

**NEW JERSEY
DEPARTMENT OF HEALTH AND SENIOR SERVICES
SFY 2010**

REQUEST FOR APPLICATION

HEALTH CARE STABILIZATION FUND

I. PURPOSE OF FUNDING

The New Jersey Department of Health and Senior Services announces availability of funds in the form of grants to licensed health care facilities. The Department will provide financial assistance through temporary grants to qualifying health care facilities that are facing closure or a significant reduction in services due to financial distress to ensure maintenance and access to necessary health care services for residents in communities served by the qualifying health care facilities that have to discontinue or reduce health care services due to financial distress.

II. PROGRAM POLICIES AND REQUIREMENTS

New Jersey based licensed health care facilities including hospitals or ambulatory care facilities. The applicant shall clearly delineate the population and community to be served. The applicant must demonstrate how the proposed service will increase health care delivery to the target populations/communities.

III. PROPOSAL ELIGIBILITY AND TARGET COMMUNITY

A. Eligibility

The Health Care Stabilization Fund is available to New Jersey licensed health care facilities.

B. Target Community

The applicant shall clearly delineate the population and community to be served. The applicant must demonstrate how the proposed service will maintain health care delivery to the target populations/communities.

IV. HEALTH SERVICE GRANT APPLICATION AND ATTACHMENTS

The DHSS Health Service Grant Application is available on the Department's Internet site.

The address for the application is:

<http://web.doh.state.nj.us/apps2/forms/subforms.aspx?pro=grants>

Click on "Grant Application Forms". All items in the "Grant Application Package" must be completed and submitted by the deadline unless otherwise specified.

A. Health Service Grant Application (FORM FS-40 Grant Application Package – General)

1. Page 1 of 6 of the "Application for Grant Funds" must include an original signature by the Chief Executive Officer of Director of the applicant facility.
2. Do not use grant pages 3 and 4. See paragraph B below, Health Care Stabilization Fund Application requirements.
3. Accurately complete a line item budget in the application.
 - a. The line item budget must show the allocation of grant funds;
 - b. The line item budget must show, in separate columns, the total amount of funds requested from the Department of Health and Senior Services and the amount of funds, if

any, from other sources that are being allocated to this application.

- c. Although there is no matching fund requirement for these grants, the applicant must demonstrate that sufficient resources are committed to the project to ensure on-going operations; and,
- d. Other funds must be shown in the “Funds and Program Income from Other Sources Relation to this Application (page 6 of 6).

B. Health Care Stabilization Fund Application

Do not use grant pages 3 and 4 of the Application for Grant Funds.

Project Narrative requirements shall consist of sections as follows

not to exceed 20 pages:

1. Need/Justification statement – describe the essential health care service(s) in danger of being rendered inaccessible at the facility and whether or not such essential services are sufficient and reasonably accessible to the facility’s community from other nearby facilities.
2. Extraordinary Circumstances – describe the extraordinary circumstances that threaten access to those essential health care service(s) to residents in the facility’s community.
3. Alternatives – explain how individuals in the facility’s community will be without ready access to essential health care services in the absence of the award of a grant from the fund.
4. Other Sources – explain why funding is unavailable from other sources to preserve or provide essential health care service(s), including funding from the facility’s parent organization, affiliates, related foundations, and other sources.
5. Stabilization – explain how a grant from the fund is likely to stabilize access to the essential health care service(s).

6. Continuation – explain how the essential health care service(s) will be maintained upon the termination of the grant including financial projections. Facilities that were awarded funds in SFY2009 shall demonstrate how a stabilization grant has effectively provided assistance in maintaining access and how the current application relates to the continuation of services or access.

C. HEALTH CARE STABILIZATION FUND MANDATORY DOCUMENTATION

1. The facility's most recent 2 years of audited financial statements and the accompanying auditor opinion.
2. The facility's current unaudited quarterly financials for each quarter since the audited financial statements up until the quarter ending June 30, 2009.
3. The facility's current year budget with a comparison through June 30, 2009 to actual financial performance.
4. Any operational audits/analysis (both internal and external and consultant reports and recommendations prepared in the last two years.
5. Estimated monthly cash flows for the next 24 months.
6. Any recent appraisals of property owned by the facility.
7. Most recent payer mix analysis, identify the number and percentage of uninsured or underinsured patients including charity care, Medicaid, Medicare and self pay patients.
8. Document financial impact on facility related to the DHS/DMAHS general acute care hospital rebasing, which would establish a new diagnosis related group (DRG) rate setting methodology using hospital paid claims data.
9. Describe applicant's process/efforts to enroll patients in public programs including with specificity the payor mix for the previous 24 months.

