U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

HRSA

Health Resources & Services Administration

Federal Office of Rural Health Policy
Hospital-State Division

Small Rural Hospital Improvement Program (SHIP)

Funding Opportunity Number: HRSA-19-020
Funding Opportunity Types: New; Competing Continuation
Catalog of Federal Domestic Assistance (CFDA) Number: 93.301

NOTICE OF FUNDING OPPORTUNITY

Fiscal Year 2019

Application Due Date: January 3, 2018

Ensure your SAM.gov and Grants.gov registrations and passwords are current immediately!
HRSA will not approve deadline extensions for lack of registration.
Registration in all systems, including SAM.gov and Grants.gov,
may take up to 1 month to complete.

Issuance Date: October 1, 2018

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Authority: Section 1820(g)(3) of the Social Security Act (42 U.S.C. 1395i-4), as amended.

EXECUTIVE SUMMARY

The Health Resources and Services Administration (HRSA), Federal Office of Rural Health Policy is accepting applications for fiscal year (FY) 2019 Small Rural Hospital Improvement Program. The purpose of this program is to help small rural hospitals with 49 beds or less implement quality and operational improvement efforts to align with value-based care. The FY 2019 President's Budget does not request funding for this program. This notice is a contingency action taken to ensure that, should funds become available for this purpose, HRSA can process applications and award funds in a timely manner. You should note that this program may be cancelled prior to award recommendations.

Funding Opportunity Title:	Small Rural Hospital Improvement Program
Funding Opportunity Number:	HRSA-19-020
Due Date for Applications:	January 3, 2018
Anticipated Total Annual Available FY 2019 Funding:	$18,771,000
Estimated Number and Type of Awards:	Up to 47 grants
Estimated Award Amount:	Up to $12,000 per year per hospital subject to the availability of appropriated funds
Cost Sharing/Match Required:	No
Period of Performance:	June 1, 2019 through May 31, 2023 (4 years)
Eligible Applicants:	The State Office of Rural Health in each state will be the official award recipient of record, and will act as fiscal intermediary for all eligible small rural hospitals within its state. Eligible "small rural hospital" is defined as a non-federal, short-term general acute care hospital that: (i) is located in a rural area as defined in 42 U.S.C. 1395ww(d) and (ii) has 49 available beds or less, as reported on the hospital's most recently filed Medicare Cost Report. See Section III-1 of this notice of funding opportunity (NOFO) for complete eligibility information.

Application Guide

You (the applicant organization/agency) are responsible for reading and complying with the instructions included in HRSA's *SF-424 Application Guide,* available online at http://www.hrsa.gov/grants/apply/applicationguide/sf424guide.pdf, except where instructed in this NOFO to do otherwise.

Technical

HRSA has scheduled the following technical assistance:

Webinar

Day and Date: Wednesday, October 3, 2018
Time: 3-4 p.m.
Call-In Number: 877-273-4202
Participant Code: 914983637#
Weblink: http://ruralcenter.adobeconnect.com/rdns94evae1i/
Playback: https://www.ruralcenter.org/ship/ta/webinars

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I. Program Funding Opportunity Description

1. Purpose

This notice announces the opportunity to apply for funding under the Small Rural Hospital Improvement Program (SHIP). This program supports eligible hospitals in meeting value-based payment and care goals for their respective organizations, through purchases of hardware, software and training. SHIP also enables small rural hospitals: to become or join accountable care organizations (ACOs); to participate in shared savings programs; and to purchase health information technology (hardware and software), equipment, and/or training to comply with quality improvement activities, such as advancing patient care information, promoting interoperability, and payment bundling.

2. Background

This program was first authorized by the Balanced Budget Act of 1997, an amendment to the Social Security Act, to help small rural hospitals implement data systems required by the Medicare Prospective Payment System (PPS). The initial funding for this program was provided by the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002. Conference report language also expanded the purpose of this program to help small rural hospitals comply with provisions of the Health Insurance Portability and Accountability Act of 1996 and reduce medical errors while supporting quality improvements.

Subsequent SHIP legislative provisions directed HRSA to support eligible hospitals in meeting value-based purchasing goals for their respective organizations and to enable small rural hospitals to become or join ACOs and purchase health information technology, equipment (hardware and software), and/or training to comply with meaningful use, ICD-10[1] standards, and payment bundling.

The Federal Office of Rural Health Policy (FORHP) administers the SHIP award through the State Offices of Rural Health (SORH). Each SORH submits an application to HRSA on behalf of eligible hospital applicants in its state. The SORH is the official award recipient of record and serves as fiscal intermediary for all eligible hospitals within the state. The SORH receives the federal funds, verifies hospital eligibility utilizing the Rural Health Grants Analyzer https://datawarehouse.hrsa.gov/tools/analyzers/geo/rural.aspx, makes awards to eligible hospitals, and ensures appropriate use of funds. At the end of the budget period, each SORH submits a financial report documenting reporting expenditure activity to HRSA.

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[1] https://www.cms.gov/Medicare/Coding/ICD10/index.html

II. Award Information

1. Type of Application and Award

Types of applications sought: New, Competing Continuation

HRSA will provide funding in the form of a grant.

