

HEAL NY – PHASE 18

Mental Health Initiatives Request for Grant Applications # 1006181048

Clarifications

- 1) There is no requirement for matching funds in any percentage

And
- 2) It would *not* be acceptable for an OASAS only provider to submit a project or proposal. OASAS doesn't regulate under Article 31. Exceptions to this would be if an entity was jointly licensed (by OMH and OASAS) or operated under Article 28. Preferred projects of this kind will have an emphases on expanding services to people with co-occurring disorders.

Questions and Answers

I Eligible Applicant Questions:

Q 1. Can an applicant be considered eligible if they have a NYS OMH PAR application pending for the establishment of a mental health clinic, but are not currently licensed?

Q 2. My organization, is in the final phase of securing an operating license for an Article 31 clinic in New York City. We expect to open this new clinic in the fall of 2010. Section 1.6, Line G of the RGA identifies time-limited start-up costs as eligible costs which we would like to pursue via HEAL 18. considered an eligible applicant given our current licensure status?

A - Q1 and Q2 –

Eligible Applicants must be fully licensed at the time the organization submits their HEAL Phase 18 application on August 10, 2010.

Applicants who have pending applications or who may be conditionally approved will not be considered eligible applicants.

All Heal grant applicants are advised to inform their local governmental unit of the proposed project and to receive support in advance when feasible. Depending on the scope of the project, HEAL grant awards may need to be submitted for OMH's Prior Approval Review or DOH's CON process.

Q 3. Is an Article 28 facility seeking to achieve Article 31 status an eligible and appropriate applicant?

A - The facility would be considered eligible based on their Article 28 license.

Q 4. In reference to section 1.2 Eligible Applicant – if an agency is already receiving Dormitory Authority funds for its Article 28 facility, can we also apply for this funding for our Article 31 mental health outpatient clinic?

A - The agency may apply for HEAL 18 funds but can not use the funds for the same project that is currently funded by the Dormitory Authority. HEAL funds can not supplant other sources of previously identified and or approved funds.

Q 5. Our agency is located in an upstate area where there have been no closures of psychiatric hospitals. Would our agency still be eligible to apply for these funds?

A - Yes, if the entity meets the general applicant eligibility requirements, closure of a psychiatric hospital in the area is not a requirement.

Q 6. Would a not-for-profit organization licensed by the SOMH to operate a PROS under Article 31 of the NYS Mental Health Law be an eligible applicant? PROS offers mental health clinic treatment, as well as rehabilitation and support services, in an integrated ambulatory care setting for adults with serious mental illness. (Section 1.3 Eligible Applicants)

A – Yes, a Pros provider with clinic services would be an eligible applicant.

Q 7. Is this grant open to outpatient mental health services-who are perhaps partnering with inpatient facilities? Or may only inpatient facilities apply?

A - An Article 31 mental health outpatient clinic is an eligible applicant. This is not limited to inpatient facilities only (see section 1.3 Eligible Applicants)

II Questions regarding PHL 2818(2)(iv):

Q 8. In Section 2818, 4, a, i – v., page 18 of 65, does the criteria spelled out in i-v refer to hospitals-only, or is it also applicable for article 31 outpatient clinics? In the second paragraph on that page it does state: “to provide necessary restructuring support to hospitals for transition to a new reimbursement methodology.” Since it does not mention

Article 31's I just wanted to clarify that this section does not apply to them. Or does it and it just does not specify that?

A - The section of the PHL which applies to this Phase is 2818(2)(iv). The next paragraph (v) does not apply to this Phase. Phase 18 addressed the issues raised in section (v). Section 2818(2)(iv) is set forth below and also applies to Article 31 clinics.

