U.S. Department of Health and Human Services
Health Resources and Services Administration
Federal Office of Rural Health Policy

Medicare Rural Hospital Flexibility Program

Noncompeting Continuation Progress Report
Program Specific Instructions
5-H54-17-001
Available in EHB: March 21, 2017
Due in EHB: May 16, 2017
Funding Start Date: September 1, 2017

The continuation of grant funding will be based on compliance with applicable statutory and regulatory requirements, demonstrated organizational capacity to accomplish the project's goals, satisfactory progress, adequate justification for all projected costs, availability of appropriated funds, and a determination that continued funding would be in the best interest of the Federal government. Inadequate justification and/or inadequate progress may result in the reduction of approved funding levels.

I. 2017 NCC Overview

This non-competing continuation (NCC) will provide funding during budget year 2017 – 2018. The budget period start date is September 1, 2017. This is the third year of the project period based on the FY 2015 grant application. Appendix A of the FY 2015 funding opportunity announcement (FOA), HRSA-15-038, details all of the Flex required and optional activities for this three-year project period. Note that we updated the MBQIP Measures List, Appendix B, on 3/17/2016; please refer to the current list rather than the one in the FOA.

The Flex Program primarily supports performance improvement in Critical Access Hospitals (CAHs), providing training and technical assistance to improve CAH quality of care, financial stability, and the health of people in their communities. Some grantees also work to support the integration of emergency medical services (EMS) and networking and regional organization of rural health services in the state.

The current Flex grant is a three-year project period (September 1, 2015 – August 31, 2018) and grantees should be preparing to assess overall impact and outcomes of the three-year project period in 2018. This progress report focuses on current year progress and immediate future plans for the state Flex program in FY 2017—the budget year beginning September 1, 2017.

Flex Program Structure

The FY 2015 Flex FOA describes required and optional Core Areas, goals, objectives, and related activity categories. The five Flex Core Areas are:
   1. Quality Improvement – Medicare Beneficiary Quality Improvement Program (MBQIP)
      Goal: Improve the quality of care provided by CAHs.

2. Financial and Operational Improvement
   Goal: Improve the financial and operational outcomes of CAHs

3. Population Health Management and EMS Integration
   Goal 3a: Understand the community health and EMS needs of CAHs
   Goal 3b: Enhance the health of rural communities through community/population health improvement
   Goal 3c: Improve identification and management of Time Critical Diagnoses and EMS capacity and performance in rural communities

4. Designation of CAHs in the State
   Goal: Facilitate appropriate conversion of rural hospitals to CAH status

5. Integration of Innovative Healthcare Models
   Goal: Support the transition to value based models and transformation efforts in the health care system to improve access and quality

Clarification of Guidance on Population Health and EMS Integration

Flex grantees have raised questions about the grant guidance in Core Area 3, Population Health and EMS. The Federal Office of Rural Health Policy (FORHP) appreciates all of the grantee feedback we have received to inform ongoing program development for the FY 2018 funding cycle. For this FY 2017 NCC, we have two clarifications.

- First, the FY 2015 FOA, HRSA-15-038, limited spending in Core Area 3 to 25% of the total grant. In order to address identified needs states may choose to fund appropriate activities under other core areas. Activities that exclusively address hospital emergency department operations may be implemented under activity category 2.04, Operational Improvements. Activities, which focus on developing or testing an innovative approach to emergency services designed to have a positive transformational impact on rural health, may be implemented under Innovative Models, Core Area 5.
- Second, we would like to clarify that EMS leadership training activities selected to address identified capacity gaps may be implemented under activity category 3.06, Improve EMS Capacity and Operational Projects. Programs should clearly identify and be prepared to track the changes expected from EMS leadership training. This tracking should include an appropriate selection of outcome measures reflecting behavior change such as EMS agencies collecting quality data and conducting performance improvement projects. Grantees who are unsure of appropriate outcome measures or are unsure if an activity falls within the scope of the Flex guidance should contact their FORHP Project Officer.

Future Direction of Flex Quality Reporting and MBQIP

As announced in August 2016, CAHs must meet two criteria to be eligible to participate in Flex-funded activities in FY 2017 (September 1, 2017 – August 31, 2018):
1. A CAH must have a signed MBQIP Memorandum of Understanding.
2. A CAH must have reported data on at least one MBQIP Core measure, for at least one quarter, in **at least two of the four quality domains** (Patient Safety, Patient Engagement, Care Transitions, or Outpatient.

With the publication of these NCC instructions, State Flex Coordinators will receive a list of CAHs determined by FORHP to potentially NOT be eligible for Flex funds in FY 2017. FORHP understands that certain circumstances hinder CAHs from reporting. Therefore Flex Coordinators have the opportunity to request waivers from MBQIP participation requirements for FY 2017 on behalf of CAHs initially deemed ineligible. State Flex Coordinators should submit any waiver requests in Attachment 6 of this NCC progress report. See the following links for the detailed MBQIP participation criteria and the 2017 MBQIP sample waiver template.

FORHP continues to assess the MBQIP quality reporting program to ensure it aligns with other national quality reporting programs and is appropriately flexible to meet the needs of CAHs. As part of ongoing MBQIP development FORHP intends to move two quality measure sets from the 'Additional Improvement Activities' list to the 'Core Improvement Activities' in future years. State Flex programs are encouraged to prepare for this change to MBQIP by helping CAHs build capacity to report these measures during FY 2017.

The measures to be added to the MBQIP core quality domains are:
- Patient Safety: Hospital-acquired infection measures CLABSI, CAUTI, CDI, and MRSA reported though the National Healthcare Safety Network
- Outpatient: ED throughput measures ED-1 and ED-2 reported through Inpatient Quality Net.