2. Summary of Funding

HRSA expects approximately $18,771,000 to be available annually to fund approximately 47 state recipients with award amounts of approximately $12,000 per hospital. You may apply for a ceiling amount of up to $12,000 total cost (includes both direct and indirect, facilities and administrative costs) per year per hospital. The FY 2019 President's Budget does not request funding for this program. The actual amount available will not be determined until enactment of the final FY 2019 federal appropriation. This program notice is subject to the appropriation of funds, and is a contingency action taken to ensure that, should funds become available for this purpose, HRSA can process applications and award funds in a timely manner. The period of performance is June 1, 2019 through May 31, 2023 (4 years). Funding beyond the first year is subject to the availability of appropriated funds for SHIP in subsequent fiscal years, satisfactory recipient performance, and a decision that continued funding is in the best interest of the Federal Government.

Indirect Cost Rate for participating SORH is limited to the lesser of:
    (i) 15 percent of the amount of the grant for administrative expenses; or
    (ii) the state's federally negotiated indirect rate for administering the grant.

The SORH must have current indirect cost rate agreement at the time of application.

All HRSA awards are subject to the Uniform Administrative Requirements, Cost Principles and Audit Requirements at 45 CFR part 75.

III. Eligibility Information

1. Eligible Applicants

The SORH will be the official award recipient acting as fiscal intermediary for all hospitals within its state. Eligible applicants include states that are currently SHIP recipients, as well as states with hospitals that meet eligibility requirements yet have not been previously funded.

SHIP funds assist eligible small rural hospitals that are essential access points for Medicare and Medicaid beneficiaries. Eligible small rural hospitals are non-federal, short-term general acute care facilities that are located in a rural area of the U.S. and the territories, including faith-based hospitals.

For the purpose of this program:

1) "eligible small rural hospital" is defined as a non-federal, short-term general acute care hospital that: (i) is located in a rural area as defined in 42 U.S.C. 1395ww(d) and (ii) has 49 available beds or less, as reported on the hospital's most recently filed Medicare Cost Report;
2) "rural area" is defined as either: (1) located outside of a Metropolitan Statistical Area (MSA); (2) located within a rural census tract of a MSA, as determined under the Goldsmith Modification or the Rural Urban Commuting Areas (RUCAs) or (3) is being treated as if being located in a rural area pursuant to 42 U.S.C. 1395(d)(8)(E); and,
3) Eligible SHIP hospitals may be for-profit or not-for-profit, including faith-based. Hospitals in U.S. territories as well as tribally operated hospitals under Titles I and V of P.L. 93-638 are eligible to the extent that such hospitals meet the above criteria.

Individual hospitals can find the SORH contact in their state at: https://nosorh.org/nosorh-members/nosorh-members-browse-by-state/.

Eligible hospitals within the territories that do not have access to a SORH, must apply to the SHIP program individually, and should contact the SHIP Coordinator, contact information on the cover page of this NOFO document.

2. Cost Sharing/Matching

Cost sharing/matching is not required for this program.

3. Other

HRSA will consider any application that exceeds the ceiling amount non-responsive and will not consider it for funding under this notice.

HRSA will consider any application that fails to satisfy the deadline requirements referenced in *Section IV.4* non-responsive and will not consider it for funding under this notice.

Multiple applications from an organization are not allowable.

If for any reason (including submitting to the wrong funding opportunity number or making corrections/updates) an application is submitted more than once prior to the application due date, HRSA will only accept your **last** validated electronic submission, under the correct funding opportunity number, prior to the Grants.gov application due date as the final and only acceptable application.

IV. Application and Submission Information

1. Address to Request Application Package

HRSA *requires* you to apply electronically. HRSA encourages you to apply through Grants.gov using the SF-424 workspace application package associated with this NOFO following the directions provided at http://www.grants.gov/applicants/apply-for-grants.html.

If you are reading this notice of funding opportunity (NOFO) (also known as "Instructions" on Grants.gov) and reviewing or preparing the workspace application package, you will automatically be notified in the event HRSA changes and/or republishes the NOFO on Grants.gov before its closing date. Responding to an earlier version of a modified notice may result in a less competitive or ineligible application. *Please note you are ultimately responsible for reviewing the For Applicants page for all information relevant to desired opportunities.*

2. Content and Form of Application Submission

Section 4 of HRSA's *SF-424 Application Guide* provides instructions for the budget, budget narrative, staffing plan and personnel requirements, assurances, certifications, and abstract. You must submit the information outlined in the Application Guide in addition to the program-specific information below. You are responsible for reading and complying with the instructions included in HRSA's *SF-424 Application Guide* except where instructed in the NOFO to do otherwise. You must submit the application in the English language and in the terms of U.S. dollars (45 CFR § 75.111(a)).

See Section 8.5 of the *Application Guide* for the Application Completeness Checklist.

Application Page Limit
The total size of all uploaded files may not exceed the equivalent of **50 pages** when printed by HRSA. The page limit includes the abstract, project and budget narratives, attachments, and letters of commitment and support required in the *Application Guide* and this NOFO. Standard OMB-approved forms that are included in the workspace application package do not count in the page limit. Indirect Cost Rate Agreement and proof of non-profit status (if applicable) do not count in the page limit. **We strongly urge you to take appropriate measures to ensure your application does not exceed the specified page limit.**

Applications must be complete, within the specified page limit, and validated by Grants.gov under the correct funding opportunity number prior to the deadline to be considered under this notice.

Debarment, Suspension, Ineligibility, and Voluntary Exclusion Certification
   1) The prospective recipient certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

2) Failure to make required disclosures can result in any of the remedies described in 45 CFR § 75.371, including suspension or debarment. (See also 2 CFR parts 180 and 376, and 31 U.S.C. 3321).
3) Where the prospective recipient is unable to attest to the statements in this certification, an explanation shall be included in Attachment 1: Other Relevant Documents.

See Section 4.1 viii of HRSA's *SF-424 Application Guide* for additional information on all certifications.