(iv) be deemed to the satisfaction of the commissioner to be a provider that fulfills an unmet health care need for the community as determined by the department through consideration of the volume of Medicaid and medically indigent patients served; the service volume and mix, including but not limited to maternity, pediatrics, trauma, behavior and neurobehavioral, ventilator, and emergency room volume; and, the significance of the institution in ensuring health care services access as measured by market share within the region;

Q 9. On page 6 of 65 the RGA states, "In order to be eligible for funding under PHL Section 2812(iv), the provider must be deemed, to the satisfaction of the Commissioner of Health, to be a provider that fulfills **an unmet health care need for the community** as determined by the Department of Health through consideration of **the volume of Medicaid and medically indigent patients served; the service volume and case mix.**" Is there a minimum volume and / or case mix that the agency is seeking? Can you provide guidance on what combination of these elements makes an applicant eligible?

A - The volume and case-mix that your facility or institution currently services should be included in your technical application, together with your description of how your facility meets the eligibility requirements. The assessment of your application will take these factors into account, along with Community need and the other elements considered in the review process. Unmet need defined by volume or case-mix for Phase 18 is partially determined by competition generated by the applicant pool for the procurement.

Q 10. Section 1.3, Eligible Applicant, states that eligible providers must fulfill an "unmet health care need for the community as determined by the Department through consideration of the volume of Medicaid and medically indigent patients served; the service volume and case mix."

Our questions are as follows:

- (a) Ideally, what the Department is looking for in terms of Medicaid volume?
- (b) Is there a target number or percentage of Medicaid patients that a provider should serve in order to qualify for funding?
- (c) Will you be considering the volume of Medicaid patients served relative to the total number of individuals with Medicaid in the area?

A - Answers to part (a) and (b) can be found in the answer to Question 9. Regarding part (c), the total Medicaid population in your area, how well they are currently being served as well as your facility's Medicaid patient ratio are all factors under consideration and should be explained in your needs assessment.

Q 11. How would we find out if the “volume of Medicaid and medically indigent patients served; the service volume and case mix” in our area would meet the Department’s determination of an “unmet health care need for the community”?

A - See above responses

III Eligible Activities and Cost

Q 12. It is not clear what the RGA will fund. It says that Article 31 mental health outpatient clinics are eligible to apply and according to section 1.2 .1 Elements of an Eligible Project. However, under Technical Application Format, C: Project Activities there is an entire question devoted to increasing inpatient capacity, which contradicts the eligible projects/agency items.

Please clarify eligibility of Article 31 mental health outpatient clinics seeking infrastructure improvements to expand outpatient capacity for underserved populations and whether scoring of applications will reflect a preference to expand in-patient services.

A - This RGA is soliciting project applications that will provide inpatient or outpatient services. There is no preference intended. Projects need to be driven by the need for services in your community. We are also looking for projects that are innovative and coordinate care along the inpatient/outpatient continuum.

If you are seeking to apply for a project that is outpatient based, you would not complete section C – Project Activities 2) Inpatient Capacity – this would not apply to your project. You will not be penalized for not completing this section.

Q 13. Would like to ask a question pertaining to section 1.6 (eligible Costs) of the RGA for HEAL NY Phase 18. This section states that “renovation and upgrading of existing facilities” are eligible for funding.

While my organization, is a private, non-profit agency, we lease our facilities from the County. We would therefore like to know:

(a) Would the HEAL NY funding be applicable to renovate/upgrade county-owned buildings?

(b) If we propose a renovation project, would we be considered the Lead Applicant with the County being a Participant in the Grant Application (as specified on page 25, Multiple Provider/Participant Consent Form)?

A - The answer to section (a) involves the fact that Phase 18 is partially funded with Dormitory Authority Bond funds. Renovation and construction costs would utilize bond funds. Leasehold improvements may be funded, but we need to be sure that the project will have a useful life of at least 11 years which should be reflected in your lease agreement. Repurposing of the project prior to that time would require prior approval of the Dormitory Authority.

The answer to section (b) is that if the County is only acting as your landlord, they are not a co-applicant. If the county also participated in the project and is involved in the delivery of services, they would be considered a participant and should complete the Multiple Provider Consent Form.

Q 14. In reference to section 1.6 Eligible Costs – can funding be used for renovations of existing facilities that we RENT or must it be for property that we OWN?

