

This FAQ document will be updated on an as needed basis, dependent upon new questions received through the Program Helpdesk.

Latest Update: 01/09/2023

- Language updates in green
- New questions in red

General Program Questions

General Program Information

The Tennessee Department of Health (TDH) Healthcare Resiliency Program (HRP) provides for the use of \$220 million in ARPA funds for investments in the 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 HRP is further divided into two tranches of funding: \$145 million for capital investments in healthcare facilities and \$75 million for practice transformation and extension grants. Please note that these FAQs only pertain to applications for the capital investments portion of HRP funding.

Of the \$145 million allocated for capital investments in healthcare facilities, \$120 million is for acute care hospitals/rehabilitation hospitals and \$25 million is for long-term care facilities/nursing home facilities.

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

Eligible Facilities Questions

Who is eligible?

Eligibility will be confirmed through the Tennessee Department of Health's Division of Health Licensure and Regulation.

Acute Care Hospitals include licensed acute care hospitals which are physically located in Tennessee and have been serving Tennessee patients since at least January 1, 2021, are eligible to apply for these funds. Dual licensure facilities are also eligible so long as the facility was utilized as an acute care hospital. Additionally, Rehabilitation Hospitals are eligible entities.

Long-term facilities include Licensed Assisted Care Living Facilities and Licensed Nursing Home Facilities which are physically located in Tennessee and have been serving Tennessee patients since at least January 1, 2021, are eligible to apply for these funds.

Does a Change of Ownership (CHOW) for a facility impact eligibility?

A change of ownership does not impact eligibility, as long as the facility is physically located in Tennessee and has been serving Tennessee patients since at least January 1, 2021.

Are Psychiatric Hospitals and other behavioral health facilities included in the category of Acute Care Hospital? (Updated 12/02/2022)

Facilities that are licensed solely as Psychiatric Hospitals and facilities where at least 50% of patients treated in CY21 were for a primarily behavioral health diagnosis are not eligible facilities under the HRP-CI grant. Dual licensed facilities that are also licensed as Acute Care Hospitals may be considered eligible so long as they can demonstrate that they were treating COVID-19 patients in the role of an Acute Care Hospital, and that their associated pandemic facility capacity constraints were due to an influx of COVID-19 patients.

Are Hospice entities able to apply? (Added 12/02/2022)

Hospice entities are not eligible facilities under the HRP-CI grant.

Are critical access hospitals and rehabilitation hospitals considered “Acute Care Hospitals” for purposes of this grant eligibility? (Added 12/02/2022)

Rehabilitation hospitals are eligible facilities. Critical Access Hospitals that are licensed as Acute Care Hospitals are eligible facilities.

How are awards impacted by certificate of need process? (Added 12/02/2022)

Acute Care Hospitals do not need a CON to add beds if already approved for that type of bed (e.g., acute care, ICU, etc.) Licensed Nursing Facilities can add the fewer of 10% or 10 beds per year without a CON. Should a Licensed Nursing Facility wish to add more than this, the CON process was recently streamlined so as to only take 45-60 days for completion. In the event that an eligible facility does require a CON for its proposed project, facilities are allowed to submit a grant application, and then apply for the CON should the grant application be awarded.

Eligible Expenses Questions

What expenses are eligible under the Healthcare Resiliency Program?

Eligible expenses are generally those capital improvements to improve patient access and care quality in patient-care areas, such as:

Acute Care Hospitals

- Additional Intensive Care Unit Beds, which expand ICU capacity
- Additional Floor Beds, which expand normal floor bed capacity
- Flex Beds, which expand normal capacity and/or surge capacity to provide additional floor bed or ICU capacity

Long-term Care Facilities

- Private patient rooms
- Updates to HVAC/ventilation systems
- Negative pressure rooms
- Infection control barriers
- Other bed expansion or infection control

Both

- Grant writing expenditures if the application is accepted for an award

- Costs to administer the grant up to 5% of the awarded funding

How does the Program define the eligible bed types? What is considered a floor bed, ICU bed and a flex bed for purposes of this grant opportunity? (Added 12/02/2022)

Bed definitions for the purposes of this grant opportunity are consistent with those utilized by the Tennessee Healthcare Resource Tracking System (HRTS) Workgroup:

- Floor Beds are adult “Ward” beds or "Medical/Surgical" beds for adult or pediatric patients
- ICU Beds are beds that can support critically ill/injured patients, including ventilator support, for adult or pediatric patients
- Flex Beds are Floor Beds that can be converted to ICU Beds during a surge event
- Other bed types are ineligible under this program

