**This running FAQ document will be updated periodically throughout the program.**
**Latest update: February 6, 2023**

- **Language updates in green font**
- ➢ **New questions in red font**

## General information about Practice Transformation & Extension Grants

The Tennessee Department of Health (TDH) Healthcare Resiliency Program (HRP) provides for the use of $230 million in American Rescue Plan Act (ARPA) funds for investments in improving access to health and healthcare services in Tennessee. Specifically, the HRP is divided into two tranches of funding: $145 million for Capital Investments in Healthcare Facilities and $75 million for Practice Transformation and Extension Grants.

The Capital Investments Program ($145 million) is dedicated to brick-and-mortar expansion and improvement of patient-care areas of pediatric and adult acute care hospitals, rehabilitation hospitals, Licensed Assisted Care Living Facilities and Licensed Nursing Home Facilities. This will allow these critical facilities to continue to respond to the COVID-19 pandemic and to be prepared for future health crises in Tennessee.

The Practice Transformation and Extension Program ($75 million) will be for projects that improve and upgrade medical practices, technology and service delivery at acute care hospitals and long-term care facilities, and at other institutions, such as schools, that provide health and healthcare services.

An additional $10 million of the $230 million is allotted for program administration.

## General Program Questions

***What is meant by "Practice Transformation and Extension?"***
The purpose of this funding award is to encourage innovations in the delivery of health and healthcare services that foster improved health outcomes. This could include innovative or alternative care delivery models, novel partnerships which address the drivers of health – such as housing or food security, enhanced care coordination, investments in technology, innovation, or partnerships which have the potential to change and improve how services are delivered, particularly with respect to minority, rural, and other traditionally underserved groups.

Applicants are encouraged to develop innovative programs which address the drivers of health outcomes and increase access to services for underserved communities. Applicants may consider projects such as meaningful wraparound services for patients through co-location or integration of services, alternative or innovative care delivery models, investments in technology, improved cross-sector coordination between facilities, and/or social service partnerships that provide health and healthcare services.

Successful applications will demonstrate community need, a commitment to serve and support low-income, minority, and rural populations through these investments, and a plan for evaluation and continued impact beyond the performance period of the grant. These investments in practice transformation and extension will enhance Tennessee's focus on prevention and innovative community partnerships that support improved health outcomes.

***Is there a matching requirement for the practice transformation grants?***
No. However, applicants will be asked if there is a plan to sustain the impact of the program beyond the performance period.

***What are the important program deadlines?***
- Applications will be open for submission from 12/1/22-11:59 PM Central Time until 2/10/23.
- Awardees will be notified in April 2023.
- Funds must be obligated by 12/31/24.
- Funds must be expended by 6/30/26.

***If I have questions regarding the submission of my application, whom can I contact?***
You may contact the HRP Practice Transformation and Extension Hotline at HRP.Practice.Transformation@tn.gov or (615) 686-2613. Please note, the phone line is not manned live. You may leave a message with a description of your question and your contact information, and a representative will contact you to provide assistance within one business day.

## Eligibility Questions

***What facility types are eligible to apply for these funds?***
The following entity types, which are physically located in Tennessee and have been serving Tennesseans since at least January 1, 2021, are eligible to apply for these funds:

- Acute Care Hospitals (adult and pediatric)

- Assisted Care Living Facilities
- Nursing Facilities
- Other facilities that provide health or healthcare services (such as, but not limited to, primary care providers, NGOs, school-based health programs, rehabilitation hospitals, speech/hearing/communication clinics, universities, critical access hospitals, federally qualified health centers, entities serving incarcerated or formerly incarcerated individuals, or other entities that provide services which address the drivers of health outcomes, such as housing, food security, or neighborhood safety.)

### *What expenses are eligible under the Healthcare Resiliency Program's Practice Transformation and Extension arm?*
Eligible expenses for Practice Transformation and Extension grants may be (but are not limited to):

- Alternative or innovative care delivery models that improve access to health or healthcare services and/or that address an identified community need.
- Projects that consider service integration programs or social service linkages to address drivers of health, such as "one-stop-shop" models for underserved populations.
- Seed money for piloting technology investments, such as EHR, telemedicine, eICU, or Mobile Medicine.
- Other evidence-based or promising practices that support improved public health outcomes, such as partnerships with organizations providing housing, nutrition access, caregiver support, or neighborhood safety (You may read more about how to address the Drivers of Health or "Social Determinants of Health" at www.cdc.gov/socialdeterminants)
- Projects that include research components may be acceptable if they result in the delivery of services prior to program end and are proven sustainable past the program period.

All expenses must meet the eligibility requirements of ARPA funded projects.

