**Texas Department of Agriculture**

**Todd Staples, Commissioner**



**STATE OFFICE OF RURAL HEALTH**

**Fiscal Year 2013 Guidance & Application**

**for the Medicare Rural Hospital Flexibility Program**

**Rural Health Planning/Assessment Grant Program**

**Application Deadline: January 22, 2013 @ 5:00 pm CST**

[**www.TexasAgriculture.gov**](http://www.TexasAgriculture.gov)

P.O. Box 12847 1700 N. Congress Avenue, 11th Floor

Austin, Texas 78711 Austin, Texas 78701

Phone: 512-463-9905

Fax: 512-936-6776

Toll Free: 800-544-2042

**Instructions for Submitting Application**

1. Please read all materials before preparing and submitting the application. Failure to follow the instructions and requirements described in this program guide may result in the disqualification of the application.
2. Complete all application materials and sign the Application Face Page (page 8).
3. Eligible applicants will be considered for funding contingent upon the availability of funds. Applications will not be accepted electronically or by facsimile. Completed applications **must be received** by the Texas Department of Agriculture by the close of business (5:00 PM CST) on **January 22, 2013** to be considered for funding.
4. Submit one, original unbound application and all attachments to:

**Mailing Address: Texas Department of Agriculture**

**State Office of Rural Health**

**P.O. Box 12847**

**Austin, Texas 78711**

**Or (for overnight delivery):**

**Street Address: Texas Department of Agriculture**

**State Office of Rural Health**

**1700 N. Congress, 11th Floor**

**Austin, Texas 78701**

**Projected Timeline of Events**

Application Availability 12/12/2012

Application Deadline 01/22/2013

Anticipated Award Announcement \* 04/15/2013

Start Date of Project \* 05/01/2013

End Date of Project 08/31/2013

\* Anticipated award announcement and start date of project subject to change.

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1. **GENERAL INFORMATION**

**1A. Introduction**

The Texas Department of Agriculture (TDA) announces the availability of the Fiscal Year (FY) 2013 funds from Medicare Rural Hospital Flexibility Grant Program (Flex) to support strategic/business planning activities to improve the financial and/or operational performance for Critical Access Hospitals (CAHs). This document contains the grant guidance and application for FY 2013. Please read all materials before preparing the application.

**1B. Program Authority**

TDA is federally designated as the Texas State Office of Rural Health (SORH) and as the administering agency for the Flex Program in Texas. The authority for this program is Texas Government Code, §487.051 (9-10).

**1C. Program Goal**

The Rural Health Planning/Assessment Grant Program is designed to support strategic business planning activities and assessments for CAHs.

**1D. Eligibility**

Only Texas CAHs are eligible to apply for funds for strategic/business planning activities and assessments.

**1E. Eligible Activities**

The Planning/Assessment Program supports CAH efforts to improve their financial and operational performance. CAHs have the opportunity to access grant funds to address their strategic/business planning needs to include, but not limited to the following:

* Rural hospital or facility replacement, renovation or improvement study
* Charge master review, charge process review, and pricing structure analysis
* Cost allocation, utilization statistics and rate analysis
* Information technology application assessment, planning and design
* Revenue maximization study, revenue cycle analysis and operations review
* Strategic financial and capital planning, performance management
* Compliance plan assessment and development
* By-pass study, market and trend analysis, service line analysis
* Recruitment/retention planning and hospital-physician integration strategy
* Managing billing, collection, charity care and bad debt policies
* Departmental efficiency improvement
* Work environment and workflow improvement
* Scope of services assessments
* Health Information Technology (HIT) readiness assessment

**1F. Use of Funds**

Grant funds awarded for any eligible strategic planning/assessment activities by CAH facilities may be used only to pay for the actual cost of the study, service or assessment. No other uses of the grant funds are permitted, including costs incurred for “in-house” work performed by any staff or representative of the recipient facility.