A - Renovations to leased facilities would be eligible for consideration. See question 13

Q 15. Is furniture considered “Equipment” in Eligible Costs, 1.6 on page 7? Because funding under this RGA is for capital projects, purchased furniture should in general be capitalizable for tax and accounting purposes.

A - Furniture is considered equipment and is an eligible cost.

Q 16. -Section 1.6 Eligible Costs lists types of expense that are eligible for funding, but is not comprehensive. Is there a comprehensive list?

A - No additional list is available. The list found in the RGA provides examples of the most common allowable costs but is not meant to be exhaustive.

Q17. In particular, while it is my understanding that the HEAL 18 program is to support capital expenses, there are several references in the application to programmatic issues, including new and evidence based practices. Is the training of staff and the implementation of such practices acceptable expenses within an overall capital project?

A - A reasonable amount of staff training costs associated with the applicant’s capital project proposed under this RGA would be eligible for consideration. However, staff training should not be the project’s principal activity and non-capital costs should be only be a small segment of the proposal.

Q 18. We are going through a renovation and expansion of an Article 31 clinic. Is it correct that we can make any grant award offset already incurred expenses as well as future capital costs? Also, can the cost of upgrading technology be part of an application? (Integrated software: electronic billing and case records)?

A - Incurred costs must fall within the dates of the contract period. Also, previously approved renovation projects cannot be funded with HEAL funds. HEAL cannot supplant previously identified sources of funds for expansion and renovation projects.

Also, expenses for technology upgrades are acceptable but should not constitute a major component of the proposed project. Funding for HIT activities is available periodically in HEAL RGAs intended specifically for HIT endeavors.

Q 19. For a project in which an applicant would need to relocate a function not related to the provision of mental health services, in order to expand mental health services, would the capital cost of relocating the unrelated service, including renovation/construction of new space for that unrelated function, be eligible for HEAL-NY grant funding?

A - Technically the cost of the move for the unrelated function might be eligible; however, not the cost of the renovation or the construction associated with the unrelated function. Inclusion of costs along these lines runs the risk of having them disqualified and disallowed during the review process.

Q 20. In section 1.6 "Eligible Costs", it is stated that non-capital costs can only be a small amount of the overall dollars requested. The project in question may require additional funding during start-up for critical staffing. Are requests for this type of funding able to be granted? - and - Is there a percentage to the overall value of the grant that cannot be exceeded for this type of funding?

A - Some staff costs are allowed during the start up period. There is no predetermined percentage of the grant that is acceptable for these cost, but again, non-capital costs can only be a small segment of the proposal.

Q 21. If a hospital submitted an application for the construction of a new mental health clinic under HEAL 15, with proposed matching funds to cover salaries for new mental health providers under the expanded clinic, can the hospital submit another application under HEAL 18 asking for state assistance to cover those salaries?

A - No, due to the fact that the HEAL program is considered a grant program to cover capital costs, a proposal requesting only salaries or operating costs would not be acceptable.

Q 22. Is a project eligible for consideration under this RGA if a CON has already been submitted for the project in question?

A - A project with a submitted CON would not be eligible for funding unless the CON specifically referenced grant funds as the source. The reasoning behind this policy is that HEAL funds can not supplant previously identified funds for projects. If your facility submitted a CON, the financial requirements involve identifying your funding sources for the project.

Q23. Would an allowable cost for HEAL 18 be the acquisition of a building for use as an outpatient mental health treatment program. (Section 1.6 Eligible Costs)

A - Yes, building acquisition costs are allowable expenses.

Q24. Would an allowable cost for Heal 18 be the purchase of a customized Article-31 compliant van to provide mental health treatment to underserved populations at NYC-funded shelters, underserved neighborhoods, schools, etc.(Section 1.6 Eligible Costs)

A - Yes, a motor vehicle would be considered an equipment purchase, and is an allowable expense.

Q25. For a project that involves the purchase of a building in which expanded services would be located, if a portion of the building is to be used for the proposed activities and the remainder of the building for other purposes, could the costs for the building not specific to the proposed activities be used as a match? This question refers to 1.2.1 a, page 5 of the Request for Grant Applications. Can funds be used for rehabilitation of an office building we are in the process of buying?