Program-Specific Instructions
In addition to application requirements and instructions in Section 4 of HRSA's *SF-424 Application Guide* (including the budget, budget narrative, staffing plan and personnel requirements, assurances, certifications, and abstract), include the following:

This funding opportunity includes an optional 4-year Special Innovation Project for networks/consortia. See Methodology Section for additional information.

i. Project Abstract
See Section 4.1.ix of HRSA's *SF-424 Application Guide*.

ii. Project Narrative
This section provides a comprehensive framework and description of all aspects of the proposed project. It should be succinct, self-explanatory and well organized so that reviewers can understand the proposed project.

Successful applications will contain the information below. Please use the following section headers for the narrative:

- *INTRODUCTION -- Corresponds to Section V's Review Criterion (1) Need*
  This section should briefly describe the purpose of the proposed goals supported by SHIP funding including any new policies, partnerships, and/or administrative changes. Please include the vision of your SHIP and highlight the goals for the 4-year period of performance. Indicate which program areas from the SHIP Purchasing Menu you will be addressing.

- *NEEDS ASSESSMENT -- Corresponds to Section V's Review Criterion (1) Need*
  This section provides an overview of the needs of small rural hospitals in the state as they relate to the purpose of the SHIP program. The needs assessment should demonstrate understanding of your state's small rural hospital landscape by assessing cohort disparities and trends of SHIP hospitals based on assessment of the most recent information available, which may be several years old in some cases, but can be utilized to establish trends or baseline targets. The assessment will inform and set priorities for the objectives and activities described within each program area in the methodology and work plan sections. The assessment should answer the following questions:

• What is the environment for small rural hospitals in your state – current status and trends? Include the total number of small rural hospitals in your state and note any newly certified small rural hospitals or small rural hospitals that closed or converted to a different facility type within the past year.
• What are the challenges that impact the ability of small rural hospitals to provide quality care to communities?
• What other stakeholders are engaged in supporting small rural hospital efforts?
• What are the gaps in data related to small rural hospitals?

Clearly identify data sources and associated dates to show that the needs and trends are outlined.

▪ *METHODOLOGY -- Corresponds to Section V's Review Criterion (2) Response and (4) Impact*
  ➢ Overview
    Describe the proposed methods by which the state SHIP Director will:
      • collect, compile, and report information,
      • disburse funds,
      • lead or plan any activities, and if applicable,
      • work with any consultants or technical assistance providers.
    Activities, programs, and initiatives (i.e., formation of networks, trainings/group purchasing) should be specific, realistic, measurable, and achievable within a specified timeframe.

    SORHs are strongly encouraged to assist hospitals form networks on an intra and/or inter-state basis to purchase hardware and software and training.

  ➢ SHIP Funding Priorities
    SORHs will provide a plan for monitoring the progress of the participating hospitals for programmatic and spending progress. Additionally, SORHs will describe any activities that may be best practices or innovations (replicable, measurable, demonstrated impact) including network/consortia, as applicable. SORHs will also include details about the engagement of hospital administrators, staff and community representatives, program partners, and other stakeholders whose efforts support process improvements.

    SHIP funds should be prioritized by Critical Access Hospitals (CAH) in the following manner:
    1) Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) or ICD-10 activities (one or the other or both, in no particular order), if a hospital has yet to implement either activity.
    2) If a hospital has implemented both HCAHPS and ICD-10, then that hospital may select a different activity listed on the SHIP Purchasing Menu, contained within the hospital application.

    If a hospital is currently using all equipment and/or services listed on the SHIP Purchasing Menu, the hospital may select an alternative piece of equipment (hardware or software) and/or training provided:

1) The purchase will optimally: affect a hospital's transformation into an ACO, increase value based purchasing objectives, aid in the adoption of ICD- 10, or support care transitions/coordination.
2) The hospital receives permission from both its state SHIP Director and the SHIP Director's FORHP project officer.

SHIP funds for Non-CAHs will select ICD-10 as a priority and then among the activities listed on the SHIP Purchasing Menu. If a non-CAH has completed all Purchasing Menu activities, it may engage in a different purchase, provided:
   a. The purchase will optimally affect a hospital's transformation into an ACO, increase value based purchasing objectives, support the adoption of ICD-10.
   b. The hospital receives permission from its state SHIP Director.

➢ SHIP Hospital Applications
   SORHs must also submit hospital application information. Please see suggested spreadsheet format under "SHIP Grant Guidance Resources" at https://www.ruralcenter.org/ship/ta/webinars. Hospitals must also have their CEOs and the individuals responsible for SHIP- funded purchase(s) and/or project(s) sign the SHIP hospital applications in ink (copies may be scanned or faxed) or sign electronically and provide to their SORHs. These signatures will attest to the accuracy of each hospital's prioritized purchase(s), certifying each hospital's engagement in HCAHPS, ICD-10, or other activity. FORHP Program Staff may request hospital applications as part of integrity validations. Please include a template of the hospital application for your state as **Attachment 8**.

