



**Rural Health Care Delivery Fund
Request for Applications
August 2023**

1 OVERVIEW OF FUNDING OPPORTUNITY

1.1 PROGRAM TITLE

Rural Health Care Delivery Fund (RHCDF)

1.2 SYNOPSIS OF PROGRAM

This Request for Applications (RFA) solicits applications to provide grants to defray operating losses and start-up costs of rural health care providers and facilities that provide new or expanded health care services.

1.3 PROGRAM AUTHORITY

The statutory authority for the Rural Health Care Delivery Fund (RHCDF) is found in 2023 [Senate Bill 7](#), which directs the New Mexico Human Services Department (HSD)¹ to “provide grants to defray operating losses, including rural health care provider or rural health care facility start-up costs, incurred in providing inpatient, outpatient, primary, specialty or behavioral health services to New Mexico residents”. Eligible applicants must be Medicaid Enrolled Providers who are actively serving Medicaid recipients and propose to deliver services that are eligible for Medicaid reimbursement.

1.4 POINT OF CONTACT

Applicants should direct all inquiries and communications concerning this RFA to:

New Mexico Human Services Department

Name: Elisa Wrede, Primary Care Project Manager

Phone: 505-231-2630

Email: nmhsd.oos@hsd.nm.gov

No contact shall be made with other HSD personnel or its designees regarding this RFA. Failure to comply with this requirement may result in disqualification.

2 AWARD SUMMARY

2.1 MAXIMUM NUMBER OF AWARDS ANTICIPATED AND MAXIMUM AWARD AMOUNT

2.1.1 Award Amount. The total funding available for awards is \$80,000,000 contingent on funding availability.

2.1.2 Maximum Number of Awards. The maximum number of awards is contingent on the number of applications received, requested amounts, and the amount of funding available.

2.1.3 Maximum Number of Submissions. There is no limit on the maximum number of submissions an organization may propose, meaning an organization may submit more than one

¹ HSD is transitioning to the Health Care Authority as directed in 2023 Senate Bill 16, but in this RFA we refer to ourselves as HSD.

application. However, an application should be specific to one individual project.

2.1.4 Payment Terms. Awarded Applicants shall receive payments from HSD. HSD anticipates payments to Awarded Applicants to begin fourth quarter of calendar year 2023. HSD is not bound by any award estimates *in the budget amounts* requested in any response to this RFA.

Funding may be reduced or terminated if funds allocated to HSD for the year(s) of this program should become reduced, depleted, or unavailable during the Contract Term. If HSD determines an Awarded Applicant has failed to perform or failed to conform to Conditions, HSD may retract or reduce the funding amount for the Awarded Applicant.

Funds must be expended by the end of the Funding Period. Funding recipients shall return any unexpended funds after the end of the funding period, at the time of submission of the Final Financial Report.

2.2 PRIORITY OF FUNDING ALLOCATION

For this RFA, HSD will prioritize applications designed to defray operating losses and start-up costs of rural healthcare providers and facilities that provide new or expanded services in rural New Mexico counties.

“Healthcare services” means services for the diagnosis, prevention, treatment, cure or relief of a physical, dental, behavioral or mental health condition, substance use disorder, illness, injury or disease and for medical or behavioral health ground transportation.

“Start-up costs” means the planning, development, and operation of rural health care services, including legal fees; accounting fees; costs associated with leasing equipment, a location or property; depreciation of equipment costs; and staffing costs. "Start-up costs" does not mean the construction or purchase of land or buildings.

“Rural county” means a New Mexico county that has a population of 100,000 or fewer according to the most recent decennial census. Additionally, funding priority will be given to services that:

- meet the health needs of the state and the locality.
- are unavailable or under-represented in a community.
- improve access to high-quality health care for Medicaid patients and under-served populations.
- address or advance health equity in the community.
- include a long-term sustainability plan.

2.3 FUNDING PERIOD

The Funding Period is up to three-years depending on the needs of the Applicant and availability of funds.

2.4 APPLICATION TIMELINE

The application process for this RFA is anticipated to proceed according to the timeline below. HSD reserves the right to revise this timeline or any portion of this RFA by publishing an

addendum.