Are specialty or Emergency Department (ED) beds eligible under this Program? (Added 12/02/2022)

For Acute Care Hospitals and Rehabilitation Hospitals, standalone Specialty or ED beds are generally ineligible for this Program. These types of beds may be only considered eligible if they fall into the category of “Flex Beds,” and thus are convertible to Floor/ICU beds during a surge event. However, please note that in such cases, this grant will only provide funding for expansion necessary for the beds to meet the criteria of a Floor Bed or ICU Bed, depending on the intended use. This grant will not fund the portion of the expansion specific to the specialty bed type.

Long-Term Care Facilities (LTCF) may be eligible for other bed expansion outside of private patient rooms and negative pressure rooms. However, similar to the above, standalone Specialty beds are generally ineligible for this Program. “Other bed expansion” can generally be thought of as beds that allow for the care of higher acuity patients.

Are projects permitted that modify, convert or modernize existing capacity, or are projects limited to those that add new capacity? (Added 12/02/2022)

Entities can apply for projects that modify or convert existing capacity (e.g., converting existing beds to ICU beds, or converting existing rooms into negative pressure rooms) as long as the beds or room are being changed into one of the eligible types above. Projects to modernize existing capacity may be considered, subject to additional requirements. Bed and room types are still limited to those eligible types listed above, and applicants must clearly explain – with supporting statistics – how the modernization project helps to expand healthcare capacity and access and how it improves patient care.

What are ineligible uses of funds?

The following are examples of ineligible uses of funds:

- Investments in waiting areas, lobbies, or staff-only spaces
- Road or street construction
- Staffing Expenses such as payroll, benefits, or office space
- Other projects that do not expand a facility’s capacity to serve patients through bed expansion or infection control in patient care areas

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

What other restrictions exist on this funding?

Facilities cannot use the funding in this contract to supplant other federal funding and must attest that any expense reimbursed under this contract is not reimbursed under any other program. This requirement is not meant to preclude the facility from billing any form of insurance for care provided to any patient. Eligible facilities must follow all applicable State and federal laws for undertaking capital projects and utilizing federal funding, and hospitals must meet all State and federal standards for providing healthcare.

Can funds be used for administrative expenses under this program? (Updated 01/09/2023)

Facilities may utilize up to 5% of the awarded funding for the purposes of covering costs related to administering the grant. This can include grant-writing costs. The purpose of this allocation is to facilitate compliance requirements of grant, such as those pertaining to ARPA and 2 CFR 200. **Please note that this 5% cap on administrative expenses applies to the entire project cost, including both the awarded funding and the grantee match.**

Recipients are permitted to charge direct costs to their award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the program objectives, such as contract support, materials, and supplies for a project. Please note that in such cases, robust documentation is required to support these costs. We will provide more guidance on these requirements to awarded entities.

Can we procure grant writing services and be reimbursed under the program?

Yes, we recognize that this is a new process, and 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 one of those selected for an award.

Are bonuses and incentives for staff an eligible cost under this program?

No. These costs are not eligible due to federal funding restrictions.

Can recipients use the funds to reimburse eligible expenses incurred prior to this program?

Grant funds can only be utilized for new projects. Awardees should target to have all grant funds expended by June 30, 2026.

Are capital improvement expenses related to care of all patients eligible or only those dedicated to COVID-positive patients?

If the facility has incurred additional costs in capital improvements as a result of the COVID-19 pandemic, this expense would be eligible even if this improvement will serve all patients and not just COVID patients.

Are regular maintenance and/or regularly scheduled upgrades considered eligible expenses?

Regularly scheduled upgrades to the patient-care area, which expand a facility's existing capacity to serve patients may be considered an eligible expense. Additional capital investments which expand access and improve care – such as ADA compliant sidewalks, on ramps, or access points – may be considered.

Regular facility maintenance is not considered an eligible expense.

Funding 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.

How much funding will each facility receive?

While exact award amounts have not been determined at this time, TDH anticipates that the awards may be made in the following manner:

Adult and Pediatric Acute Care hospitals

- A total pot of \$120 million distributed among approximately 20 facilities.

Long-Term Care Facilities

- A total pot of \$25 million distributed among approximately 10 facilities.

Beyond the eligible pot of funds, there is no cap on the amount a facility can request in their application. However, for an application to be eligible, any applicant for HRP-CI funds must demonstrate that they have secured 100% co-funding for the amount requested in the application. For example, if a facility requests \$100,000 from this program, they must also secure an additional \$100,000 from an alternate source for their application to be considered.