**1G. Availability of Funds**

The Rural Health Planning/Assessment Grant Program is supported by funds from the Flex Grant, awarded by the U.S. Department of Health and Human Services, Health Resources and Services Administration's (HRSA) Office of Rural Health Policy (ORHP). Grants will be awarded in an amount not exceeding $5,000 per grantee. Funds will be provided on a reimbursement basis to selected grantees.

**1H. Project Period**

The project period will be approximately four (4) months and will begin from the effective date of the grant award contract.

**1I. Program Requirements**

Eligible applicants must comply with all guidelines and requirements in this application guidance and any contract which may be awarded as a result thereof, including complying with the reporting requirements of TDA. The selected applicant is responsible fully for the administrative and financial control and management of the grant award. The selected applicant will be required to submit a completion report at the end of the project relaying the status of the project. The scope of the information and format of the report are determined by TDA. Selected applicants will be required to submit copies of invoices related to the project before funds will be released. Failure to comply with the requirements may result in disqualification of the application, annulment of the award contract, or denial of funding or reimbursement by TDA.

**1J. Program Contact**

Contact the Flex Coordinator at 512-463-9905 or toll free at 800-544-2042 with questions regarding this program.

**2. REVIEW & SELECTION PROCESS**

**2A. Screening, Evaluation and Selection of Application**

Please send one, unbound original application to TDA. Applications will be screened for eligibility and completeness. Incomplete applications and those that do not meet the program requirements will not be reviewed for funding consideration. Applications will be evaluated for funding consideration based on the Evaluation Criteria in Section 5 (page 8). Selected Applicant(s) will receive a Notice of Grant Award (NGA) letter and the Grant Award Contract from TDA. **The announcement of selection is not legally binding. Only a fully executed grant award contract can bind this award.**

All applications are subject to the Public Information Act, will remain with TDA and will not be returned.

TDA will not accept applications by facsimile transmission or e-mail. Late or incomplete applications will not be accepted. No more than one application will be accepted from each hospital.

**2B. Execution of Contract**

TDA shall determine the final funding amount and terms of the contract and reserves the right to adjust the funding allocation during the term of the contract, pursuant to its terms. Contingent upon available funds, Grantee(s) may be requested to submit a revised budget and project narrative to reflect available funding limits.

**3. ADMINISTRATIVE INFORMATION**

**3A. Costs Incurred Prior to Executed Contract**

TDA reserves the right to reject all applications and is not liable for costs incurred by the Applicant in the development, submission, or review of the application; costs incurred by the Applicant prior to the effective date of grant award contract; or costs incurred by the Applicant related to a change in the approved scope of work prior to an executed contract amendment.

**3B. Right to Amend or Withdraw Program**

TDA reserves the right to alter, amend, or clarify any provisions, terms, or conditions of this program or any contract awarded as a result thereof, or to withdraw this program at any time prior to the execution of a contract, if TDA deems any such action to be in the best interest of TDA and of the State of Texas. The decision of TDA will be administratively final in this regard.

**3C. Confidential Information**

The Applicant is responsible for clearly designating any portion of the application that contains confidential information and must state the reason(s) the information is designated as such. Marking the entire application as confidential is not acceptable and will not be honored. TDA shall determine whether the information in the application marked as confidential is an eligible exception to the Public Information Act, Chapter 552 of the Texas Government Code. Applicants are advised to consult with their legal counsel regarding disclosure issues and to take appropriate precautions to safeguard trade secrets or any other confidential information. Following the award of any contract, applications submitted under this program are subject to release as public information, unless the application or specific parts of any such application can be shown to be exempt from the Public Information Act, Chapter 552 of the Texas Government Code.

**3D. Conflict of Interest**

The Applicant is required to disclose any existing or potential conflicts of interest relative to the performance of the requirements of this grant guidance. Failure to disclose any such relationship may result in the Applicant’s disqualification or termination of contract.

**4. ASSURANCES AND CERTIFICATIONS**

Note: Some of the Assurances and Certifications may not be applicable to your project. If you have questions, contact the awarding program within TDA.

