February 13, 2014

Dear Rural Hospital Administrators:

**Re: Small Hospital Improvement Program (SHIP) Grant Application**

**Deadline:** Received by 5 p.m. (CT) Thursday, February 27, 2014

The Small Hospital Improvement Program (SHIP) is requesting applications for the next grant cycle: September 1, 2014 through August 31, 2015. Small rural hospitals located in non-metropolitan areas with 49 beds or less are eligible. Each participating hospital must submit an individual application for inclusion with the federal grant application, which is submitted to HRSA, Office of Rural Health Policy, as one complete ND application by our office. All applicants must have a Data Universal Numbering System (DUNS) number and current registration status with the System for Award Management (SAM).

**All hospitals should apply for $9,000, which as in the past, may vary when the actual funding is awarded.** There is no requirement for matching funds. Individual hospital applications (which include questions related to the current SHIP grant) must be submitted electronically via e-mail. Applications **MUST be signed by the CEO** and locally designated individual (if applicable). You will receive an e-mail confirmation when we receive your application.

Please note that there have been significant changes in the flexibility and acceptable uses for SHIP funds over the past couple years. Also, SHIP funds cannot be used to pay for travel expenses or for hospital personnel time.

Attachments include a fill-in form application and a flow chart visual titled 2014-2015 SHIP Tier Selection Process.

Please let me know if you have questions. It is **critically important** that your application is received by the deadline. Please return your application to Angie Lockwood, angela.lockwood@med.und.edu by Thursday, February 27, 2014.

Sincerely,

Angie Lockwood  
Project Coordinator

UND is an equal opportunity/affirmative action institution.
SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM (SHIP)
Hospital Grant Application for Fiscal Year 2014 (FY14)
September 1, 2014 – August 31, 2015

Due back to Center for Rural Health / State Office of Rural Health (SORH) by: **02/27/2014** 5pm CST
Submit signed copy electronically to angela.lockwood@med.und.edu

To help facilitate the awards process, the SORH will submit one SHIP application on behalf of all eligible hospital applicants to the Health Resources and Services Administration, Office of Rural Health Policy. This form must be completed and returned to the SORH for inclusion in the FY14 SHIP application.

A. Hospital Information:

CAH status: Yes ☐ No ☐

*(Check one)* Returning SHIP hospital (funded in FY13) ☐ Or New SHIP hospital (not funded in FY13) ☐

If returning hospital, please answer the following questions:

Is there a change in hospital name since FY13 SHIP application? Yes ☐ No ☐

Is there a change in hospital address since FY13 SHIP application? Yes ☐ No ☐

Is there a change in Administrator/CEO information since FY13 SHIP application? Yes ☐ No ☐

Hospital Name:

Address:

City: State: Zip: County:

Phone: Fax:

Administrator/CEO Name: E-mail:

SHIP Project Director Name: E-Mail:

(Individual responsible for managing SHIP-funded project for the hospital)

Number of beds per Line 14 of the most recently filed Medicare Cost Report*:

Cost Reporting Period of most recently filed Medicare Cost Report: ________________ - ________________

Attach part I of Worksheet S-3 from most recently filed Medicare Cost Report (PPS Hospitals only).

*Note: If hospital reports a licensed bed count greater than 49 on Line 14 but staffs 49 beds or fewer, you may certify eligibility by submitting a written statement to the SORH that includes: 1) the number of staffed beds at the time of the most recent cost report submission, 2) the cost reporting period of the most recently filed cost report, and 3) the signature of the certifying official.
B. Planned FY14 (September 1, 2014 – August 31, 2015) Expenditures

Indicate the percent and dollar amount that will be used to support activities listed on the SHIP Purchasing Menu (page 3). **Total Requested Budget estimate: $9,000 per hospital.**

2014-2015 SHIP funds are intended to be used as a tool to complement and support the Flex program. Priority regarding purchases is determined based on the 2014-2015 SHIP Tier Selection Process: *(please reference document titled with same name)*

Please follow these instructions/priorities:

a. Hospitals may select more than 1 category to participate if priorities are followed and available funds exist.

b. SHIP funded purchases are prioritized as follow :

1. **1st Priority** – Activities relating to MBQIP implementation and reporting (if that hospital has yet to register and transmit MBQIP data).