D. GENERAL REQUIREMENTS

All grantees awarded funding through this process must:

1. Be licensed by the New Jersey Department of Health and Senior Services as a licensed health care facility;
2. Demonstrate extraordinary circumstances threaten access to essential health services for residents in a community;
3. Describe how persons in a community will be without ready access to essential health care services in the absence of the award of the grant;
4. Demonstrate that funding is unavailable from other sources to preserve or provide essential health care services;
5. Demonstrate that the grant is likely to stabilize access to the essential health care services;
6. Demonstrate that there is a reasonable likelihood that the health care facility will sustain essential health care services upon the termination of the grant;
7. Provide data concerning services provided to uninsured and underinsured persons;
8. Demonstrate adequate progress toward implementation of services within six (6) months of a grant award;
9. Demonstrate how grant funds will augment and not supplant already available funds and in-kind resources to provide necessary health care services in the community; and
10. Present a reasonable and accurate budget based on the proposed activities. It is expected that the budget presented will be reasonable and appropriate based on the scope of the services to be provided and the number of persons to be served.

E. FUNDING INFORMATION

A total of approximately \$40,000,000 will be available to support health care stabilization activities. The minimum award shall be \$1,000,000. Amount of the awards will vary based on need. Funds

are provided through a State appropriation in SFY 2010 and will be awarded through a health service grant to the approved applicant.

The project period for the health care stabilization fund will end on June 30, 2010.

The applicant must include information on how the facility will sustain services after the end of the funding period, June 30, 2010.

There is no matching funds requirement. However, the degree of facility commitment to the project, as evidenced by the contribution of organizational resources will be taken into consideration when awarding the funding.

The DHSS reserves the right to discontinue any health care stabilization funding for failure to meet grant requirements and/or timelines.

V. GRANT SUBMISSION INFORMATION

Eligible facilities interested in applying for these funds must submit one original Health Service Grant Application, seven (7) copies, and one copy on CD. This is a competitive grant application process.

The application must be received by the Office of Legal and Regulatory Affairs no later than 4:00 p.m. on August 14, 2009.

Applications received by the deadline will be reviewed for compliance with RFA requirements by Department staff.

Applications must be delivered by courier or overnight mail to:

New Jersey Department of Health and Senior Services
Office of Legal and Regulatory Affairs
Attention: Michele Stark
Health & Agriculture Building
John Fitch Plaza
369 Warren St., 8th Floor
Trenton, NJ 08625-0360

VI. REVIEW PROCESS

- A. Proposals that meet the requirements will be ranked based on the criteria and receive preliminary approval.
- B. Facilities approved for funding will be awarded grants based upon the ranking and availability of funding.
- C. Facilities approved for funding will be awarded a Health Service Grant.
- D. Upon final approval and budget negotiation agreement, an agency will receive notification of grant award.
- E. The Attachment C of the Health Service Grant will detail the terms and conditions of the health care stabilization funding including, but not limited to:
 - 1. Regular and enhanced financial reporting to the Department of Health and Senior Services, or its designee, possibly including weekly or monthly meetings with management to review dashboard reports demonstrating how the grant funds are being used and how the facility is performing compared to projections.
 - 2. The Commissioner may appoint a designee to attend any meeting of the facility's governing board, the governing board of the facility's parent organization, and any committee meeting deemed appropriate by the Commissioner, including but not limited to the finance committee, the planning committee and any turnaround, steering or reorganization committee.
 - 3. The Commissioner may appoint a designee as a voting member of the facility's governing body.

4. The Commissioner may require the facility to engage a consultant to prepare a report evaluating the operations, management and governance of the facility along with recommendations for improvements, and may further require that the facility implement or engage a consultant (at the Commissioner's discretion) to implement any or all of the recommendations resulting from the consultant's report.
 5. The Commissioner may require the facility demonstrate improvements in operational and quality standards.
 6. The Commissioner may require the facility to enhance its efforts to enroll uninsured patients in public programs.
- F. The grant project period and budget period will be October 1, 2009 to June 30, 2010.

G. Review Criteria (100 Points)

Criteria	Points
Identify hospital closure, reduction of service, impact of rebasing of DRGs, or need for stabilization of health care services that is impacting on facility.	30
Demonstrate extraordinary circumstances creating the need for health care stabilization by describing of the population and community and the facilities' current barriers to service provision.	15
Proposal must identify the population and community to be served.	10
Plans/strategies/activities must be appropriate to stabilize access and/or availability of services and be directed to the target population and ensure access to health care services in the community.	10
Specific activities proposed as part of the health care stabilization fund must be measurable and include a reasonable time frame for outcomes to be achieved.	10
Document demonstrated efforts to improve efficiencies and facility management and governance.	10
The proposed project must be appropriate and reasonable and incorporates a budget narrative that is complete, comprehensive and provides an explanation for each budget line item.	15
The proposal must include a statement or description of how services will be maintained after June 30, 2010.	Mandatory