

Rural Hospital Debt Reduction
RFA HHS0015180
Addendum 2 - Questions and Answers

#	RFA Reference	Question	Response
1	Exhibit G-2, DUA Attachment 2, Security and Privacy Inquiry (SPI), Page 12	Per the instructions on Page 12 of Exhibit G-2, DUA Attachment 2, Security and Privacy Inquiry (SPI) that state, "To submit the completed, signed form: Email the form as an attachment to the appropriate Texas HHS Contract Manager(s)," I am attaching this document below. Is any further action needed at this time?	Exhibit G-2, Data Use Agreement – Attachment 2 Security and Privacy Inquiry (SPI) to the RFA is to be completed, signed, and submitted with the Application. See Section XIII (Submission Checklist) list item 3(c) of the RFA.
2	General	<p>I wanted to take a moment to reach out regarding the Rural Hospital Debt Reduction grant opportunity that I am seeing is open for application submissions. I have read into the RFA pdf but was unable to come to a clear conclusion as to if my facility would be eligible for this grant as we are in a little bit of a unique situation.</p> <p>XXXXXXXXXX is a 42 bed PPS hospital located in XXXXXXXXXX County, which has a population of roughly 13,000 people. We are one of the few remaining county owned hospitals in the state. However, while we are owned by the county, we are not operated by the county. With this being said, we operate as a separate entity and our debt is not held traditionally by a lender such as a bank or other institution. We have faced significant challenges over the past few years that have caused us to fall behind to the tune of approximately \$1.1 million in accounts payable to vendors that we purchase supplies, services, and other items that allow us to provide hospital services as part of our normal operations. In addition to the AP burden, we have close to another \$200,000 that is owed to contract physicians for their services.</p> <p>As previously mentioned, this is not your typical type of debt, but this grant would greatly help us with reducing dollars owed to outside parties and assist us in stabilizing the health of the overall facility. Any</p>	A hospital is eligible based on the definition identified in Section 1.2 (Definitions and Acronyms) of the RFA. To qualify as a Rural Hospital under this RFA, a facility has to meet one of the definition subparagraphs (A), (B), or (C).

		insight as to if we should proceed with the application would be greatly appreciated. Thank you!	
3	General	<p>XXXXXXXXX is researching the Rural Hospital Debt Reduction Grant from the Texas Health and Human Services. In reviewing this grant, we have a question regarding the definition of Rural Hospital. The grant material reads that a Rural Hospital is a hospital that: “(1) is located in a county with 68,750 or fewer persons..., (2) is designated by Medicare as a Critical Access Hospital, a Sole Community Hospital, or a Rural Referral Center ..., etc.” It further reads that “You are requesting financial data from our hospital’s 2023 Fiscal Year.” On March 27, 2023, Fiscal Year Ending March 31, 2023, our hospital converted from a Prospective Payment System Hospital to a Rural Emergency Hospital (Limited Services Rural Hospital License 1). Based upon this new Federal Designation, are we eligible to participate as a Rural Emergency Hospital in this Grant Application process? I assure you that as of March 31, 2023, our debt position was significant.</p>	<p>A hospital is eligible based on the definition identified in Section 1.2 (Definitions and Acronyms) of the RFA. To qualify as a Rural Hospital under this RFA, a facility has to meet one of the definition subparagraphs (A), (B), or (C).</p>
4	<p>Section 6.2 Narrative Proposal Page Limit and Formatting, 2nd Paragraph, Page 18:</p> <p>“The narrative proposal must be properly paginated, formatted as an 8 ½" x 11" page with 1-inch margins, and use a 12 point or larger font, except that a smaller font may be used for page headers and footers, footnotes, and illustrations such as tables, charts, diagrams, figures, graphs and other visual aids. If a font smaller than 12 point is used, the text when printed on 8 ½" x 11" paper must not require magnification to be legible. Times New Roman font is preferred.”</p> <p>Section 8.5 Application Composition, 3rd bullet point, Page 27:</p>	<p>Does the Narrative itself need to have 1.5 line spacing, as it is not mentioned in section 6.2?</p>	<p>No, the line spacing of the narrative is at the discretion of the Applicant.</p> <p>Applicant should ensure the narrative proposal conforms to Section 6.2 (Narrative Proposal Page Limit and Formatting) of the RFA including proper pagination and adherence to page limit requirements.</p>

	“Include page numbering for each section of the proposal.”		
5	General	<p>I was curious exactly what the funds of this grant could be used for. My facility is in dire need of new I.T. equipment and I had heard there was an addendum that would allow the Debt Reduction funds to be used for this type of equipment.</p>	<p>As stated in Section 1.1 (Executive Summary) of the RFA, “[t]he purpose of this grant program is to provide time-limited financial support during the term of the Grant Agreement for qualified [R]ural [H]ospitals to reduce their debt that will improve the financial stability of the hospital.”</p> <p>As stated in Section 1.2 (Definitions and Acronyms) of the RFA, Equipment includes information technology systems. The RFA specifically prohibits the use of the Grant funds for services, activities, and costs related to Equipment in Section 5.3 (Grant Funding Prohibitions), item 13 of the RFA. HHSC is not amending the RFA to change the stated funding prohibition.</p>
6	General	<p>The debts related to our facility all stem from the Nursing Homes and QIPP program.</p> <p>We have XXXX in loans just to do IGT and I have another XXX in Medicaid Vendor Hold funding we were required to do. (Remainder of question removed due to identifiable information.)</p> <p>I don't know if this would assist with this issue, but I do want to ask.</p> <p>I believe the answer is NO, but if you don't ask the answer is always no.</p>	<p>The RFA does not limit the types of debt that may be reduced by grant funds. However, the grant application, as well as the Hospital Financial Stability Debt Reduction Plan required by Section 2.6.1 of the RFA, will be reviewed for compliance with state and federal law regarding intergovernmental transfers and the non-federal share of Medicaid.</p>