A - Part 1 - No, matching funds need to be directly related to the proposed project. Part 2 - Yes, rehabilitation of the building can be supported by HEAL for the specific project activities in your application.

Q 26. Can funds under this solicitation be used for constructing and equipping a replacement building for an obsolete and inadequate facility if the other requirements of the grant are met?

A - Yes.

Q 27. We are interested in applying for Mental Health Initiative funding to complete the integration of our behavioral health services and expand the services we offer. Our behavioral health services include an Article 31 mental health outpatient clinic, outpatient and residential substance abuse services, combined services for those with co-occurring disorders, and intensive psychiatric rehabilitation and training. We are integrating these services through the development and implementation of an electronic medical record. We already have funding for implementation of the EMR for our substance abuse services through RecoveryNet, and for IPRT through the Office of Mental Health. We are seeking support for implementation in our Mental Health clinic, which would complete the integration of all of our behavioral health programs. Full implementation of the EMR will also allow us to provide mental health services to clients of the eleven RecoveryNet partners and to other community based organizations seeking a relationship with a mental health provider. Our mental health clinic serves children as well as adults, and we are currently exploring an expansion of our children's services which would greatly benefit from the implementation of the EMR, as well. Is this concept appropriate for the Mental Health Initiative funding stream?

A - Expenses for EMR are acceptable but should not constitute a major component of the proposed project. Funding for HIT activities is available periodically in HEAL RGAs intended specifically for HIT endeavors.

IV - Financial

Q 28. Is there a recommended percentage cap on capital construction and renovation costs?

A - No, there is no cap to the percentage of the budget that contains capital construction and renovation costs.

Q 29. On page 30 of the RGA, is the Executive Summary requesting a separate introductory paragraph in an applicant's response to the Financial Application, to precede Part A - Project Budget? Or should an applicant's response to the Financial Application begin with Part A - Project Budget?

A - Since the technical and financial reviews will not necessarily be undertaken by the same reviewers, the Financial application requires an Executive Summary and should NOT begin with the Project budget.

Q 30. In the Financial Application, Section E, the state requests "cost and revenue projections for the next three years." Are these projections requested for the mental health facility to be renovated with HEAL 18 funding, or the applicant organization as a whole?

A - These should be directly related to the business associated with the project, in this case the mental health facility to be renovated.

Q 31. OMH's new Part 599 regulations provides that health assessment and monitoring can be offered as integrated services by mental health clinic treatment programs to their patients. It is our experience (and supported by the empirical literature) that mental health and health outcomes may improve when services are integrated. Would a permissible element of an eligible project be renovation of mental health clinics to include medical examination/treatment suites? (Section 1.2.1 Element of an eligible project)

A - Yes

Q 32. Do we have to have a capital component to our proposal to be eligible for funding?

A – Yes – Absolutely. Non-capital costs should only be a small segment of the project.

Q 33. Should HEAL 18 applications be self-standing, i.e., should an application not assume funding of any prior HEAL application?

A – Yes. However, if you have been previously awarded HEAL funding, a HEAL 18 application cannot be submitted for the same Project.

Q 34. Can grant funds be utilized as part of funding for a larger construction project, which has already received CON approval by Dept of Health?

A – No. HEAL funds cannot supplant fund sources previously identified in your CON application.

Q 35. Is there a percentage cap on OTPS costs? Is there an established percentage of the total grant award that must be used for capital expenses as opposed to staff salaries and other operating expenses?

A – As stated in earlier responses, non-capital costs should only be a small segment of the project.

Q 36. On page 1 of 65 the RGA states that grant funds are available as a “match for other identified” funds. On page 6 the RGA states “Please note: matching funds are NOT required to apply.” Can you clarify whether an applicant is required to obtain matching funds? Have funds in hand? Identify committed funds?

A – No matching funds are required; however, as part of the financial review process other funds from additional sources used to support the project is considered favorably.

Q 37. RGA Section 2.4 - Selection Process: Will applicants that do provide matching funds, though not required, score higher than those that do not?