As the duly authorized representative of the Applicant, the signature on *Form A. Application Face Page* (page 9) certifies that the Applicant:

1. Has the legal authority to apply for state and federal assistance, and the institutional, managerial and financial capability and systems (including funds sufficient to pay the non-state or federal share of the project costs) to ensure proper planning, management and completion of the project described in the application;

2. Has a financial system that demonstrates accounting, budgetary and internal controls, cash management, reporting capability; cost allowability determination; and source documentation;

3. Parent, affiliate, or subsidiary organization, if such a relationship exists, will give TDA, the Texas State Auditor, the Comptroller General of the United States, and if appropriate, the Federal government, through any authorized agent, access to and the right to examine all records related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards. Additionally, these records must remain available and accessible no less than three (3) years after the termination of the grant project;

4. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain;

5. Will comply, as a subgrantee, with the Texas Government Code, Chapter 573, by ensuring that no office, employee, or member of the Applicant's governing body or of the Applicant's contractor shall vote or confirm the employment of any person related within the second degree of affinity or third degree of consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years, or such other period stipulated by local law, prior to the election or appointment of the Officer, employee or governing body member related to such a person in the prohibited degree;

6. Affirms that it has not given, nor intends to give, at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this solicitation;

7. Will initiate the work after receipt of a fully executed contract and will complete it within the contract period;

8. Will comply with the Uniform Grant and Contract Management Act (UGCMA), Texas Government Code, Chapter 783, and the Uniform Grant Management Standards (UGMS), as amended by revised federal circulars and incorporated in UGMS by the Governor's Budget and Planning Office, which may apply as terms and conditions of any resulting contract. If a conflict arises between the provisions of a resulting contract, and the provisions of UGCMA and UGMS, the provisions of UGCMA and UGMS will prevail;

9. Will comply with all applicable requirements of all state and federal law, executive orders, regulations and policies governing this program.

10. Affirms that the statements herein are true, accurate and complete, to the best of his or her knowledge and belief, and agrees to comply with TDA's terms and conditions if an award is issued as a result of this application. Willful provision of false information is a criminal offense. Any person making false, fictitious, or fraudulent statements may, in addition to other remedies available, be subject to civil penalties;

11. All grant awards are subject to the availability of appropriations and authorizations by the Texas Legislature;

12. Any delegation by the Grantee to a subcontractor regarding any duties and responsibilities imposed by the grant award shall be approved in advance by TDA and shall not relieve the Grantee of its responsibilities to TDA for their performance;

13. Awarded grant projects must remain in full compliance with state and federal laws and regulations or be subject to termination at the discretion of TDA; and

14. If the Grantee has a financial audit performed in any year during which Grantee receives funds from Grantor, and if the Grantor requests information about the audit, the Grantee shall provide such information to TDA or provide information as to where the audit report can be publicly viewed, including the audit transmittal letter, management letter, and any schedules in which the Grantee’s funds are included.

