

Background

In the aftermath of Hurricanes Katrina and Rita, the State of Louisiana Department of Health and Hospitals (DHH) was awarded a \$100 million Primary Care Access and Stabilization Grant (PCASG) for the period July 2007 through September 2010. This three-year program was designed to restore and expand access to primary and behavioral health care services in the Greater New Orleans area, by providing short-term financial relief to outpatient provider organizations. The PCASG program was also intended to decrease costly reliance on emergency room use for primary care services for uninsured, underinsured and Medicaid-enrolled patients.

By the summer of 2010, the PCASG funds sustained a neighborhood-based, primary care infrastructure, with more than 87 clinics providing primary, preventive, behavioral health and basic specialty care to nearly 20 percent of the region's population. In three short years, this grant program became a national model for health care delivery transformation by improving access to higher quality, more responsive and better coordinated health care services for vulnerable patient populations. As the grant period neared its end, DHH and the clinics faced the challenge of replacing the PCASG funding and sustaining this community-based delivery system into the future.

To address the loss of the grant dollars – then an essential revenue stream for these safety net providers – on August 6, 2010, DHH submitted a proposal to the Centers for Medicare & Medicaid Services (CMS) for a Medicaid Section 1115 Demonstration waiver, which was approved on September 22, 2010. This waiver continues to provide funding to various providers that were funded by the PCASG program. Funding is provided through reduced discretionary disproportionate share hospital funding and increased support for Patient-Centered Medical Homes (PCMHs). The Demonstration's funding approach permits DHH to use up to \$30 million (total computable) in Demonstration years (DY) 1, 2 and 3 and \$7.5 million (total computable) in DY 4 to expand health care coverage to eligible low income, uninsured, adult residents of the Greater New Orleans area and provide enrollees with access to limited benefits through participating providers.

Through the GNOCHC Demonstration, DHH is:

- Preserving primary and behavioral health care access that was restored and expanded in the Greater New Orleans area after Hurricane Katrina with PCASG funds
- Advancing and sustaining the medical home model begun under PCASG
- Evolving the grant-funded model to a financially sustainable model over the long term that incorporates Medicaid, CHIP and other payer sources as the revenue base
- Orchestrating change in two broad phases with incremental milestones internal to each:
 - Phase 1 spans October 2010 through December 2011 and focuses on access preservation and evolution planning.
 - Phase 2 spans January 2012 through December 2013 and focuses on evolution plan implementation and assessment, successful transition to Medicaid and the Federal Health Benefits Exchange and Demonstration phase-down.

Authority

The terms and conditions approved by CMS authorize DHH to make payments to eligible providers for infrastructure costs related to the provision of health care services under the Demonstration. Payments for infrastructure costs will cover expenditures to support providers' delivery of services, billing for services, financial accountability and encounter and quality reporting. Infrastructure payments will not cover any costs for the acquisition, construction, alteration or renovation of bricks and mortar.

The total amount of funds available for infrastructure investment payments is subject to the availability of State matching funds. The total amount of payments made for infrastructure investments shall not exceed 10 percent of the total computable expenditures under the Demonstration. DHH may adjust infrastructure investment payments as necessary to maintain expenditures within both Demonstration expenditure and State matching fund limitations.

Infrastructure investment payments will be made based on applications from participating providers and DHH's assessment of the extent to which the application targets the following five criteria for infrastructure investments listed in order of priority to DHH:

- To acquire, install and train staff to operate practice management, billing, financial and data collection systems required for payment, encounter reporting and accountability
- To enhance care management capacity through the acquisition of care/case management systems, development of comprehensive care management protocols and in-depth staff training
- To acquire technical assistance to gain National Committee for Quality Assurance® (NCQA) PCMH recognition and to cover the costs of the NCQA PCMH application process
- To develop, acquire, install data collection/reporting systems required to participate in quality and performance improvement incentive programs
- To acquire and install equipment required for telemedicine consults and/or mobile service capacity

Applications will be assessed on both the extent to which they target infrastructure investment criteria and:

- Detail the work plan for the project and an achievable timeline
- Demonstrate provider capacity to manage the infrastructure project
- Demonstrate cost effectiveness of the investment (e.g., joint ventures that reduce design, development and implementation costs or projects that build on infrastructure in place among participating providers)
- Identify the level and source of other funds available to support or partially support the investment (e.g., foundation or federal funds for health information technology)
- Provide detailed documentation and a reasonable basis for cost estimates included in the application (including a description of all other alternatives considered and the relative cost of those alternatives)
- Demonstrate that the provider can account for expenditures of infrastructure funds as distinct from the ongoing costs of operations
- Build community partnerships (e.g., hospitals, insurers), which contribute to the long-term sustainability of the provider

Application Process

In the current application cycle, eligible providers are invited to request funding for eligible infrastructure investments made during the October 1, 2010 through June 30, 2012 period. Infrastructure investments made before a provider's enrollment in the Demonstration or after a provider's disenrollment from the Demonstration are ineligible for funding.