HSD will be awarding applicants in two cycles. An earlier application deadline and expedited funding opportunity is available for those who wish to apply as a **“New Mexico Health Care Access Champion.”** (Additional information on this opportunity can be found in Section 3.)

Action	Responsible Party	Deadline
1. Issue RFA – This RFA is issued by HSD.	HSD	August 1, 2023
2. RHCDF Technical Assistance Webinar	HSD	August 17, 2023
3. RHCDF Tribal Technical Assistance Webinar	HSD	August 18, 2023
4. Online Application Open	HSD	August 21, 2023
5. Deadline to Apply (All applicants) a. <i>Early deadline to be considered for “New Mexico Health Care Access Champion” expedited funding. Champions must be able to demonstrate immediate service implementation.</i>	HSD	October 6, 2023 <i>September 21, 2023</i>
6. Application Review – Applications will be reviewed by HSD. A cross-sector and cross-agency Evaluation Committee may also review and score applications. HSD may initiate discussions, at their discretion to clarify aspects of the application. However, applications may be accepted and reviewed without such discussion.	HSD	September 13– October 27, 2023
7. Notification of Award a. <i>“New Mexico Health Care Access Champion” expedited funding award notification.</i>	HSD	October 31, 2023 <i>October 5, 2023</i>
8. Contracting – Contract will be finalized. If mutually agreeable terms cannot be reached with the awarded applicant in the time specified, HSD reserves the right to finalize funding with a different applicant. a. <i>“New Mexico Health Care Access Champion” contracting.</i>	Awarded Applicant & HSD	November 1- December 30, 2023 <i>October 9 – 30, 2023</i>
9. Funding Start Date a. <i>“New Mexico Health Care Access Champion” funding start date.</i>	Awarded Applicant	January 1, 2024 <i>November 1, 2023</i>

3 ELIGIBILITY INFORMATION

3.1 ELIGIBLE APPLICANT

Rural health care facilities and rural health care providers are eligible. Facilities and providers in non-rural areas are also eligible if the new or expanded service is being delivered in a rural area as described below.

“Rural health care facility” means a health care facility licensed in New Mexico that provides inpatient or outpatient physical or behavioral health services or programmatic services in a county that has a population of 100,000 or fewer according to the 2020 federal decennial census. This includes Catron, Chaves, Cibola, Colfax, Curry, De Baca, Eddy, Grant, Guadalupe, Harding, Hidalgo, Lea, Lincoln, Los Alamos, Luna, McKinley, Mora, Otero, Quay, Rio Arriba, Roosevelt, San Miguel, Sierra, Socorro, Taos, Torrance, Union, and Valencia.

“Rural health care provider” means an individual health professional licensed by the appropriate board, a medical or behavioral health ground transportation entity licensed by the public regulation commission, or a health facility organization licensed by the department of health to provide health care diagnosis and treatment of physical or behavioral health or programmatic services in a county that has a population of 100,000 or fewer according to the 2020 federal decennial census. This includes Catron, Chaves, Cibola, Colfax, Curry, De Baca, Eddy, Grant, Guadalupe, Harding, Hidalgo, Lea, Lincoln, Los Alamos, Luna, McKinley, Mora, Otero, Quay, Rio Arriba, Roosevelt, San Miguel, Sierra, Socorro, Taos, Torrance, Union, and Valencia.

3.2 ELIGIBILITY

Eligibility criteria below must be met:

- Applicant is a Medicaid Enrolled Provider.
- Applicant actively serves New Mexico Medicaid recipients.
- Applicant must be providing a new and/or expanded health care service.
- Applicant must meet state licensing requirements to provide health care services.
- Applicant must provide services in rural counties outlined in 3.1

To be eligible for the “New Mexico Health Care Access Champion” award:

- Applicant must meet criteria listed above.
- Applicant must be ready to implement new or expanded service work in calendar year 2023.
- Applicants not chosen for the “New Mexico Health Care Access Champion” award will still be eligible and considered for the RHCDF award.