### *What are some examples of projects that would be acceptable under this program?*
Eligible expenses are intentionally defined broadly as programs that address the drivers of health and healthcare outcomes for minority underserved and vulnerable populations. For more about how to address the drivers of health outcomes, visit https://cdc.gov/socialdeterminants

Specific examples of eligible project types include;

- Electronic Intensive Care Units (eICU)
- Mobile Medical Units

- Telemedicine Services
- Broadband Infrastructure
- Development of Health Information Exchange Platforms
- Co-location & Wraparound Services
- Care Coordination
- Linkage to Social Services
- Promotion of Cross-system/Cross-sector Alignment/Collaboration
- Caregiver Support and Transitional Services
- Patient-centered Care
- Trauma-informed Services
- Nutrition Access and Support
- Birthing Center with Midwife Staffing Model
- Other innovative solutions for improving health outcomes

### *What classifies a facility or project as ineligible?*

Ineligible facilities may include (but are not limited to):

- Facilities where at least 50% of patients receive mental or behavioral health services, as other federal funds will be made available for these facilities  (note that, while a behavioral health facility may not be an eligible applicant, behavioral health services – such as co-location with primary care – may be eligible expenses)
- Any facility not in good standing with the Secretary of State of Tennessee
- Any facility with outstanding civil monetary penalty funds
- New entities that were not located in Tennessee and serving Tennessee patients prior to January 1, 2021

Ineligible projects may include (but are not limited to):

- Brick and mortar projects that are eligible under HRP-Capital Expenditures
- Supplanting of funds for ongoing programs

### *How do I determine if my entity is in good standing with the Secretary of State of Tennessee?*

To determine if your entity is in good standing with the Secretary of State of Tennessee, you will need to obtain a Certificate of Existence. Instructions on how to obtain a Certificate of Existence may be found on the Secretary of State's website: https://tnbear.tn.gov/Ecommerce/CertOfExistenceInstr.aspx.

A copy of your Certificate of Existence must be submitted with your application.

### Are dental services an eligible expense?

Yes, dental services are an eligible component of larger projects intended to address health disparities of underserved communities that were disproportionately impacted by the COVID-19 pandemic.

Low-income and minority communities exhibit higher rates of underlying health conditions that may contribute to an increased risk of COVID-19 mortality. Populations disproportionately affected by COVID-19 are also at increased risk for oral disease and associated systemic health problems. The social and health vulnerabilities within these communities have contributed to more severe public health outcomes, resulting in an exacerbation of pre-existing disparities in health outcomes.

### Are staff salaries an eligible expense?

Salaries can potentially be eligible as part of a larger project aligned with the overall objectives of this program. Because the ARPA funds are for a limited timeframe, applicants must describe how the salaries will be supported beyond the ARPA period of performance.

### Can the funds be used for an external evaluator or grant writer to assist with the process?

We recognize that this is a new process to many of you – you may wish to procure grant writing services to assist with your application, and in such cases this expense will be eligible for reimbursement through this grant but only if your application is selected for an award and these expenses are included in your application's budget.

## Application Questions

### Are recipients required to apply for funds to receive funds?

Yes, to receive funds, eligible facilities must go through an application process including application submission, review, and awarding of funds. Unlike some previous programs, eligible facilities under this program will not automatically receive funding.

### Where should I submit the application?

Your application should be submitted within the application portal here.

Instructions on creating a portal user, navigating the portal, and submitting an application within the portal may be found in User Guide here.

### How will applications be evaluated?

All applications will be checked for eligibility, ensuring the facility and project meet all criteria for the program. Eligible applications will then be scored out of a total of 100 possible points, and the Department of Health will make final determinations for awards.

The evaluation criteria are described below, indicating which sections and criteria will be weighted most heavily in application scoring:

**Community Need – 35 Points**
Applicants will need to provide information about how Covid-19 impacted their organization's ability to provide services as well as address how this proposal will assist in addressing the pandemic impacts and future challenges that the community has identified.

Additionally, applicants must demonstrate their ability to provide services to low-income, minority, underserved, and rural populations that have experienced the most significant impact of the COVID-19 pandemic.

Project Plan– 35 Points
The Tennessee Department of Health (TDH) will score the project plan based on the applicant's overall vision, management plan description, and timeline. A completed logic model will also need to be part of the project plan.

Evaluation Plan– 10 Points
The Evaluation Plan will need to include information on the applicant's plan to measure and evaluate the project's impact and outcomes that were listed in the logic model. The plan may contain information about patients served and/or the quality of care.

Sustainability– 10 Points
TDH will score applicants on how well they demonstrate their ability to sustain this project's impact beyond the grant performance period and the plan to continue the project once it is no longer funded by the grant.