2. **2nd Priority** – HCAHPS and/or ICD-10 activities if that hospital is not in the process of implementing both systems. In no particular order, hospitals may select one or both; and

   -If the ICD-10 requirement has not been met: Hospitals would then use SHIP funds for ICD-10 software/hardware, or ICD-10 activities related to training, planning, assessment, implementation, testing, or transition as outlined in the CMS resource titled “CMS ICD-10 Implementation Guide for Small Hospitals” *http://www.cms.gov/Medicare/Coding/ICD10/Downloads/ICD10SmallHospitalHandbook.pdf*
   
   SHIP funds cannot be used to pay for travel expenses or for hospital personnel time.

3. **3rd Priority** – If a hospital is already participating in all three of these activities, MBQIP, HCAHPS, and ICD-10, then that hospital may select a different activity listed on the SHIP Purchasing Menu.

   *** Only after hospitals have satisfied all three of the required SHIP Tiers outlined are they able to select activities from the SHIP Purchasing Menu on page 3.

4. If a hospital has already completed **ALL** pre-selected investments (equipment and/or services) listed on the SHIP Purchasing Menu, that hospital may identify an alternative piece of equipment and/or service PROVIDED: a) this purchase will optimally affect a hospital’s transformation into an accountable care organization, increase value based purchasing objectives, and/or aid in the adoption of ICD-10; and b) that hospital receives pre-approval from both their state SHIP director and the appropriate federal Office of Rural Health Policy project officer.

2014 Changes to the SHIP Purchasing Menu:

- New “Care Transitions” category added
  o Note: the “Overall Outcome Measure: Decrease in hospital readmissions over last year” applies to all Care Transitions investments
- New “Payment Bundling/PPS” investments and corresponding measures added:
  o Chargemaster review and/or update
  o S-10 Cost Reporting
- New “Accountable Care Organizations/Shared Savings” investment and corresponding measure added:
  o Baldrige or systems performance training
- Investment moved from “Payment Bundling/PPS” to “Accountable Care Organizations/Shared Savings” category:
  o Quality Health Indicator (QHI)
- Descriptions for each category revised to include broad purpose statement.
**SHIP Purchasing Menu: Planned FY14 (September 1, 2014 – August 31, 2015) Expenditures**

Select (check) applicable investments and corresponding measures and indicate the dollar ($) amount and percent (%) of FY14 requested budget that will be used to support the selected investments up to $9000.