➢ State Spreadsheet of SHIP Applicants
   The spreadsheet should include the following information, and should be attached as **Attachment 9**:
   1) CAH designation (yes or no);
   2) Bed count (staffed);
   3) Amount requested in dollars and each hospital's fund distribution across Value-based Purchasing, Accountable Care Organizations/Shared Savings, and/or Payment Bundling/PPS. These categories are briefly summarized below (see SHIP Investment Menu for a fuller listing):
      a. Value-Based Purchasing
         • Training and/or hardware or software related specifically to the implementation and reporting of: quality improvement measures;
         • HCAHPS training and/or software;
         • Efficiency training (Six Sigma, Lean, or other approved form of training) areas such as ER efficiency, patient satisfaction, or efficiencies to clinical care delivery areas.
      b. Accountable Care Organizations/Shared Savings
         • Computerized provider entry systems; Consultant pharmacy services; hardware/software related to the purchase of a disease registry;
         • Efficiency training (Six Sigma, Lean, or other approved form of training) in areas such as non-clinical operations, board organization/operation, or multi-hospital/network formation projects.
         • Coordination of care training.

  c. <u>Payment Bundling/PPS</u>
- ICD-10 Software and/or training; Purchase of the quality health reporting software/training quality improvement training (Six Sigma, Lean, or other approved form of training) in areas such as: finance, operations, or multi-hospital/network formation projects

4) Indicate if a hospital is participating in an existing network, or will form a new network for a specific activity;
5) Indicate if the hospital is requesting:
  a. Direct funding;
  b. Full or partial network funding; or
  c. Funding to be released to the SORH.
6) Provide the totals for the following:
- Number of eligible hospitals
- Number of returning hospitals
- Number of new hospitals
- Number of hospitals not returning and reason
7) Amount of funds for the state, in dollars and percent, expended in each category:
- Value-Based Purchasing;
- Accountable Care Organizations/Shared Savings; and
- Payment Bundling/PPS.

Special Innovation Project (Optional)
Network/consortia development has been a long-standing program priority to assist resource and knowledge sharing throughout the SHIP. However, SHIP has historically been thought of as a series of one-year projects. To encourage more strategic thinking over multiple years, SHIP Coordinators can support hospital networks or consortia in the development of a **Special Innovation Project** (SIP) to operate through the period of performance that will result in streamlined reporting and a final report to provide additional feedback on best practices and lessons learned. The SIP is to encourage sustainable SHIP hospital best practices and improve long-term quality care across small rural hospitals who are able to work together for leveraged impact. Through peer sharing and networking, SIPs will demonstrate replicability that SORHs and FORHP will highlight through rural information networks.

<u>Applicant requirements:</u>
- Network/Consortia membership (existing or newly formed) will include three or more SHIP hospitals and/or Provider-based Rural Health Clinics.
- Cohort will stay intact during the period of performance, with minimal (if any) change in the participating hospitals and no change in annual SHIP investments.
- Projects can extend over the entire 4-year period of performance, in which case higher-level timelines can be provided. However, if the SORH expects SIP will be completed in 2 years, please provide specific timelines and expected outcomes in this application.
- All participating hospitals must continue to meet HCAHPS and ICD-10 requirements.
- Existing networks/consortia may choose to participate.

- *WORK PLAN- Corresponds to Section V's Review Criteria (2) Response*
  Describe the activities or steps to achieve each of the objectives proposed during the entire period of performance in the Methodology section. Use a time line (as included in **Attachment 5**) that specifies each activity and identifies responsible staff. As appropriate, identify meaningful support and collaboration with key stakeholders in planning, designing, and implementing all activities, including developing the application.

  Provide a summary of the proposed activities of the hospital applicants, and how the program funds will be used regarding the identified needs of the SHIP, within the Purchasing Menu categories: 1) Value-Based Purchasing, 2) ACOs/Shared Savings, and 3) Payment Bundling/PPS.

  For all hospitals within a SIP Project:
  In the format described above in the Work Plan, include activities on the work plan for the entire period of performance (FY 2019-2022) for network/consortia (three or more SHIP hospitals (inclusive of provider-based rural health clinics)) that will invest SHIP funds in one – two activities to be monitored, tracked, and evaluated for the entirety of the period of performance. Include baseline measures and goals for improvement. Cohorts will stay intact for the period of performance, but projects must be for a minimum of 2 years, and may be changed after <u>successful completion</u>, reporting **once** thereafter for the remainder of the period of performance with SORH approval. A sample of a SIP Project can be found at https://www.ruralcenter.org/ship.

  List the goal(s) and objective(s) for each budget period and the associated evaluative method(s) and measures that will indicate success.

  See SHIP Purchasing Menu and SHIP Allowable Investment Information Sheet for examples of investments and guidance: https://www.ruralcenter.org/resource-library/ship-coordinator-resources

- *RESOLUTION OF CHALLENGES -- Corresponds to Section V's Review Criterion (2) Response*
  Discuss challenges anticipated in designing and implementing the activities described in the SHIP work plan and approaches used to resolve such challenges. Include any anticipated problems with implementation of hospital activities (e.g., selection of measures) and/or network development. Challenges can be fiscal or operational.

- *EVALUATION AND TECHNICAL SUPPORT CAPACITY -- Corresponds to Section V's Review Criteria (3) Evaluative Measures*
  Describe the plan for the program performance evaluation that will contribute to continuous quality improvement such as self-or third-party assessment strategies. The program performance evaluation should monitor ongoing processes and the progress towards the goals and objectives of the project. Provide evaluative measures to monitor SHIP investment and its impact. Include descriptions of the inputs (e.g., organizational profile, collaborative partners, key staff, budget, and other resources), key processes, sub-contractor monitoring (as applicable), and expected outcomes of the funded activities (including improved quality, improved operational efficiencies, or cost savings).

Narrative will include baseline/target data only. Describe the data collection strategy to collect, analyze and track data to measure performance, and determine impact or outcomes. Explain how the data will be used to improve performance.