Is there a co-funding requirement for this grant?

Any applicant for HRP-CI funds must demonstrate that they have secured a 100% co-funding for the amount requested in the application. For example, if a facility requests \$100,000 from this program, they must also secure an additional \$100,000 from an alternate source for their application to be considered. Co-funding may come from a source internal or external to the organization, which will be named in the application. Applicants should keep in mind that the co-funding source may affect the overall grant compliance requirements. Also, for the purpose of completing the application, draft applications can be submitted while applicants work to secure the cost share; however, the application will not be considered complete until the cost share is secured.

When will the awards be determined?

TDH expects to finalize award selections in April 2023.

Is there an expiration date/end date for the funds to be spent?

Awarded entities should target to have funds spent by June 30th, 2026.

What are the evaluation criteria used to determine how the awards are made?

Awards will be competitively distributed based on a scoring system. All applications will be checked for eligibility, ensuring the facility and project meet all criteria for the program (including 100% co-funding). Eligible applications will then be scored out of a total 100 possible points, and awards will be made based on these scores. The evaluation criteria are described below, indicating which sections and criteria will be weighted most heavily in application scoring. Please note that the evaluation criteria represent a combination of applicant-provided narratives and data points, as well as data already maintained by TDH. As such, the questions on the application do not cover all the criteria listed below.

Community Need – 35 Points

Demonstrated by population projections, child poverty rate, facility’s capacity during the pandemic and ability to meet community need, healthcare provider and hospital bed availability, hospital’s serving vulnerable populations, and data related to bed capacity during COVID pandemic.

Quality of Proposed Approach – 35 Points

Illustrated by description of project purpose, implementation plan, intended outcomes of project, and feasibility of project timeline.

Services to disproportionately affected populations – 10 Points

Percentage of patients who were uninsured or insured through TennCare in the previous two years and related to the proposed project and ownership status of hospital (private, public, or government-owned).

Robustness of Project Evaluation Plan – 10 Points

Plan to measure specific project outcomes related to number of patients served and/or quality of care, and to measure and evaluate project at completion.

Soundness of Proposed Budget – 10 Points

Description of reasonable assumptions made for proposed costs and budgetary breakdown by task and function.

Will there be any advances 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 supporting documentation is provided. Awarded facilities will submit invoices for eligible, approved expenses to the State monthly and will be reimbursed by the State monthly. Detailed information and instructions regarding documentation standards will be provided at a later date to those awarded facilities; however, at a minimum awarded facilities will be expected to comply with the compliance requirements of ARPA and 2 CFR 200.

Is there a cap on the amount of reimbursement requests?

Reimbursement requests may not exceed the total awarded to a facility.

What subrecipient requirements exist for the grant?

THRP-CI 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.

THRP-CI funds cannot be used to supplant other federal funding or for any expenses that have been or plan to be reimbursed under any other program (e.g., Provider Relief Fund).

These requirements do not preclude billing any form of insurance for care provided to any patient.

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 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.

Documentation Questions

What substantiating documentation for program expenses will be required for the initial application?

For the program application, facilities should include substantiating data that justifies the need for the expenses they are requesting and ensures compliance with the requests of the application. This could include data on patient volume, bed counts and utilization, and community-level sociodemographic data, etc.

Will a facility need to complete an eligibility attestation form for the HRP program (Updated 12/02/2022)?

Yes. Applicants will be required to attest to the questions below as part of the application submission process:

- This organization has no audit findings during the past 3 years, either governmental or independent audits, which may negatively impact this project or its sustainability.
- This organization does not foresee a change of ownership which may negatively impact this project or its sustainability.
- This organization is financially solvent and does not foresee changes in the financial solvency which may negatively impact this project or its sustainability.
- This organization does not have any outstanding Civil Monetary Penalties owed to the TDH.

Application Questions

How do we apply? Portal link, access, etc.

Application responses must be submitted in TDH’s application portal. The portal can be accessed at <https://tdh.grants.tn.gov>. A Word template of the application is available at the landing page www.tn.gov/health/hrp as a resource for applicants if they wish to use it; however, an application must still be filled out and submitted in the portal.

What can we (the applicant/grantee) do in the Portal?