A – See response above.

Q 38. If matching funds from a foundation have been requested but have yet to be approved should they be included in the budget calculation?

A – No

Q 39. Section 1.5 – Funding Allocation: The RGA states that “Award amounts may be less than the amount requested.” Does this mean that a percentage of a request may be granted, based on availability of funds (e.g., it may be determined that 75% of the capital request amount will be awarded to some or all winning applications due to a desire to provide some funding to worthy applicants, balanced by total funding availability); does this mean that a part of a request may be ruled ineligible for HEAL-NY funding but the remainder of the request might still be granted; or does this mean both of the preceding concepts?

A – Both of these scenarios are possible depending upon the applicant pool and the desire to fund worthy projects. Disallowed costs are always a consideration if they do not directly pertain to the project or the goals of the RGA.

V. Miscellaneous

Q 40. In developing services at two locations, in separate boroughs/counties, is it necessary to submit a proposal for each location?

A - No, not if they are both part of the same project.

Q 41. How is the NYS Department of Health defining "project" for the purposes of this grant opportunity?

A - The project is all activities and objectives identified by the applicant in their project description portion of their application, which will determine the scope of the work described in the contract Appendix D- project work plan and will include all goods and services procured with grant funds and/or any matching funds.

Q 42. Can an applicant's project include inpatient, outpatient, and community-based service components, or is the application limited to only one treatment location?

A - Multiple components and multiple locations can be part of a larger project and would be eligible for consideration.

Q 43. Can an applicant submit more than one application?

A - Yes, multiple applications can be submitted by an applicant, but keep in mind that they will be competing against each other. Also, applications must be free-standing and not dependent upon each other.

Q 44. How many awards do you anticipate making?

A - The actual number of projects funded will depend on the number and quality of applications received. Based on the Funding Allocation in section 1.5 of the RGA, we hope to see a minimum of 3 large and 6 small projects to be funded.

Q 45. What is the average award size expected to be for each category?

A - There is no expected average award size for either category.

Q 46. Are organizations who submitted an application under HEAL 15 encouraged to submit a complementary application under HEAL 18?

A - Applications need to be for stand alone projects, and we neither encourage nor discourage HEAL 18 applications that complement a HEAL 15 application.

Q 47. Some projects will require obtaining additional approval/permission from OMH though this final approval will only come after funding has been received. For the purposes of the proposal, is a letter of conditional approval for the specific project from OMH adequate documentation?

A - Yes, final project approvals could be contract deliverables.

Q 48. Section 1.5 “Please note—Award amounts may be less than the amount requested.” In the event that an award is made for less than the requested amount, will a recipient be able to modify the scope of work, or will they be required to implement the project as proposed?

A - Changes to the scope of work could be considered, depending on the reduced amount, but would require negotiations with DOH, OMH and DASNY.

Q49. Is it acceptable under this solicitation to propose a capital project in any phase of development, e.g. the planning is completed and construction is beginning? If so what expenses can we include?

A - Planning and construction costs incurred during the contract term would both be eligible for consideration. However, a project with an approved CON for construction would not be. See previous answers regarding CONs.

Q 50. In 2.6, page 11 of 65, Can you clarify what “an award letter is not a commitment to provide funds” means? When it says that the letter will expire after 90 days after issuance, what does that suggest regarding under what circumstances funds may be reallocated to another Eligible Applicant? In other words and in simpler terms, what it is that someone neglects to do, or does wrong that leads to this outcome?

A – The funding commitment will be formalized when a contract is executed. The award letter contains an expiration in the event that the awardee/contractor becomes unwilling or unable to go forward with the project as proposed.

Q 51. When will HEAL 15 awards be announced? If our institution is not funded under HEAL 15, we would submit the same project for HEAL 18. If we are funded we would likely submit a different project.

A - HEAL 15 awards may or may not be announced before the August 10 deadline for HEAL 18 application submission.

Q 52 Can an applicant apply under both Small and Large categories?