Budget – 10 Points
Applicants will be required to provide a narrative overview of their budget, including the purpose of all categories of expenses.

***What is a Logic Model?***
A Logic Model is a systematic and visual way to present and share your understanding of the relationship among the resources you have to operate your project, the activities you plan to do, and the results you hope to achieve. A traditional logic model will include:

- Consideration of specific program activities that lead to the desired results

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- Defining the input, output, and outcomes of the project

The template for the logic model included as a part of the application may be found [here.](#)

If you do not have experience completing a logic model, the Tearless Logic Model Facilitation Guide linked [here](#) can be used to assist in completing the logic model.

***Should the budget submitted with the application include specific information?***
Yes, the budget template linked here must be submitted with the application including specific detail about each line item.

***Is any preference given based on when the application is submitted?***
No. There will be no scoring weight added for applications received first. Applications will be reviewed as they are received, and an overall evaluation will be performed again once the application period closes on February 10, 2023.

***Can I save the application as a draft to be completed later, or does it have to be completed and submitted at once?***
Yes, you will be able to save the application as a draft and submit it once you fully complete it.

***Can a provider submit more than one application?***
Providers will only be selected for one award under the Practice Transformation & Extension Grant.

***Can a provider submit an application for a project that will span multiple facilities?***
Yes, entities that plan to administer a project with a common purpose across multiple facilities are eligible to apply. Information regarding the location and facility type of each entity to be served under this project will be required in the application as well as the funding amount to be allocated to each facility. Please note that grant awardees will not be allowed to subaward funds or create further subrecipient relationships.

***Does applying for the Practice Transformation & Extension Grant make an organization ineligible to apply for a Capital Investments Grant?***
No, organizations may apply to both arms of the program.

***What should I do after my application is submitted?***
Upon receipt of an application, a review will be completed by program staff. If additional information is needed from you regarding your application, program staff will contact you directly about it via email or telephone. Please ensure your response to any requests

for additional information is timely. Once the application has been scored and the decision is made, the applicant will be notified in writing.

### *Are late applications allowed?*
Late applications will not be accepted. The intention of the 90-day window is to allow applicants sufficient time to gather necessary information, draft the application, perform internal reviews, and submit the final application through the webform. Furthermore, since this is a competitive grant process, permitting late applications would delay the overall timeline on grant approval and award.

### *Is there a budget minimum or cap per year or overall, per project?*
No, there is not a set budget minimum or budget cap for applications, but it is encouraged to consider the caps for each entity type detailed below and that we anticipate making several awards in each area. Reimbursement requests may not exceed the total awarded to a facility.

| ENTITY TYPE | TOTAL FUNDING AVAILABLE |
|---|---|
| **ADULT AND PEDIATRIC ACUTE CARE HOSPITALS** | $30 million |
| **LONG-TERM CARE FACILITIES** | $25 million |
| **OTHER HEALTH AND HEALTHCARE FACILITIES** | $20 million |

## Funding Questions

### *Will there be any advance of funds, or will all funds be disbursed on a reimbursement basis?*
There will be no advance of funds. All funds will be issued on a reimbursement basis once sufficient supporting documentation is provided. Detailed information and instructions regarding documentation standards will be provided at a later date to awarded facilities; however, at a minimum, awarded facilities will be expected to comply with the compliance requirements of ARPA and 2 CFR 200.

### *Can this grant be used for expenses covered by other funding sources?*
No, funds cannot be used for any expenses that have been or will be reimbursed under any other program (e.g., Provider Relief Fund).

***Can recipients use the funds to reimburse eligible expenses incurred prior to this program?***
No. The intended focus of this program is for new and transformational projects.

***How much funding will each facility receive?***
While exact award amounts have not been determined at this time, TDH anticipates that approximately 40 awards will be made in the following manner:
<u>Adult and Pediatric Acute Care Hospitals</u>

- A total amount of $30 million will be distributed among these facilities.

<u>Long-Term Care Facilities</u>

- A total amount of $25 million will be distributed among these facilities.

<u>Other Health and Healthcare Facilities</u>

- A total amount of $20 million will be distributed among these facilities.

***What happens if an awarded applicant decides they do not want the funding after submitting an application or being selected for an award?***
TDH will notify all entities whose applications have been selected for funding. Entities will then have 30 days to either accept or deny the funds. Any funds denied or not accepted within 30 days will be reallocated for other entities.

## Federal Requirements Questions

***What subrecipient requirements exist for the grant?***
THRP-PTE funds are provided through the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF), and as such, any awardees of this program will become subrecipients that are subject to SLFRF eligibility, reporting and other compliance requirements.