- *ORGANIZATIONAL INFORMATION -- Corresponds to Section V's Review Criterion (5) Resources/Capabilities*

Provide information on the applicant organization's current mission and structure, scope of current activities, and provide an organizational chart (**Attachment 6**) that identifies the SORH within larger organization as well as sub-components of SORH (as applicable). Describe how your organization coordinates the SHIP to complement the Medicare Rural Hospital Flexibility Grant program, if applicable.

NARRATIVE GUIDANCE

To ensure that you fully address the review criteria, this table provides a crosswalk between the narrative language and where each section falls within the review criteria.

Narrative Section	Review Criteria
Introduction	(1) Need
Needs Assessment	(1) Need
Methodology	(2) Response and (4) Impact
Work Plan	(2) Response
Resolution of Challenges	(2) Response
Evaluation and Technical Support Capacity	(3) Evaluative Measures
Organizational Information	(5) Resources/Capabilities
Budget and Budget Narrative (below)	(6) Support Requested – the budget section should include sufficient justification to allow reviewers to determine the reasonableness of the support requested.

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iii. Budget

See Section 4.1.iv of HRSA's *SF-424 Application Guide*. Please note: the directions offered in the SF-424 Application Guide may differ from those offered by Grants.gov. Follow the instructions included in the Application Guide and the additional budget instructions provided below. A budget that follows the Application Guide will ensure that, if HRSA selects the application for funding, you will have a well-organized plan and by carefully following the approved plan can avoid audit issues during the implementation phase.

Reminder: The Total Project or Program Costs are the total allowable costs (inclusive of direct **and** indirect costs) incurred by the recipient to carry out a HRSA-supported project or activity. Total project or program costs include costs charged to the award

and costs borne by the recipient to satisfy a matching or cost-sharing requirement, as applicable.

The Consolidated Appropriations Act, 2018 (P.L. 115-141), Division H, § 202 states, "None of the funds appropriated in this title shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II." See Section 4.1.iv Budget – Salary Limitation of HRSA's *SF-424 Application Guide* for additional information. Note that these or other salary limitations may apply in the following FY, as required by law.

iv. *Budget Narrative*
See Section 4.1.v. of HRSA's *SF-424 Application Guide*.

In addition, SHIP requires the following:

- Total Budget should not exceed $12,000 per hospital.
- Budget justifications should specifically describe how each item supports the achievement of proposed objectives, activities, programs, and initiatives. The budget period is for ONE year. However, one-year budgets for each of the subsequent budget period within the requested period of performance must be submitted at the time of application. Line item information provided should explain the costs entered in the SF-424A.
- Personnel costs are only for the oversight of the award and do not include hospital personnel costs.
- "Travel" and "Other" are not allowable expenses.
- A SORH may request the lesser of 15 percent of the award total or their indirect cost rate. The current indirect cost rate agreement must be included (**Attachment #1**), but will not count toward the page limit.

v. *Attachments*

Provide the following items in the order specified below to complete the content of the application. **Unless otherwise noted, attachments count toward the application page limit.** Indirect cost rate agreements and proof of non-profit status (if applicable) will not count toward the page limit. You must clearly label **each attachment**.

Attachment 1: Indirect Cost Rate Allocation Agreement or Plan.
Attach current HHS Cost Rate Allocation Agreement or plan. However, if plan is lengthy, summarize provisions pertaining to SHIP program and provide a formula for determining 15 percent indirect charge (i.e., percent of salary and benefits). **Not counted in the page limit.**

Attachment 2: Staffing Plan
Applicants must include a staffing plan and provide a justification for the plan that includes education and experience qualifications and rationale for requested time (percent of FTE) for each staff position.

Attachment 3: Job Descriptions for Key Personnel
Keep each job description to one page in length as much as is possible. Include the role, responsibilities, and qualifications of proposed project staff.

Attachment 4: Biographical Sketches of Key Personnel
Include biographical sketches for persons occupying the key positions described in Attachment 3, not to exceed two pages in length. In the event that a biographical sketch is included for an identified individual not yet hired, please include a letter of commitment from that person with the biographical sketch.

Attachment 5: Work Plan
Provides a detailed summary at the state level regarding proposed applicant activities, how funds are to be used during each budget period, activities and a timeline that describes funds disbursement processes and the use of SHIP Hospital Networks.

Attachment 6: Organizational Chart
Provide a one-page figure that depicts the organizational structure of the SHIP program within the SORH.

Attachment 7: SIP-related Documents
If submitting a SIP, include a copy(ies) of agreements, memoranda of understanding, operational procedures, etc. that will govern throughout the period of performance.

Attachment 8: Hospital Applicant Form
A sample application is available through the Technical Assistance and Services Center (TASC) website, https://www.ruralcenter.org/ship

Attachment 9: State Spreadsheet of SHIP Applicants
All statewide participating hospital information must be included in this attachment. A sample Spreadsheet is available on the TASC website, https://www.ruralcenter.org/ship

Attachments 10: Accomplishment Summary
One to three paragraphs describing current year activities to-date of submission. Applicants to include previously stated activities, programs and initiatives and emphasize the progress made in attaining these goals and objectives.

Attachments 11-15: Other Relevant Documents
Include here any other documents that are relevant to the application, including letters of support, governing procedures, etc. Documentation must be one page, dated, and specifically indicate a commitment to the project/program (in-kind services, dollars, staff, space, equipment, etc.) **Not counted in page count.**

3. **Dun and Bradstreet Data Universal Numbering System (DUNS) Number and System for Award Management**

You must obtain a valid DUNS number, also known as the Unique Entity Identifier, for your organization/agency and provide that number in the application. You must also register with the System for Award Management (SAM) and continue to maintain active SAM registration with current information at all times during which you have an active

federal award or an application or plan under consideration by an agency (unless the applicant is an individual or federal agency that is exempted from those requirements under 2 CFR § 25.110(b) or (c), or has an exception approved by the agency under 2 CFR § 25.110(d)).