4 APPLICATION SUBMISSION

4.1 APPLICATION DEADLINE

Each Application must be:

- Submitted no later than 11:59pm (MST) on Friday, October 6.
 - *“New Mexico Health Care Access Champion” applications are due by 11:59pm on*

Thursday, September 21.

- Completed according to the guidelines outlined in this RFA.
- Submitted using the Bonfire Application Site. *Development of the web-based application is underway.* Application site will be posted to the Primary Care Council website at <https://www.hsd.state.nm.us/primary-care-council/> on August 21, 2023.

Incomplete Applications and Applications submitted in any other manner than the online application system will not be accepted.

A confirmation email will be generated by the system when Applicant has completed and submitted the application. Applicant must consider an application not received by HSD until Applicant has received a system generated email confirmation. If an Applicant does not receive such confirmation, contact the Point of Contact listed in Section 1.4 immediately. Applicant will be required to provide proof of timely submission of the Application. HSD shall not be responsible for Applications that are captured, blocked, filtered, quarantined, or otherwise prevented from reaching the proper destination server including Applicant anti-virus or other security software.

5 INQUIRIES

All inquiries shall be directed to the Point of Contact per RFA Section 1.4. Applicants and prospective Applicants must not discuss an application with any other HSD employee unless authorized by the Point of Contact. All responses by HSD must be in writing to be binding. Any information deemed by HSD to be important and of general interest or which modifies requirements of the RFA shall be sent in the form of an addendum to the RFA to all Applicants that have applied. All Applicants must acknowledge receipt of all addenda within five business days, if any, to this RFA by email to the Point of Contact outlined in 1.4.

6 PROGRAM BACKGROUND

In 2023, Governor Michelle Lujan Grisham enacted [Senate Bill 7](#), which established the Rural Health Care Delivery Fund. HSD will administer the Fund, providing grants to defray operating losses and start-up costs of rural health care providers and facilities that provide new or expanded health care services.

7 USE OF AWARD FUNDS

7.1 ALLOWABLE COSTS

The Fund is designed to defray operating losses and start-up costs of rural health care providers and facilities that provide new or expanded health care services. Allowable costs include:

- Start-up costs such as the planning, development, and operation of rural health care services, including legal fees; accounting fees; costs associated with leasing equipment, a location or property; depreciation of equipment costs; and staffing costs.
- Defrayed operating losses for a new or expanded service, meaning the projected difference between recognized revenue and allowable costs for the grant period.

- Provision of new or expanded health care services that will result in operating losses.

7.2 PROHIBITED COSTS AND LIMITATIONS

Projects are prohibited from or limited to expending funds on the following:

- Existing services that are not experiencing operating losses.
- Capital (e.g. construction or purchase of land or buildings) costs are prohibited.

7.3 REQUIRED COMMITMENTS

- Funding is for no more than the first three years of operation as a newly constructed rural health care facility or the operation of a new or expanded health care service.
- Award amounts shall be reconciled by the department to audited operating losses.
- The rural health care provider or rural health care facility will provide adequate cost data, as defined by rule of the department, based on financial and statistical records that can be verified by qualified auditors and which data are based on an approved method of cost finding and the accrual basis of accounting and can be confirmed as having been delivered through review of claims.
- In the case of a rural health provider, the provider commits to:
 - a period of operation equivalent to the number of years funding is awarded; and
 - actively serving Medicaid recipients throughout the duration of the funding period.

7.4 FINAL AWARD BUDGET AND CHANGE REQUESTS

7.4.1 Final Award Budget. Each application selected for funding shall provide HSD with a Final Award Budget detailing the uses of award funds during each year of the Funding Period. The budget must include only allowable costs as outlined in 7.1 of the RFA.

7.4.2 Budget Changes. For any approved budget line-item change of greater than 10%, Funding Recipient must submit a budget revision approval request to HSD.

7.5 LAST DAY OF EXPENDITURES

Funding must be expended by the final day of the Funding Period.

7.6 RETURN OF UNEXPENDED FUNDS

Funding recipients shall return any unexpended funds after the end of the Funding Period, at the time of submission of the Final Financial Report, unless otherwise approved by HSD.

