicant commits to providing evidence in accordance with EOHHS specifications by December 15, 2020, of either a reduction of nursing facility beds (either delicensed or taken out of service), or evidence of beds specifically reserved for targeted, specialized capacity.

_____ _____

Signature Date (MM/DD/YY)

4. Acknowledgement

By submitting this application for the Nursing Facility Transformation Grant Program, I acknowledge that I am authorized to submit this request on behalf of the business and that all the information provided is accurate to the best of my knowledge and ability. I acknowledge the State of Rhode Island is relying upon the information as submitted in order to determine whether to issue a grant. Therefore, if I become aware of any inaccuracies in the information provided, I will immediately notify the State of Rhode Island through email at OHHS.LTSSResiliency@ohhs.ri.gov.

_____ _____

Signature Date (MM/DD/YY)

_____

Name & Title

ATTACHMENT B: BUSINESS PROPOSAL OUTLINE

The Business Proposal should include the following sections. The Business Proposal should not exceed ten (10) pages. Attachments may be included outside the page limit.

A. Executive Summary
Section should include a summary of the proposed transformation, expected investment, timeline, and plan for sustainaiblity.

B. Community Impact Assessment/Marketing Plan
Section should include an assessment of the need in the community for the transformation proposed and details on the types of outreach the facility will undertake in order to create awareness and identify potential users of the new business or specialized capacity proposed. Describe how the outreach approach will be person-centered and culturally competent.

C. Organizational Capacity
Section should include description of leadership commitment, mission and goals of organization, governance and ownership structure, proposed functional organization for new business or specialized capacity, and other supporting evidence of ability to undertake this transformation. Include description of mitigation strategies conducted to address the impact of COVID-19.

D. Financial Stability
Section should include evidence of financial strength to take on this transformation, including but not limited to, current financial ratios, summary of cash position, intended structure of financing, and debt load.

E. Partnerships
Section should include description of partnerships either existing or planned that will contribute to the Applicant's ability to launch this transformation. Partnership agreements or letters of support from potential partners may be included as attachments.

F. Workplan
Section should include tasks and timelines to achieve the business transformation proposed. The workplan should include identification of responsible parties to lead the work and their qualifications.

G. Budget Narrative
In support of the business plan submitted with this Application, create a budget narrative that supports and explains the Financial plan provided as Attachment C, and specifically:

- *Capital Investments*: Describe the capital investment needed to launch the transformation, including the anticipated grant funds and other sources of investment that will be used, and the anticipated expenses including construction costs, licensure costs, consulting expense, etc.
- *Operating Revenue:* Operating revenue projections should include a multi year model of volume, utilization, projected revenues by payer, etc. Revenue projections should note any gaps between anticipated Mediaid revenue per patient and revenue required for sustainability.

- *Operating expense*: Operations expense of the diversified business or specialized service capacity should include staffing costs, supplies and equipment costs, ongoing maintenance costs, training, etc.
- *Partnerships*: Describe financial arrangements with partners.

H. Sustainability Plan

Section should include a plan for how the diversified business or specialized capacity can be self-supporting once investment from this Program ends. Include any targeted revenue increases needed to support the program on an ongoing basis.

Financial plans should specify any additional rate requirements from EOHHS to support the new program once grant funds are exhausted. EOHHS may consider targeted rate adjustments to support specialized populations as part of the 2022 budget package, effective July 2021. Any change in rates would require legislative approval and are not guaranteed.