HRSA may not make an award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, if an applicant has not fully complied with the requirements by the time HRSA is ready to make an award, HRSA may determine that the applicant is not qualified to receive an award and use that determination as the basis for making an award to another applicant.

If you have already completed Grants.gov registration for HRSA or another federal agency, confirm that the registration is still active and that the Authorized Organization Representative (AOR) has been approved.

The Grants.gov registration process requires information in three separate systems:
- Dun and Bradstreet (http://www.dnb.com/duns-number.html)
- System for Award Management (SAM) (https://www.sam.gov)
- Grants.gov (http://www.grants.gov/)

For further details, see Section 3.1 of HRSA's *SF-424 Application Guide.*

UPDATED SAM.GOV ALERT: For your SAM.gov registration, you must submit a notarized letter appointing the authorized Entity Administrator. The review process changed for the Federal Assistance community on June 11, 2018. Read the updated FAQs to learn more.

SAM.gov is experiencing high volume and delays. If you have tried to create or update your SAM.gov registration but have not been able to complete the process, you may not be able to apply for a HRSA funding opportunity via Grants.gov in a timely manner prior to the application deadline. If so, please email DGPwaivers@hrsa.gov, per the instructions in Section 3.6 of your HRSA Application Guide.

If you fail to allow ample time to complete registration with SAM or Grants.gov, you will not be eligible for a deadline extension or waiver of the electronic submission requirement.

4. Submission Dates and Times Application Due Date

The due date for applications under this NOFO is January 3, 2018 at 11:59 p.m. Eastern Time. HRSA suggests submitting applications to Grants.gov at least **3 days before the deadline** to allow for any unforeseen circumstances.

See Section 8.2.5 – Summary of emails from Grants.gov of HRSA's SF-424 Application Guide for additional information.

5. Intergovernmental Review

SHIP is not subject to the provisions of Executive Order 12372, as implemented by 45 CFR part 100.

See Section 4.1 ii of HRSA's *SF-424 Application Guide* for additional information.

6. Funding Restrictions

You may request funding for a period of performance of up to 4 years, at no more than $12,000 per hospital per year (inclusive of direct **and** indirect costs). The FY 2019 President's Budget does not request funding for this program. This program notice is subject to the appropriation of funds, and is a contingency action taken to ensure that, should funds become available for this purpose, HRSA can process applications and award funds in a timely manner. Applicants should budget approximately $12,000 per hospital, though the final amount awarded will be dependent upon HRSA appropriation of funds. Awards to support projects beyond the first budget year will be contingent upon Congressional appropriation, satisfactory progress in meeting the project's objectives, and a determination that continued funding would be in the best interest of the Federal Government.

The General Provisions in Division H of the Consolidated Appropriations Act, 2018 (P.L. 115-141) apply to this program. Please see Section 4.1 of HRSA's *SF-424 Application Guide* for additional information. Note that these or other restrictions will apply in the following FY, as required by law.

Federal funds provided through this program may only be used for purposes authorized in 1820(g)(3) of the Social Security Act (42 U.S.C. 1395i-4), as amended.

You are required to have the necessary policies, procedures and financial controls in place to ensure that your organization complies with all legal requirements and restrictions applicable to the receipt of federal funding including statutory restrictions on use of funds for lobbying, executive salaries, gun control, abortion, etc. Like those for all other applicable grants requirements, the effectiveness of these policies, procedures and controls is subject to audit.

All program income generated as a result of awarded funds must be used for approved project-related activities. The program income alternative applied to the award(s) under the program will be the addition/additive alternative. You can find post-award requirements for program income at 45 CFR § 75.307.

V. Application Review Information

1. Review Criteria

HRSA has procedures for assessing the technical merit of applications to provide for an objective review of applications and to assist you in understanding the standards against which your application will be reviewed. HRSA has critical indicators for each

review criterion to assist you in presenting pertinent information related to that criterion and to provide the reviewer with a standard for evaluation. See the review criteria outlined below with specific detail and scoring points. These criteria are the basis upon which the reviewers will evaluate and score the merit of the application. The entire proposal will be considered during objective review.

Review Criteria are used to review and rank applications. SHIP has six review criteria:

Criterion 1: NEED (15 points) – Corresponds to Section IV's Introduction and Needs Assessment

The extent to which the application:
• Describes the purpose of the proposed goals supported by SHIP funding including any new policies, partnerships, and/or administrative changes.
• Details the vision of your SHIP and highlight the goals for the 4-year period of performance.
• Demonstrates comprehensive knowledge and understanding of issues facing and unmet needs of small rural hospitals relating to the purpose of the SHIP program.
• Utilizes relevant data and trend analysis to establish baselines.
• Details how SHIP activities complement other statewide work with small hospitals.
• Describes how comprehensive knowledge and understanding of issues and unmet needs of the health care landscape were obtained (i.e., research, annual assessment/surveys, etc.)

Criterion 2: RESPONSE (50 points) – Corresponds to Section IV's Methodology, Work Plan and Resolution of Challenges

Unless otherwise stated, the Response includes review of Cohort and SIP as part of the Work Plans evaluation. Review criteria are outlined below with specific detail and scoring points. Use the relevant criteria below for states that have hospitals participating in SIP and for those not participating in SIP.