**5. Evaluation Criteria for CAH Strategic Planning/Assessment**

|  |  |
| --- | --- |
|  | **Possible**  **Points** |
| **Project Narrative** | **0 - 20** |
| **Proposed project supports strategic/business planning activities**  **or assessments** | 0-8 |
| **Proposal provides data or information to demonstrate need** | 0-4 |
| **Proposal describes benefits of activity to local community** | 0-4 |
| **Proposal describes benefits of activity to facility** | 0-4 |
| **Hospital Performance Indicators** | **0 - 20** |
| **Service area** If one county | 1 |
| If multiple county areas | 2 |
| **Percent of Medicare served** Less than 55% | 1 |
| Greater than or equal to 55% up to 75% | 2 |
| Greater than 75% | 3 |
| **Percent of Medicaid served** Less than 7% | 1 |
| Greater than or equal to 7% up to 15% | 2 |
| Greater than 15% | 3 |
| **Profit margin** If positive | 0 |
| If negative, top third of CAH applicant pool | 1 |
| If negative, second third of CAH applicant pool | 2 |
| If negative, bottom third of CAH applicant pool | 3 |
| **Days cash on hand** Greater than 60 days | 0 |
| Greater than 35 days to 60 days | 1 |
| Greater than 14 days to 35 days | 2 |
| Less than or equal to 14 days | 3 |
| **Days revenue in accounts receivable** Less than 60 days | 1 |
| Equal to 60 days but less than 70 days | 2 |
| Equal to or greater than 70 days | 3 |
| **Medicare revenue per day** Greater than $1,500 | 0 |
| Greater than $1,250 up to $1,500 | 1 |
| Greater than or equal to $1,000 up to $1,250 | 2 |
| Less than $1,000 | 3 |
| **Preference Points** | **0 - 20** |
| Facility is located in a frontier county (fewer than 7 persons per square mile) | 3 |
| Facility publically reports to CMS Hospital compare | 4 |
| Facility has signed a Medicare Beneficiary Improvement Project (MBQIP) consent form on file or has included one with application. | 3 |
| All current CAH Trustees have received six (6) hours of continuing education by August 31, 2012. (New Trustees with a beginning date within 180 days prior to August 31, 2012 are exempt and CAH will receive points based on eligible Trustees. Also, newly classified CAHs within 180 days prior to August 31, 2012 will receive all points regardless of trustee status.) | 5 |
| Applicant has not been awarded the Planning Grant in past 2 years. | 5 |
| **Total Possible Points** | **0 - 60** |

**FORM A. APPLICATION FACE PAGE**

|  |
| --- |
| A. Applicant – *Provide the name of the applying Critical Access Hospital* |
| Name |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| B. project manager - *This person should be able to answer day-to-day questions about the grant project.* | | | | | | | |
| Prefix- check appropriate box:  Mr.  Ms.  Dr. Other: | | First Name | | | Last Name | | |
| Position/Title | | | | | | | |
| Mailing Address | | | City | | | State | Zip Code |
| County in which Applicant is Located: | County(ies) affected by project: | | | Federal Tax ID # (9 digit) or State of Texas Comptroller Vendor ID # (14 digit): | | | |
| Phone No.  (     )     - | Fax No.  (     )     - | | | E-mail Address | | | |

|  |  |  |
| --- | --- | --- |
| C. Additional Applicant Information | | |
| Applicant’s Fiscal Year End        /       / 20 | Type of Entity- check appropriate box(es):  Critical Access Hospital (CAH)  For Profit Organization Non-profit Organization  Governmental Entity  Other Political Subdivision Other (Please specify): | |
| Brief Description of Project (See section 1E (a) for eligible activities): | | |
| Is this Applicant Delinquent on any Federal Debt?  Yes – Attach Explanation(s)  No | | |
| Does anyone in the Applicant Organization have any existing or potential conflict of interest relative to the performance of the requirements of this program?  Yes – Attach disclosure statement(s)  No | | |
| Funding Amount Requested (Maximum request up to $5,000): $ | | Applicant has been awarded Planning Grant in past 2 years?  Yes  No |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| D. authorized representative – *Information provided will be used to designate the authorized person to enter into a legal agreement for the organization.This person’s name will appear on the grant agreement for signature.* | | | | | | | |
| Prefix- check appropriate box:  Mr.  Ms.  Dr.  Other | | First Name | | | Last Name | | |
| Position/Title | | | | | | | |
| Mailing Address (if different from Section B) | | | City | | | State | Zip Code |
| Phone No.  (     )     - | Fax No.  (     )     - | | | E-mail Address | | | |

|  |  |  |
| --- | --- | --- |
| E. application certification | | |
| This form is being completed in connection with an application for receipt of grant funding from the State of Texas, as awarded by the Texas Department of Agriculture (TDA). I certify that the information I have provided for this application is correct to the best of my knowledge. I am aware that projects will be selected on a competitive basis, and that final selection of recipients shall be made by TDA. This application becomes public record and is subject to disclosure. NOTE: With few exceptions, you have the right to request and be informed about the information that the State of Texas collects about you. You are entitled to receive and review the information upon request. You also have the right to ask the state agency to correct any information that is determined to be incorrect. (Reference: Government Code, Sections 522.021, 522.023, and 559.004.) | | |
| Name of Authorized Representative | Title of Authorized Representative | |
| Signature of Authorized Representative  **X \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** | | Date:**/      /** |