As a subrecipient, you will also be subject to Uniform Guidance (UG) requirements, including but not limited to the following:
- Adhering to procurement requirements of the UG, and either the State of TN or your organization (dependent on which is more restrictive)
- Maintaining adequate records and financial statements to support compliance
- Maintaining documentation to support appropriate expenditures
- Depending on the amount of funds expended, subrecipients may be required to obtain a Single Audit

Facilitating risk assessments and monitoring of your use of federal funds by TDH and taking appropriate and timely action in the event of monitoring or audit findings.

Robust documentation will be required in order to receive reimbursement for expenses. Subrecipients should expect to maintain the following for program expenditures:

- Procurement policy, and procurement and bid documentation
- Cost/price analysis depending on procurement amount
- Contracts and change orders
- Detailed invoices for work performed
- Dates worked
- For time and materials contracts, monitoring documentation.

***Do other federal requirements apply to these funds in addition to ARPA eligibility requirements?***

In addition to the ARPA eligibility requirements, these funds are subject to the provisions of the Uniform Guidance at 2 CFR 200, including procurement standards, cost principles, and Single Audit act requirements.

***When must work be complete?***
The performance of all work must be complete by June 30, 2026.

Additionally, under ARPA requirements, all costs must be obligated by December 31, 2024. An "obligation" means orders placed for property and services, contracts and subawards made, and similar transactions that require payment. In the context of this program, all contracts or purchase orders must be executed and in place by December 31, 2024.

***What requirements apply when acquiring goods and services?***
The Uniform Guidance procurement requirements at 2 CFR 200.317 – 327 apply to all purchases made under this program. Program participants must fully comply with these requirements. Participants that are not part of state government must have written procurement and conflict of interest policies in place, comply with the most restrictive of federal, state, and local procurement requirements, and conduct all procurement transactions in a manner that provides for full and open competition, among other requirements.

When reimbursement requests are submitted, participants must provide all procurement documentation for TDH to review for compliance.

***What requirements apply to purchases of equipment?***

The term "equipment" means any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds five thousand dollars ($5,000.00).

Program participants must obtain prior approval from the State before purchasing any equipment. In addition, federal standards for equipment at 2 CFR 200.313 apply, including title, use, asset management, and disposition requirements.

### *What audit requirements apply?*
Program participants other than for-profit entities that expend $750,000 or more in federal funds during a fiscal year must have a single or program-specific audit conducted for that year in accordance with Uniform Guidance audit requirements.

### *What documentation must be maintained?*
Program participants must maintain all records and financial documentation sufficient to demonstrate compliance with ARPA and program-specific requirements for a period of five years after all funds have been expended or returned by the State of Tennessee to Treasury, whichever is later. The documentation must be kept at a level sufficient to stand on its own and demonstrate full compliance in the event of an audit.

### *Do program income requirements apply?*
The term "program income" means gross income earned by program participants that is directly generated by a supported activity or earned as a result of the grant during the period of performance. Program income includes but is not limited to income from fees for services performed, and the use of rental or real or personal property acquired with ARPA funds.

Certain activities funded through this program may meet the definition of program income when additional revenue can be tied directly to the federally funded purchase of a new asset. In those instances, program participants must identify, track, and report program income to TDH.

### *What reporting requirements apply?*
Tennessee must submit reports to Treasury on a quarterly basis. Participants must input all necessary data into Tennessee's reporting portal for it to be aggregated and reported to Treasury in a timely manner.

Awardees will be provided further information on reporting after the announcement of awards.

### *What populations are considered underserved?*

An underserved population would be any group that does not have adequate access to medical care. This may include but is not limited to rural, elderly, low literacy, and minorities.

***How do we work with multiple entities without creating a subaward?***
The project may benefit multiple entities; however, the funds must be managed solely by the awardee. Projects can be designed to work with multiple entities without creating a subaward relationship. TDH would need to better understand the details of a specific project in order to provide further guidance.

***A de minimis rate of 10% for indirect costs is used for all our federal grants. Will 5% admin costs be in addition to this for a total of 15%?***
The Terms and Conditions allow program participants to charge indirect costs only if they have an approved indirect cost rate approved by the cognizant federal agency or cognizant state agency, as applicable. Indirect costs are subject to the 5% cap on administrative costs.

***How do we obligate funds by 12/31/24 if we are planning to allocate a portion of grant funds for salary and fringe throughout the full project period?***

Treasury has initially addressed this issue in their FAQ #13.17, which can be located at the following link (https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf). Program participants must follow state or local law and their own established practices and policies regarding when they are considered to have incurred an obligation and how those obligations are documented. Compliance may require establishing a written policy if one is not in place. TDH will work with program participants to address this issue and anticipates Treasury will provide additional guidance as this date approaches.