8 SELECTION FOR FUNDING

8.1 APPLICATION SCREENING

HSD shall assign a cross-sector and cross-agency Evaluation Committee to review Applications to determine if they adhere to the program requirements and the funding priorities. An application must meet the requirements of the RFA and be submitted with proper authorization

to qualify for further consideration. HSD will notify Applicants eliminated through the screening process within 30 business days of the submission deadline.

8.2 RECOMMENDATION FOR FUNDING

The Evaluation Committee shall make funding recommendations to HSD Secretary, who will make the final decision about grant awards.

8.3 VERIFICATION OF SERVICES PROVIDED

Funded Applicants must submit verification to HSD that the new or expanded services are either being provided or will be provided within the stated timeframe outlined in the application.

8.4 FAILURE TO FULFILL PROJECT REQUIREMENTS

If an Awarded Applicant fails to verify to HSD within 90 days following the end of the grant period that new or expanded services have been provided, Applicant shall forfeit the award.

8.5 FINAL AWARD BUDGET AND CHANGE REQUESTS

A Final Award Budget must be submitted to and approved by HSD (instructions and a template for submission will be provided).

9 APPLICANT RESPONSIBILITIES

Applicant shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations and the orders and decrees of any court or administrative bodies or tribunals in any matter affecting the performance of the Contract, including, if applicable, workers compensation laws, compensation statutes and regulations, and licensing laws and regulations. When requested to do so by HSD, Applicant shall furnish HSD with satisfactory proof of its compliance.

10 APPLICATION FORMAT AND CONTENT

10.1. APPLICATION REQUIREMENTS

Applications must include the following five requirements:

Requirement 1: Submission of required contact, individual, and/or organizational information.

Requirement 2: A narrative (not to exceed allowable word limits) that captures the information requested in the narrative submission template. Requested information is subject to change.

Requirement 3: Applicants must upload a sample workplan using the provided online template or their own template so long as the required information is included.

Requirement 4: Applicants must upload a detailed budget indicating uses of funds using the provided

online template or their own template so long as the required categories are included.

Requirement 5: Financial Audits – Audited financial statements covering the most recent two years must be submitted with the Application.

Optional Requirement 6: Letter(s) of Support – Applicants can submit Letters of Support from community stakeholders who attest to the importance of the project.

All templates are provided as Appendices in this RFA and in the online application site.

10.2 INDIVIDUAL AND/OR ORGANIZATIONAL INFORMATION

Required Information

- Organization Name
- Organizational Chart
- Name and contact information (phone, email) of Chief Executive Officer or Executive Director
- Name and contact information (phone, email) of Chief Financial Officer or equivalent
- Name and contact information (phone, email) of person submitting the application
- Address where service(s) will be provided
- Mailing address if different from above
- Federal Tax ID
- NM Tax ID
- DFA Vendor Code
- Legal status (e.g. for-profit, nonprofit, public institution, Native American Government, State/Local Government)
- Financial structure (e.g. for-profit, nonprofit, private equity-owned)
- Affiliation with a Pueblo, Nation, or Tribe
- Do you wish to apply for expedited funding through the “New Mexico Health Care Access Award” process?
 - If yes, please describe how your organization is prepared for immediate implementation of new or expanded services. (Include the expected number of services to be provided over each month of the requested funding period.)

10.3 NARRATIVE

Overview of the Facility and/or Provider

- Provide a high-level overview of the rural health care facility or provider. (This could include, but is not limited to, Mission, Vision, and Goals, historical and current services provided, and engagement in communities.)
- Describe the organization’s payor mix including Medicaid patient percentages.

Description of the Community

- Many sources of community level health and well-being data are available: [Annie E. Casey Foundation](#), [2023 NM Digital Data Book](#), [Kaiser Family Foundation](#), and [County Health Rankings & Roadmap](#). Using these data sources and/or others, describe how you or your

organization:

- Tailors services;
- Allocates resources;
- Advances health promotion and disease prevention;
- Reduces health disparities; and,
- Collaborates with other community organizations and stakeholders as a strategy to address community needs and priorities.