<table>
<thead>
<tr>
<th>Category</th>
<th>Value-Based Purchasing (VBP)</th>
<th>Accountable Care Organizations or Shared Savings (ACOs)</th>
<th>Payment Bundling/PPS (PB/PPS)</th>
<th>Care Transitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Activities that support improved data collection to facilitate quality reporting.</td>
<td>Activities that support the development of ACOs.</td>
<td>Activities that improve the revenue cycle process.</td>
<td>Activities that reduce hospital readmissions.</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>□ A. Training specific to coordinating the collection of MBQIP measure(s)’ data and/or software that would enable the collection of data</td>
<td>□ A. Computerized Provider Entry</td>
<td>□ A. ICD-10 Software</td>
<td>□ A. Emergency Department transfer communication improvement</td>
</tr>
<tr>
<td></td>
<td>□ B. HCAHPS Software or Hardware</td>
<td>□ B. Consultant Pharmacy Services</td>
<td>□ B. ICD-10 Training</td>
<td>□ B. Training to reduce readmissions and/or infections</td>
</tr>
<tr>
<td></td>
<td>□ C. Training Specific to HCAHPS implementation or further application</td>
<td>□ C. Hardware/Software Related to Purchase of Disease Registry</td>
<td>□ C. QI or Efficiency Training (Six Sigma or Lean) in 1 of the following areas: non-clinical operations, board organization/operation, or multi-hospital/network projects</td>
<td>□ C. Medical provider quality improvements</td>
</tr>
<tr>
<td></td>
<td>□ D. Efficiency Training (Six Sigma or Lean) in 1 of the following areas: patient satisfaction, improving ER efficiency (ies), or efficiencies to clinical care delivery areas</td>
<td>□ D. Efficiency Training (Six Sigma or Lean)</td>
<td>□ D. Purchase of Six Sigma and/or Lean software</td>
<td>□ D. Telemedicine or mobile health equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>□ E. Chargemaster review and/or update</td>
<td>□ E. Community Paramedicine equipment and/or training</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>□ F. S-10 Cost Reporting</td>
<td>□ F. HIE subscription within state or region or adding direct address</td>
</tr>
<tr>
<td><strong>Budget</strong></td>
<td>□ A. Training completed related to MBQIP data collection</td>
<td>□ A. Implementation and/or training completed regarding use of a computerized provider entry system</td>
<td>□ A. Installation and use of ICD-10 software</td>
<td>□ A. Implementation and/or training regarding ED transfer communications</td>
</tr>
<tr>
<td></td>
<td>□ B. Installation of HCAHPS software or hardware</td>
<td>□ B. Implementation of a pharmacy consultant service with selection of a process measure to improve upon</td>
<td>□ B. Implementation of ICD-10 training</td>
<td>□ B. Complete training for reducing readmissions and/or infections</td>
</tr>
<tr>
<td></td>
<td>□ C. Implementation and completion of HCAHPS training</td>
<td>□ C. Implementation of an efficiency project, with identification of a specific measure selection and target</td>
<td>□ C. Implementation and/or training of a medical provider quality improvement project</td>
<td>□ C. Implementation and/or training of a medical provider quality improvement project</td>
</tr>
<tr>
<td></td>
<td>□ D. Completion of Efficiency training and project implementation with identification of a specific measure selection and target</td>
<td>□ D. Installation of Six Sigma or lean software</td>
<td>□ D. Installation of Six Sigma or lean software</td>
<td>□ D. Installation/use of telemedicine or mobile health equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>□ E. Completion of chargemaster review and/or updated services</td>
<td>□ E. Completion of chargemaster review and/or updated services</td>
<td>□ E. Installation/use of community Paramedicine equipment and/or completion of training</td>
</tr>
<tr>
<td></td>
<td></td>
<td>□ F. S-10 Cost Reporting improvement</td>
<td>□ F. S-10 Cost Reporting improvement</td>
<td></td>
</tr>
</tbody>
</table>

*Hospitals may select items from this menu ONLY if the hospital has met the requirement of all three required SHIP Tiers. Otherwise, please disregard this page.*
C. Reporting on Current Year FY13 (September 1, 2013 – August 31, 2014) Hospital Activities:
Select (check) investments that describe the use of FY13 funds and provide a brief description of the activities by category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Value-Based Purchasing (VBP)</th>
<th>Accountable Care Organizations or Shared Savings (ACOs)</th>
<th>Payment Bundling/PPS (PB/PPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>☐ A. Training specific to coordinating the collection of MBQIP measure(s’) data and/or software that would enable the collection of data ☐ B. HCAHPS Software or Hardware ☐ C. Training Specific to HCAHPS implementation or further application ☐ D. Efficiency Training (Six Sigma or Lean) in 1 of the following areas: patient satisfaction, improving ER efficiency (ies), or efficiencies to clinical care delivery areas</td>
<td>☐ A. Computerized Provider Entry Services ☐ B. Consultant Pharmacy Services ☐ C. Hardware/Software Related to Purchase of Disease Registry ☐ D. Efficiency Training (Six Sigma or Lean) in 1 of the following areas: non-clinical operations, board organization/operation, or multi-hospital\network projects</td>
<td>☐ A. ICD-10 Software ☐ B. ICD-10 Training ☐ C. QI Training (Six Sigma or Lean) in 1 of the following areas: finance or operational multi-hospital\network projects ☐ D. Purchase of Six Sigma and/or Lean software ☐ E. Quality Health Indicator (QHI)</td>
</tr>
</tbody>
</table>