The timeline for the current application cycle is as follows:

Application release date	10/11/11
Period during which questions may be submitted to DHH	10/11/11 - 10/27/11
Last date that answers will be posted on DHH website	10/28/11
Application due date (5:00 pm CDT)	10/31/11
Applicant notified of DHH decision	11/18/11

Subject to the availability of State matching funds and Demonstration expenditure limits, applications for funding for eligible infrastructure investments to be made after June 30, 2012 may be invited in a future application cycle but will not be considered at this time.

Application Content & Format

Applicants must use the standard format provided and follow the specified page limits.

All applications must be site-specific and signed by the authorized representative of the applicant organization.

A single site may request funding for multiple investments. Each request must be submitted on a separate application. The applications should be submitted as a set with a cover letter prioritizing each request.

Multiple sites may request funding for a single investment or joint venture. Each site must submit a separate application. The applications should be submitted as a set with a cover letter providing an overview of the joint venture.

Applications must include the following information content:

- **Applicant's Contact Information** – List the provider organization name, the provider site name, GNOCHC Provider ID number, address and telephone number; the contact person and his/her telephone number and email address. This should be an individual who can answer questions about the application.
- **Summary of Initiative** (5 page limit) – Describe, as succinctly as possible, the investment, for which the applicant is requesting funding. The applicant should ensure that this request meets one or more of the five criteria targeted for infrastructure investment funding. When developing this summary, each applicant should provide the following information or answer the following questions in the order listed below:
 - A. **Target Criteria**– What target criteria for infrastructure investment funding does this request address?
 - B. **Request Description** – Identify the investment/item for which funds are being requested. How will the investment improve the applicant's ability to accomplish the target criteria?

- C. **Effect on Waiver Population** – How will this investment support services to the waiver population? If possible, quantify the number of members who will benefit from this investment.
- D. **Effect on Self-Sustainability** – How will this investment move the applicant to self-sustainability by December 31, 2013? How will it prepare the applicant to be competitive in the 2014 marketplace?
- E. **Provider Capacity and Timeline** – Describe the applicant's capability to manage the investment and provide a proposed timeline.
- **Budget for Initiative** (2 page limit) – Include an explanation for all funds requested. Please address the following questions in the budget:
 - A. **Amount Requested** – Include the amount of funding requested in this application. Provide the necessary explanation and documentation. If only a portion of the request is funded, explain if and how the purchase will be made.
 - B. **Timeline for Expenditure** – Include the date(s) that requested funds are anticipated to be expended. Describe if the expenditures will be made in a single lump sum or by installment payments. If in installment payments, include anticipated dates.
 - C. **Alternatives Considered and Request's Cost Effectiveness** – Describe what alternatives were considered before this investment was selected and why the request is cost effective.
 - D. **Funds to be Requested from Other Sources** – If funds are being requested from other sources, provide the necessary explanation and documentation.
 - E. **Description of Infrastructure Funding Segregation from Operating Costs** – Describe how any infrastructure investment funds received will be segregated from the provider's ongoing costs of operation.

Questions

Applicants may submit questions regarding the application process via email to GNOCHC@la.gov through 10/27/11. DHH will make every effort to answer questions timely and post by 10/28/11 all questions and answers on the GNOCHC information page of the lamedicaid.com website.

Submission

All applications must be submitted in Microsoft Word or as a PDF document, using the application form provided. Applications should be submitted via email to GNOCHC@la.gov by 5:00 pm CDT on 10/31/11.

Selection Process

Applications will be reviewed by a team selected by DHH. This team may include Demonstration managers, health care billing and practice management professionals and IT experts. DHH will notify applicants of funding decisions not later than November 18, 2011.