A – Yes

Q 53. On page 3 of 65 the RGA states: “Over the last few years, there has been a significant downsizing of inpatient capacity particularly in the downstate region.” Shall we read that to mean there is a preference for downstate applications?

A - No. That statement simply reflects the events that have recently taken place in the delivery system. Applications will be assessed based on unmet need, statewide.

Q 54. Can you clarify the submission instructions on page 8? You want three hard-copy originals of each of the Technical and Financial Applications? Or three originals and three copies? Do you want three **separate** flash drives for each volume or one flash drive with three copies each? Are CDs acceptable instead of flash drives?

A - Each Technical application should consist of three (3) originals, three (3) copies and three (flash drives). Each Financial application should separately consist of three (3) originals, three (3) copies and three (flash drives). While flash drives are preferred, CDs would be acceptable.

Q 55. Is Appendix D, Workplan required at the time of proposal submission?

A - No, Appendix D will be developed from components of the technical application.

Q 56 -As a relatively small behavioral health agency (particularly as compared with a hospital, which has been the typical HEAL applicant), we do not have access on an in-house basis to the kind of architectural and construction resources that hospitals typically have, or do we have the discretionary funds to hire such individuals to prepare the HEAL application. Will our application be rejected if we develop our technical application based upon our best estimates of the capital costs rather than certified figures from architects, etc?

A - No. Do your best with your available resources in the time allowed and it may be helpful to reviewers if you provide a brief description of how the estimates were made.

Q 57 -To what extent will there be an attempt to distribute these funds based upon considerations of geographic equity?

A - There are no regional allocations or award categories proposed for Phase 18. Awards will be based on the quality of the applications, the strength of the project and the demonstrated need for the services/proposed project. Notwithstanding the above, Section 2818 of the Public Health Law does require that the Department and the Authority consider the statewide geographic distribution of overall HEAL funds.

Q 58. Will the New York State Department of Health provide information as to recommended data sets for describing Community Need (p. 26)?

A – There are a number of resources available for exploring community need. Community need should be demonstrated through quantified, verifiable information, such as:

- **Census data,**
- **SPARCS data,**
- **Vital statistics,**
- **PQI's,**
- **Data tabulated from the applicant's records (without patient identifiers), or**
- **Data gathered from statistically valid surveys.**

Q 59. Also regarding Community Need, does the New York State Department of Health have any guidance for parameters to define “community,” e.g. geographical boundaries, target population, etc? Does NYSDOH have a definition of “community” that they can provide for applicants?

A - Statistics should be by Zip code, census tract or other conventionally defined delineation. Ill-defined categories such as “neighborhood,” or “market area” are not sufficiently rigorous and should not be used.

VI. Project Timeframes

Q 60. In section 1.4 "Project Timeframes", it is stated that the funding is expected to extend over two years. Given the time required to plan for renovations, it is possible that actual construction on a site may not begin for eight months or longer. Is there an expectation that renovation projects would begin within a certain period of time after signing a contract?

A - No, there is no such expectation. The expectation is that work will be completed in the two-year contract time period.

VII. Technical Application

Q 61. Page 26-28 – Technical Application Format
In previous HEAL-NY rounds, architectural plans have been encouraged or required. For HEAL-NY Phase 18, can you confirm that are architectural plans required? Are they encouraged? Given the less than one month response time frame, will an applicant that does not provide some level of architectural plans score lower than an applicant that does provide such plans, all other things being equal, or will architectural plans be disregarded given the short time frame?

A - Architectural plans are not required, however projects containing architectural plans might, in some cases, be considered more advanced, and therefore be considered more favorably. Also, keep in mind that projects with CON submissions usually have architectural plans but won't be considered because HEAL funds can not supplant other previously identified funds.

Bottom line - projects with out architectural plans will be accepted.

Q 62. Given the 10-page technical application limit, may an applicant provide an overview of the timeline and project tracking plans within the 10 pages, and attach documents that provide greater detail on these matters, using IT programs that generally don't lend themselves well to a Word format?

A - Yes, attachments are allowed in addition to the 10 page technical application limit.