**FORM B. PROJECT NARRATIVE**

**INSTRUCTIONS:** CAHs applying for strategic/business planning and/or assessment activities must respond to the items listed below in their Project Narrative. After addressing the following three (3) items enter the requested data in Table 1 below. Please print this/these page(s) and attach it behind the Application Face Pages.

(1) What specific strategic planning activity or business assessment are you requesting funds to accomplish? (See section 1E (a) for eligible activities) Provide relevant data or information to demonstrate your need and support your request.

(2) Why is there a need --or, what is the need --for your planning request? Describe specific reasons or factors (such as current market conditions, regulatory pressures, financial performance, staffing and workforce issues, etc.) that lead you to consider this planning activity.

(3) How will the hospital and the local community benefit from your planning effort? What impact will the planning effort have on the financial and/or operational performance of your facility?

(4) Complete Table 1 below with your hospital information.

**Table 1: CAH Hospital Performance Indicators**

|  |  |
| --- | --- |
| Percent of Medicare served |  |
| Percent of Medicaid served |  |
| Profit Margin |  |
| Days cash on hand (1) |  |
| Days revenue in accounts receivable (2) |  |
| Medicare revenue per day (3) |  |
| Facility is **located** in a frontier county (fewer than 7 persons per square mile) | Yes  No |
| Facility publically reports to CMS Hospital compare | Yes  No |
| Facility has signed Medicare Beneficiary Improvement Project (MBQIP) consent form on file with TDA or has included one with application. | Yes  No  Attached |
| All current CAH Trustees have received six (6) hours of continuing education by August 31st, 2012. (New Trustees with a beginning date within 180 days prior to August 31, 2012 are exempt and CAH will receive points based on eligible Trustees. Also, newly classified CAHs within 180 days prior to August 31, 2012 will receive all points regardless of trustee status.) | Yes- attach list of current board members and proof of continuing education credits.  No |

**Definitions:**

1Days cash on hand: (cash + marketable securities + unrestricted investments) ÷ (total expenses - depreciation) / days in period

2Days revenue in accounts receivable (AR): net patient AR ÷ (net patient service revenue) / days in period

3Medicare revenue per day is defined as: Medicare revenue ÷ (Medicare days - SNF swing bed days)

**FORM C. PROJECT BUDGET**

INSTRUCTIONS: All applicants must complete the budget form below. Grant funds awarded for any eligible strategic planning activities by CAHs may be used only to pay for the actual cost of the study, service or assessment. No other uses of the grant funds are permitted, including costs incurred for “in-house” work performed by any staff or representative of the recipient facility.

|  |  |  |
| --- | --- | --- |
| I. Cost Categories | II. Amount Requested | III. Purpose for requested funds |
| A. Other (Contracts for non-medical services) |  |  |
| B. Total Requested |  |  |

**Definition of Cost Categories:**

A. Other (Contracts for non-medical services): Limited to contracts for studies, services and assessments with the intent to improve hospital financial and operational performance, includes but is not limited to activities listed in Section 1E. (a).

B. Total Direct Charges: The sum of all Direct Cost Categories.

**FORM D. APPLICATION CHECKLIST**

INSTRUCTIONS: All applicants must complete and submit this checklist along with the original, signed application.

A hard copy of the proposal must be received by 5:00pm CST (close of business day) January 22, 2013.

**Application for the CAH Strategic/business Planning Activity or Assessment**

|  |  |
| --- | --- |
|  | Check if included |
| Form A. Application Face Page is complete, signed and dated |  |
| Form B. Project Narrative for CAH, including Table 1, and supporting documentation is attached |  |
| Form C. Project Budget is complete |  |
| Form D. Checklist is complete |  |