The application portal will act as a “one-stop shop” for all activities related to this grant opportunity. After registration, applicants can do the following:

- Create an application, save a draft application and submit the final application
- Track the status of a submitted application
- Interface with TDH resources that have questions regarding your application

If awarded, this same portal will also be utilized for the associated grants management activities:

- Electronically sign grant agreement signifying agreement to the State’s terms and conditions and full participation in the program
- Upload required documentation as a part of participating in the program such as invoices and supporting documentation needed for reimbursement.

What is the application period? How long do I have to apply?

The application period opens on November 3, 2022 and closes February 3, 2023. Application treatment and scoring will not be affected by when an application is submitted.

What information is required to complete an application?

Applicants will be required to supply the following information as part of the application process:

- Applicant demographic and contact information
- Demonstration of co-funding
- Narratives and data points demonstrating community need
- Project plan and rationale
- Narrative and data points showing how the project serves populations disproportionately affected by the COVID-19 pandemic
- Plan for evaluating the success and impact of the project
- Project budget

For the purposes of this grant, do “underserved populations” included veterans? (Added 01/09/2023)

For the purposes of this grant, TDH views veterans as a possible “underserved population”. Service-connected mental and physical health issues have the potential to adversely affect the economic and social opportunities and wellbeing of this population at a rate greater than that experienced by the general population. For the purposes of the application narrative(s), as with any underserved population, we would expect a level of specificity regarding why your veteran community is “underserved”. This could take various forms, including but not limited to statistics on rates of certain conditions or outcomes experienced in this community compared to the mean, or lack of proximity to a VA Medical Center.

For the purposes of creating the application budget, is it expected that we will have already gotten bids or procured construction services for the project? (Added 01/09/2023)

No, TDH does not expect that applicants have already solicited bids or procured construction services for the proposed project. In fact, TDH would suggest that applicants abstain from engaging in these activities at this time as the award will impose 2 CFR 200 compliance requirements on grantees, which includes certain rules on how procurement must be conducted. We would, however, expect that the budget is prepared by individuals within your organization with sufficient knowledge and expertise (such as procurement, finance and accounting personnel) to prepare an accurate estimate of the project cost.

What level of detail is expected from a project budget? (Added 01/09/2023)

We expect budget line items would include the key individual components of an infrastructure project along with the anticipated volume of those components (e.g., if inputting a line item for drywall, beds or other key pieces of supplies or equipment, the description should also include the number of units planned to be purchased). Please note that we understand you have not yet gone out to bid for these projects, and so there will likely be changes to these to these proposed costs based on that process.

Will a facility be able to apply for multiple projects on the same application (Updated 12/02/2022)?

Facilities may apply for multiple eligible capital investment projects under this grant opportunity. Each project should have its own application. However, please note that applicants will be awarded no more than one of capital investment projects.

Facilities can still apply and be awarded for both a capital investment grant and a practice transformation grant.

Are late applications allowed?

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

Who can sign the application on our behalf?

It is up to your discretion who will sign the application. At the very least, the signer should be an employee of the entity submitting the application and have the proper knowledge and authority to understand the information being submitted and attest to its truthfulness and accuracy.

Can our contractor be the Project Primary Contact Person?

No, the primary contact person should be an employee of the applicant that has ultimate oversight and responsibility for the implementation and success of the project.

What is the status of my application?

Applicants can track the status of their application in the Portal at <https://tdh.grants.tn.gov>.

Must awardees register with SAM.gov?

Applicants must receive a UEI in order to sign up for the application portal and submit an application. Note that SAM.gov has multiple registration options. For the purposes of the HRP-CI, you will be considered a subrecipient if awarded. As such, you do not need a full SAM.gov registration; only the issuance of a UEI (SAM.gov will guide you through these steps). Please note that this guidance pertains only to the HRP-CI as we cannot comment on the registration needs for other programs that you may be involved with. It is highly encouraged that applicants start this process now, as it could take several weeks to have a UEI issued. Even if an applicant has previously registered on SAM.gov, we still encourage applicants to check that their registration is active and that they have a UEI, since this identifier replaced the DUNS in recent years. For more questions, you may contact SAM.gov at 866-606-8220.

Reimbursement Questions

What documentation is required for requests for reimbursement?

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.

Related Programs

Practice Transformation and Extension Grants:

As part of the \$220 million state healthcare resiliency program, \$75 million was allocated for healthcare facilities to use in technology, practice upgrade, and delivery models focused on improving access. For further information on those funds, please go to <https://www.tn.gov/health/hrp>. This website has information about both of the Healthcare Resiliency Plan grants.