Methodology (20 points)
For hospitals not participating in SIP, the extent to which the application clearly demonstrates:
• An approach to collect, compile, and report information as well as disburse funds, lead or plan activities, and work with consultants or technical assistance providers.
• How expenditures will be prioritized by participating hospitals.
• How equipment or services will be provided.
• How the SORH ensures receipt and accuracy of purchases from participating hospitals.
• The application includes complete data and a summary pertaining to all hospital applicants, as detailed under *Hospital Applicant Information (Attachment 8)* including the percentage/number using HCAHPS, and ICD-10, and number of CAHs and PPS hospitals, and any particular needs they might have and how they will be addressed.

For those states that have included SIP, the extent to which the application clearly demonstrates:
- The network/consortia clearly illustrates innovation in achieving the proposed outcomes.
- The innovation and cohort will be sustainable for at least 2 years.
- Leveraged SHIP funds will affect overall hospital(s) improvement.
- How SIP activities will collectively affect participants such as improving quality, financial systems, or shared savings.

Work Plan (25 points)
The extent to which the application clearly discusses:
- Activities, goals, objectives, or steps taken during each budget period of the four (4) year period of performance.
- Dates of initiation and completion (or anticipated) for each of the activities, goals, and/or objectives.
- Number and type of staff (or responsible entity).
- All evaluative measures (anticipated and/or actual).
- All outcomes/impacts (anticipated and/or actual).
- Format and use of networks/consortia (if applicable).
- Proposing appropriate activities, in alignment with the SHIP Purchasing Menu.

Resolution of Challenges (5 points)
The extent to which the application clearly describes:
- Potential barriers and challenges in designing and implementing the activities described in the SHIP work plan along with the specific approaches to resolve challenges.
- Framework and method to overcome barriers and challenges.

Criterion 3: EVALUATIVE MEASURES (10 points) – Corresponds to Section IV's Evaluation and Technical Support Capacity

The extent to which the application:
- Demonstrates the strength and effectiveness of the strategies and measures proposed to evaluate the SHIP work plan and results, and provides specific evidence that the evaluative measures will be able to asses to what extent the program objectives have been met.
- Describes the data collection strategies implemented by the SORH to assess program objectives, improve performance, and identify future hospital needs.
- Proposes feasible and effective method(s) to monitor and evaluate the project results (including improved quality, improved efficiencies, or cost savings).
- Provides evaluative measures to assess the extent program objectives are met and attributed to the SHIP investment.
- Includes a self-assessment strategy through the course of the project to ensure project alignment with proposed goals.
- Describes sub-contract assessment and monitoring process(es), as applicable.

Criterion 4: IMPACT (10 points) – Corresponds to Section IV's Methodology

The extent to which the application:
• Clearly provides a plan for monitoring the progress of the participating hospitals that will contribute to the overall improvement of hospital operations.
• Describes activities that stand out as best practices or innovations (replicable, measurable, demonstrated impact) including network/consortia, as applicable.
• Describes the engagement of hospital administrators, staff and community representatives, program partners, and other stakeholders in order to identify and implement program refinements and process improvements.

Criterion 5: RESOURCES/CAPABILITIES (10 points) – Corresponds to Section IV's Organization Information

Items under this criterion address the Organizational Information (**Attachment #6**), the Staffing Plan (**Attachment #2**) and Job Descriptions for Key Personnel (**Attachment #3**).

The reviewer will consider the extent to which the Resources/Capabilities:
• Provides sufficient information on the applicant's current structure;
• Clearly describes the ability of the organization to meet the unique needs of rural communities;
• Includes a sufficiently detailed organizational chart (**Attachment #6**) that includes a SORH Director (or similar title) and SHIP Director; and
• Demonstrates applicant's capability to manage SHIP Program and related projects including effective management of subcontractors and other projects, as applicable.

The reviewer will consider the extent to which the Staffing Plan (**Attachment #2** and Job Descriptions for Key Personnel (**Attachment #3**):
• Identify a SHIP Coordinator responsible for the program who has appropriate skills and qualifications as evidenced by the biographical sketch/resume.
• Demonstrate qualified staff, by training and/or experience to implement, monitor, and evaluate the program.

Criterion 6: SUPPORT REQUESTED (5 points) – Corresponds to Section IV's Budget and Budget Narrative

The extent to which the:
• Proposed budget for each year of the performance period clearly aligns to the objectives, the proposed investments, and the anticipated results.
• Key personnel have adequate time devoted to achieve project objectives.

2. Review and Selection Process

The independent review process provides an objective evaluation to the individuals responsible for making award decisions. The highest ranked applications receive consideration for award within available funding ranges. HRSA may also consider assessment of risk and the other pre-award activities described in Section 3 below.

See Section 5.3 of HRSA's *SF-424 Application Guide* for more details.

3. Assessment of Risk and Other Pre-Award Activities

HRSA may elect not to fund applicants with management or financial instability that directly relates to the organization's ability to implement statutory, regulatory or other requirements (45 CFR § 75.205).

HRSA reviews applications receiving a favorable objective review for other considerations that include past performance, as applicable, cost analysis of the project/program budget, assessment of your management systems, ensuring continued applicant eligibility, and compliance with any public policy requirements, including those requiring just-in-time submissions. HRSA may ask you to submit additional programmatic or administrative information (such as an updated budget or "other support" information) or to undertake certain activities (such as negotiation of an indirect cost rate) in anticipation of an award. However, even at this point in the process, such requests do not guarantee that HRSA will make an award. Following review of all applicable information, HRSA's approving and business management officials will determine whether HRSA can make an award, if special conditions are required, and what level of funding is appropriate.