Description of Hospital Activities:

1. Discuss progress in executing current year, FY13, hospital activities by SHIP category (VBP, ACO/Shared Savings, and Payment Bundling/PPS). Discuss any adjustments from your planned activities to your actual activities.

2. Discuss any challenges (current or anticipated) to completing current year, FY13, hospital activities and how they were or will be resolved, if applicable.

D. Recommendations
Please list any recommendations you may have that could improve the Small Hospital Improvement Program.
E. FY14 (September 1, 2014 – August 31, 2015) Award Preference

☐ My hospital would like all FY14 SHIP funds awarded directly to the hospital.

F. Signatures

By signing this document, you are affirming:

a. That your hospital has selected purchases based upon the required SHIP Tier Selection Process. Activities or services outside of the specific SHIP tier requirements and subsequent SHIP Purchasing Menu will not be funded. SHIP funds cannot be used to pay for travel expenses or for hospital personnel time.

b. That you are not only selecting a purchase, but also a measure that correlates to your purchase. Your hospital will be expected to report to the Center for Rural Health / State Office of Rural Health regarding progress at the end of the year.

Please complete the following:

My hospital has signed-up for MBQIP: Yes ☐ No ☐
My hospital is actively reporting MBQIP core measures to CMS Quality Net: Yes ☐ No ☐
My hospital has begun to implement or has implemented HCAHPS: Yes ☐ No ☐
My hospital has begun to implement or has implemented ICD-10: Yes ☐ No ☐

Please check one of the boxes below:

☐ My hospital will use SHIP funds for purchase of HCAHPS vendor services or training.
☐ My hospital will use SHIP funds to purchase ICD-10 software/hardware.
☐ My hospital will use SHIP funds toward ICD-10-related activities. Please describe planned ICD-10 activities in detail: ______________________________________________________.

☐ My hospital has satisfied all three of the required SHIP Tiers outlined on page 2 of this application and has selected activities from the SHIP Purchasing Menu on page 3.

CEO Signature: ___________________________ Date: ________________

SHIP Project Director Signature: ___________________________ Date: ________________

(Individual responsible for managing SHIP-funded project for the hospital)
TIER 1
MBQIP Phase 1
Hospital has registered for MBQIP and has transmitted Phase 1 data

Y

2014 - 2015 SHIP Tier Selection Process

No

Y

OR

TIER 2
HCAHPS
Hospital has purchased and begun using HCAHPS

Use of SHIP funds:
Facility will contract with HCAHPS vendor for HCAHPS services

Corresponding Reporting Measure = Implementation and use of HCAHPS
*Hospital will be required to report on this measure.

No

Y

TIER 3
ICD-10
1. ICD-10 has already been installed in facility, or
2. ICD-10 hardware or software is currently being installed and used in the facility, or
3. Hospital is part of a health system that is planning ICD-10 implementation and has funds allocated for implementation in FY14 (verification from the health system executive charged with ICD-10 implementation (i.e. email or letter) stating this implementation will take place is required.

Use of SHIP funds:
- ICD-10 hardware/software purchase, or,
- Preparation activities related to ICD-10:
  - Planning
  - Training
  - Assessment
  - Implementation
  - Testing
  - Transition

Corresponding Reporting Measure =
- Installation of ICD-10 software/hardware, or
- Implementation of ICD-10 training, or consultant analysis, testing, etc.
*Hospital will be required to report on this measure.

Facilities that have satisfied all 3 Tiers above may choose options from the SHIP Purchasing Menu document.