Description of the New or Expanded Service

- What service(s) will be created or expanded with support from this funding?
- What is the historical context for why this service(s) is currently being provided or was previously provided but is no longer available?
- What county(ies) and communities will be served by the new or expanded service?
- Describe when the services will begin and how many services are anticipated during the funding period and in each of the two years following the funding period.
- Explain how the new and/or expanded services will address known health priorities.
- Explain how the new and/or expanded services will close health disparities and promote health equity, including but not limited to the promotion of health-related social needs.
- How will you support the new or expanded service(s) with your current infrastructure?
- What work toward creating new or expanded service(s) has already been completed?
- What, if any, partnerships will be needed to establish or expand the service(s)?
- Description of Expected Revenue Losses and how the RHCDF will offset those costs and/or what Start-up costs will be incurred.

Description of Expected Revenue Losses and how the RHCDF will offset those costs and/or what start-up costs will be incurred.

- Provide the number of years anticipated for funding. (Up to 3 years)
- Provide the total dollar amount needed over the timeframe.
- What other funding, federal, or other grants do you anticipate receiving to support the work?
- Describe the funding approach that would best support the project. (This could include: lump sum payments, monthly payments, a larger portion at the beginning of the project, etc.)

Description of Post-RCHDF Financial Sustainability

- How do you plan to sustain the project or service when you are no longer receiving RHCDF?

Description of post-RCHDF Workforce Sustainability

- Do you have enough staff to conduct the project or deliver the service? If not, include an employee recruitment and retention plan.
- How will you address any workforce shortages that may interfere with service delivery?

10.4 WORKPLAN

Include a project workplan reflecting new or expanded service stages of development, goals, and objectives identified in the abstract, budget, and narrative. The workplan should cover a minimum of twelve months and no more than 36 months and reflect the organizational chart-

include a diagram that illustrates the structure for implementing, coordinating, overseeing, and reporting on the different components of the workplan and project activities. See Appendix B for a sample Workplan to include in your application.

10.5 APPLICATION BUDGET

Include a budget that ties directly to the workplan and project deliverables. Applicants should estimate time and effort associated with completing the workplan objectives and tasks within the funding period requested. Applicants with any existing budgets can include those documents as attachments so long as the information requested in the Budget Template are included.

10.6 FINANCIAL VIABILITY

- *Existing Program:* Provide financial statements of the organization and/or current program going back two fiscal years. Under revenue, include grant funding and all other sources of income that supported the program. Under expenditures, include all expenditures related to operation of the program, regardless of funding source.
- *New Program:* Provide a projected financial statement or budget for the program or project. The statement must include amounts and sources of all income and expense categories related to operation of the program.
- *Applicant:* Audited financial statements of the Applicant covering the most recent two years must be submitted with the Application.

11 NOTIFICATION AND REPORTING REQUIREMENTS.

11.1 REPORTING REQUIREMENTS

For each funded program, Awarded Applicant shall electronically submit the reports listed in Sections 11.3 and 11.4. Prior to report due dates, HSD shall provide reporting instructions and, as appropriate, templates for reporting.

11.2 FINAL FINANCIAL REPORT

Final Financial Report shall be submitted electronically to HSD in a format specified by HSD no later than three months following the last day of the grant period. The Final Financial Report must detail the actual expenditures for the Funding Period by purpose and amount. The report must also document the unexpended balance of funds. The Final Financial Report must include a statement certifying expenditures and unexpended balance by the authorized representative. Award funding must be expended by the end of the Funding Period. Funding recipients shall return any unexpended funds after the end of the Funding Period, at the time of submission of the Final Financial Report, unless otherwise approved by HSD.

APPENDICES

APPENDIX A: RFA DEFINITIONS

APPENDIX B: PROGRAM BUDGET TEMPLATE

APPENDIX C: WORKPLAN TEMPLATE

APPENDIX A: RFA DEFINITIONS

The following definitions shall apply:

1. **Applicant:** An eligible New Mexico rural health care facility or rural health care provider as defined in Section 3.1 of this RFA, applying in accordance with the terms and conditions of this RFA.
2. **Application:** The final document submitted by an Applicant to HSD in response to and in accordance with the terms of this RFA.
3. **Awarded Applicant:** The successful recipient ultimately awarded funding by HSD who is responsible for performing all activities required to fully comply with performance requirements and all funding terms and conditions.
4. **Allowable Costs:** The necessary and proper costs defined by rule of the department based on Medicare reimbursement principles, including reasonable direct expenses, but not including general overhead and management fees paid to a parent corporation.
5. **Department:** the human services department.
6. **Health care services:** services for the diagnosis, prevention, treatment, cure or relief of a physical, dental, behavioral or mental health condition, substance use disorder, illness, injury or disease and for medical or behavioral health ground transportation.
7. **Medicaid:** the medical assistance program established pursuant to Title 19 of the federal Social Security Act and regulations issued pursuant to that act.
8. **Medicaid Enrolled Provider:** a person that provides Medicaid-related services to Medicaid recipients.
9. **Medicaid recipient:** a person whom the department has determined to be eligible to receive Medicaid reimbursable services in the state.
10. **Operating losses:** the projected difference between recognized revenue and allowable costs for a grant request period.
11. **Recognized revenue:** operating revenue, including revenue directly related to the rendering of

patient care services and revenue from nonpatient care services to patients and persons other than patients; the value of donated commodities; supplemental payments; distributions from the safety net care pool fund; and distributions of federal funds.

12. Rural health care facility: a health care facility licensed in the state that provides inpatient or outpatient physical or behavioral health services or programmatic services in a county that has a population of one hundred thousand or fewer according to the most recent federal decennial census.
13. Rural health care provider: an individual health professional licensed by the appropriate board, a medical or behavioral health ground transportation entity licensed by the public regulation commission, or a health facility organization licensed by the department of health to provide health care diagnosis and treatment of physical or behavioral health or programmatic services in a county that has a population of one hundred thousand or fewer according to the most recent federal decennial census.
14. Start-up costs: the planning, development, and operation of rural health care services, including legal fees; accounting fees; costs associated with leasing equipment, a location or property; depreciation of equipment costs; and staffing costs. "Start-up costs" does not mean the construction or purchase of land or buildings.

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Appendix B: PROGRAM BUDGET TEMPLATE

Rural Health Care Delivery Fund
 FY24-FY26 (fiscal years are July 1 - June 30)
 Budget Projection

07/25/23
 04:23 PM

Only include costs directly related to the new or expanded service proposal.

Organization Name:	A	B	C	D
DESCRIPTION	FY23	FY24	FY25	FY26
DESCRIPTION	PRIOR YEAR ACTUALS, IF ANY	YEAR 1 BUDGET ESTIMATES	YEAR 2 BUDGET ESTIMATES	YEAR 3 BUDGET ESTIMATES
Total Costs Does not include purchase of land or buildings	\$ -	\$ -	\$ -	\$ -
Office Space (rent or lease)	\$ -	\$ -	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -
Equipment (purchase, depreciation, or lease)	\$ -	\$ -	\$ -	\$ -
Furniture (rent or purchase)	\$ -	\$ -	\$ -	\$ -
Staff	\$ -	\$ -	\$ -	\$ -
Legal Fees	\$ -	\$ -	\$ -	\$ -
Accounting Fees	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -
<i>Other, please fill-in below:</i>				
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Total Service Revenue	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

NOTES:

RHCDF Budget Projections
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APPENDIX C: WORKPLAN TEMPLATE

Rural Health Care Delivery Fund Workplan
 FY24-FY27 (fiscal years are July 1 - June 30)

Organization name:

Instructions:
 1. Provide a brief description in the light blue box.
 2. Write out the various goals and tasks associated with the project. (Insert additional rows, as needed.)
 3. Fill-in/shade-in the cells under each fiscal year quarter to indicate the anticipated timeline for each goal and task.

Continue to FY26 & FY27 ---->

		FY24			FY25	
		Q3 (January - March)	Q4 (April - June)	Q1 (July - September)	Q2 (October - December)	Q3 (January - March)
PROJECT DESCRIPTION: [Provide a brief description of the new or expanded service.]						
Project Goals & Tasks	Name of Project Goal & Task Owner					
Goal 1:						
a.						
b.						
c.						
d.						
Goal 2:						
a.						
b.						
c.						