Restrictions, Terms & Conditions of Funds Use

- Funds are not available for staff salaries/wages.
- Funds cannot be used for brick and mortar improvements.
- Funds are available for one-time expenses only, not for recurring costs, such as information technology (IT) maintenance contracts.
- Funds are not available for items for which funding is available from another source, such as electronic health record systems.
- Only the value of goods or services from unrelated parties will be funded. Transactions with related parties may be necessary based upon the provider's organizational structure, but no related party charges may be paid for with this funding.
- Funds approved in this application cycle must be expended or encumbered before June 30, 2012. Purchases shall be documented by executed contracts, invoices or other proof of acquisition. Final payments on such encumbrances do not have to be made by June 30, 2012. A legally binding commitment to purchase is required; bids alone are insufficient.
- Funds not expended or encumbered by June 30, 2012 must be reported to DHH not later than July 15, 2012. Providers with unencumbered or unexpended infrastructure investment fund balances from this application cycle will be ineligible for infrastructure investment payments from future application cycles.
- Any infrastructure investment funds from this application cycle not encumbered or expended by December 31, 2012 will be considered an overpayment subject to recoupment or offset against future claims for payment by the provider under the Demonstration.
- Funds must be utilized only for the purposes described in the application and approved by DHH.
- Provider will agree to participate in any DHH or independent evaluation process.
- Funds are subject to the availability of state and federal funds. DHH is solely responsible for the determination of infrastructure investment payments, and all such determinations are final.
- DHH reserves the right to review or audit applicable charges and payments for approved expenditures.
- Provider agrees to indemnify and hold harmless DHH against any loss, expense or liability arising out of any investment funded by infrastructure investment payments.
- DHH can publish results of investment, giving credit to provider.
- Provider may not assign this agreement to a third party.
- Provider must submit required infrastructure investment expenditure reports as detailed in the GNOCHC Provider Manual and excerpted below. Failure to submit the required reports will result in ineligibility for infrastructure investment payments under the Demonstration.

Required Reporting

Providers are required to report quarterly on infrastructure investment expenditures, including but not limited to the following information:

- Reporting period
- Provider name
- Provider number
- Date of investment (expenditure)
- Description of investment
- Amount spent for investment

Quarterly infrastructure investment expenditures must be reported on Form GNOCHC-2. Form GNOCHC-2 and instructions for completing it can be downloaded from the “Forms/Files/User Manuals” page of the www.lamedicaid.com website.

Reports are due according to the following table.

Reporting Period	Deadline for Reporting
October 1, 2010 – December 31, 2011	January 30, 2012 *
January 1, 2012 – March 31, 2012	April 30, 2012
April 1, 2012 – June 30, 2012	July 30, 2012
July 1, 2012 – September 30, 2012	October 30, 2012
October 1, 2012 – December 31, 2012	January 30, 2013
January 1, 2013 – March 31, 2013	April 30, 2013
April 1, 2013 – June 30, 2013	July 30, 2013
July 1, 2013 – September 30, 2013	October 30, 2013
October 1, 2013 – December 31, 2013	January 30, 2014

*The January 30, 2012 report will replace any and all quarterly infrastructure investment expenditure reports submitted to DHH prior to the provider's application for infrastructure investment payment and DHH's decision on infrastructure investment payment amounts. The January 30, 2012 report will reflect infrastructure investment expenditures as approved by DHH for the prior period(s).

All applications must be received by email at GNOCHC@la.gov by 5:00pm CDT on 10/31/11. Within specified page limits, applicants may expand this template as necessary.

Applicant Information

Provider Organization Name:	
Provider Site Name:	
Site Provider ID:	
Address:	
Telephone Number:	
Contact Person:	
Contact's Telephone Number:	
Contact's Email Address:	

Summary of Initiative(5 page limit) If funding is being requested for more than one investment, complete a separate application for each investment and indicate the order of priority to your organization for each investment at the beginning of your Request Description. If funding is requested for a joint investment, please complete a separate application for each participating site and submit the set with a cover letter providing an overview of the joint investment.

Target Criteria Check appropriate boxes. More than one box may be checked.

- ☐ To acquire, install and train staff to operate practice management, billing, financial and data collection systems required for payment, encounter reporting and accountability
- ☐ To enhance care management capacity through the acquisition of care/case management systems, development of comprehensive care management protocols and in-depth staff training
- ☐ To acquire technical assistance to gain National Committee for Quality Assurance® (NCQA) PCMH recognition and to cover the costs of the NCQA PCMH application process
- ☐ To develop, acquire, install data collection/reporting systems required to participate in quality and performance improvement incentive programs
- ☐ To acquire and install equipment required for telemedicine consults and/or mobile service capacity

Request Description:	
Effect on Waiver Population:	
Effect on Self-Sustainability:	
Provider Capacity and Timeline:	

Budget for Initiative (2 page limit)

Amount Requested:	
-------------------	--

Funds Expenditure Date(s):	
Funds to be Requested from Other Sources: (Yes/No. If yes, please identify amount and source.)	

Signature

I, as the Authorized Representative for the applicant organization, attest that I have read the 2011 Application Instructions for GNOCHC Infrastructure Investment Payments and agree to the restrictions, terms and conditions of funds use detailed therein.

Signature: _____

Name and Title: _____