Award decisions are discretionary and are not subject to appeal to any HRSA or HHS official or board.

Effective January 1, 2016, HRSA is required to review and consider any information about your organization that is in the Federal Awardee Performance and Integrity Information System (FAPIIS). You may review and comment on any information about your organization that a federal awarding agency previously entered. HRSA will consider any of your comments, in addition to other information in FAPIIS in making a judgment about your organization's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed as described in 45 CFR § 75.205 HHS Awarding Agency Review of Risk Posed by Applicants.

HRSA will report to FAPIIS a determination that an applicant is not qualified (45 CFR § 75.212).

4. Anticipated Announcement and Award Dates

HRSA anticipates issuing awards prior to the start date of June 1, 2019.

VI. Award Administration Information

1. Award Notices

HRSA will issue the Notice of Award prior to the start date of June 1, 2019. See Section 5.4 of HRSA's *SF-424 Application Guide* for additional information.

2. Administrative and National Policy Requirements

See Section 2.1 of HRSA's *SF-424 Application Guide*.

Requirements of Subawards

The terms and conditions in the Notice of Award (NOA) apply directly to the recipient of HRSA funds. The recipient is accountable for the performance of the project, program, or activity; the appropriate expenditure of funds under the award by all parties; and all other obligations of the recipient, as cited in the NOA. In general, the requirements that apply to the recipient, including public policy requirements, also apply to subrecipients under awards. See 45 CFR § 75.101 Applicability for more details.

3. Reporting

Award recipients must comply with Section 6 of HRSA's *SF-424 Application Guide* **and** the following reporting and review activities:

1) **Progress Report**(s). The recipient must submit a progress report to HRSA on an **annual** basis, to capture end of year progress for SHIP outcomes. Further information will be available in the award notice.

   For all hospitals that are not part of a SIP project:
   Annual reports on end of year outcomes will capture measures as applicable to the activities each hospital conducted with SHIP funds, including:
   - Improved cost savings
   - Improved efficiencies
     - Hospital completed a security risk analysis and has a breach mitigation and response plan
     - Hospital improved capacity for data standardization, management, and analysis to support value-based care activities.
     - Hospital implemented health IT to facilitate patients' access to their personal health information (e.g., patient history, test results, share electronic care plans, self-management tools).
   - Improved quality
     - Hospital improved patient engagement with their health care team by advancing health IT and training (e.g., patient use of remote monitoring devices, better medication adherence with text reminders).

For states participating in the SIP, annual reports in future years will include the following:
• FY 2019 will be baseline data including Target Goal with a progress report due for FY 2020 and FY 2021.
• FY 2020-FY 2021 report will provide an update of baseline data, narrative and data snapshot of progress, challenges, and best practices.
• FY 2022 report will include an update of baseline data, narrative and data snapshot of progress, challenges, best practices, lessons learned from the cohort/consortium, a description of leveraged funds because of the SHIP investment and a cumulative data table highlighting impacts/improvements during the period of performance from FY1 2019-FY2022.

2) **Integrity and Performance Reporting.** The Notice of Award will contain a provision for integrity and performance reporting in FAPIIS, as required in 45 CFR part 75 Appendix XII.

VII. Agency Contacts

You may request additional information and/or technical assistance regarding business, administrative, or fiscal issues related to this NOFO by contacting:

Potie Pettway
Lead Grants Management Specialist
Division of Grants Management Operations, OFAM
Health Resources and Services Administration
5600 Fishers Lane, Mailstop 10SWH03
Rockville, Maryland 20857
Telephone: (301) 443-1014
E-mail: ppettway@hrsa.gov

You may request additional information regarding the overall program issues and/or technical assistance related to this NOFO by contacting:

Jeanene Meyers
Acting SHIP Coordinator, Hospital State Division
Attn: SHIP
Federal Office of Rural Health Policy
Health Resources and Services Administration
5600 Fishers Lane, Room 17W-53B
Rockville, MD 20857
Telephone: (301) 443-2482
Fax: (301) 443-2803
E-mail: jmeyers@hrsa.gov

You may need assistance when working online to submit your application forms electronically. Always obtain a case number when calling for support. For assistance with submitting the application in Grants.gov, contact Grants.gov 24 hours a day, 7 days a week, excluding federal holidays at:

Grants.gov Contact Center
Telephone: 1-800-518-4726 (International Callers, please dial 606-545-5035)
Email: support@grants.gov
Self-Service Knowledge Base: https://grants-portal.psc.gov/Welcome.aspx?pt=Grants

Successful applicants/recipients may need assistance when working online to submit information and reports electronically through HRSA's Electronic Handbooks (EHBs). For assistance with submitting information in HRSA's EHBs, contact the HRSA Contact Center, Monday-Friday, 8 a.m. to 8 p.m. ET, excluding federal holidays at:

HRSA Contact Center
Telephone: (877) 464-4772
TTY: (877) 897-9910
Web: http://www.hrsa.gov/about/contact/ehbhelp.aspx

VIII. Other Information

Technical Assistance

HRSA has scheduled following technical assistance:

Webinar

Day and Date: Wednesday, October 3, 2018
Time: 3-4 p.m.
Call-In Number: 877-273-4202
Participant Code: 914983637#
Weblink: http://ruralcenter.adobeconnect.com/rdns94evae1i/
Playback: https://www.ruralcenter.org/ship/ta/webinars

Tips for Writing a Strong Application

See Section 4.7 of HRSA's *SF-424 Application Guide*.