II. 2016 NCC Instructions

The forms and documents identified in the following table are required submissions for the 2017 NCC.

Content		Title	Type	Required	Max. Pages
SF-PPR		SF-PPR	Form	Yes	N/A
		SF-PPR-2	Form	Yes	N/A
Performance Narrative		Performance Narrative	Document	Yes	15
Appendices	1	Work Plan Data Table	Attachment	Yes	N/A
	2	FY 2016 Work Plan (current)	Attachment	Yes	N/A
	3	FY 2017 Work Plan (future)	Attachment	Yes	N/A
	4	FY 2017 Budget Justification Narrative	Attachment	Yes	N/A
	5	Position Descriptions and Biographical Sketches of New Staff	Attachment	Yes – if applicable	N/A
	6	MBQIP Participation Waivers	Attachment	No	N/A

III. 2017 NCC Submission Details

A. Performance Narrative (Uploaded Document – Required)

The purpose of the *Performance Narrative* is to provide a comprehensive overview of the grant-funded project and to document project activities and accomplishments. This report will provide information about the overall progress of the project since the last progress report and plans for continuation of the project in the FY 2017 budget period.

Submit the narrative as an uploaded document in the "Program Specific Information" section of the NCC Progress Report in the HRSA Electronic Handbooks (EHBs). The Performance Narrative should include the information in the order listed in the instructions below and should be no more than 15 pages in length (at least single spaced, type 12 font, one-inch margins), not counting the appendices.

NCC Reporting Period

The reporting period for the previous FY 2016 NCC was only seven months because September 1, 2015, was the start of a new three-year project period with different goals and objectives. In contrast to the FY 2016 NCC, this FY 2017 NCC should include a full twelve months of Flex activities to give a complete picture of program accomplishments and impacts, including activities completed in the FY 2015 budget period after the 2016 NCC was written. For this reason, the reporting period is March 2016 through March 2017 so that the narrative includes significant activities and accomplishments not previously reported from the second half of the FY 2015 budget period and the first half of the FY 2016 budget period.

The Flex grant reporting cycles for the NCC progress report and the Performance Improvement and Measurement System (PIMS) reports are different. See section IV of these instructions for more details on PIMS reports, which are completed after the end of the budget period.

Instructions for the Performance Narrative

The Performance Narrative section in EHB concisely reviews past outcomes, current work, and future plans for the state Flex program. Activities should be clearly identified by the standard Flex activity categories (see FY 2015 FOA) and the narrative should align with, and reference, the appendices listed below, including the current and future work plans and the data table.

In the Performance Narrative, include the following six required and one optional sections. Please label each section with **the title listed in bold** on the list below. In the Performance Narrative, clearly describe:

(1) **Progress on Performance Improvement** in CAHs and in the rural health care system. Describe the impact of state Flex investments in each active Core Area. This section should discuss progress of the state Flex program toward achieving program goals and objectives based on analysis of program outcome measures. Progress should be reviewed in relation to the goals and objectives identified in the FY 2015 Flex Application and updated in the FY 2016 NCC. Assess changes in outcome measures observed to date and discuss changes in outcome measures expected in the future. Compare current status to the prior baseline values of these measures. Do not emphasize process

measures in this discussion because process measures do not adequately show change and program impact. Reference the outcome measures in the work plan data table (Attachment 1) as needed.

(2) Activities Completed since writing the 2016 NCC (see information on reporting period above). Use this narrative section and section 3 to highlight significant projects and activities and discuss the current work plan. Relevant process measures may be discussed in this section; however, it is not necessary to repeat information that is in the work plan.

(3) Current Year (FY 2016) Planned Activities for the remainder of the current budget period, ending August 31, 2017. Reference the FY 2016 work plan, but it is not necessary to repeat information that is in the work plan.

(4) Future Year (FY 2017) Planned Activities for the future budget period beginning September 1, 2017. Describe any potential adjustments to program activities in FY 2017, highlighting changes from the current budget year (FY 2016). Reference and describe the future work plan.

(5) Significant Changes, Challenges and Barriers faced or anticipated in the remainder of the year, including activities potentially not completed, in danger of delay, or those that need a change of scope. Discuss any staffing changes since the 2016 NCC and any unfilled positions and plans to fill the positions. Describe plans to mitigate or manage significant changes, challenges, and barriers. Describe any technical assistance needs.

(6) Lessons Learned and/or **Best Practices** from the current year (FY 2016) *and* any lessons learned from the FY 2015 Flex Program not previously reported in the 2016 NCC.

(7) Recommendations for Improving the National Flex Program. This section may include suggestions for program operations as well as new grant areas to add, existing grant areas for increased focus, and/or existing grant areas for decreased focus or phasing out of the Flex Program. Include rationale and evidence base for suggested changes. FORHP welcomes information from grantees to inform the development of potential FY 2018 grant guidance. *Section 7 of the narrative is optional and if included should be limited to no more than one-half page of text.*

B. Appendices (Attachments – Required)

The Appendices provide specific supporting information to inform the story of the funded project described in the performance narrative. These appendices do not count toward the page limit.

(1) **Attachment 1: Work Plan Data Table.** Summary of program outcome measures as described in the FY 2016 work plan, including any revisions or changes of scope. The purpose of the data table is to consolidate all of the outcome measures into a single concise report to show each year of the project period and trends over time in the outcome measures selected by the state Flex program. For FY 2017 the data table should include outcome measures for each activity category of the program, targets for the end of the project period, baseline measurements, and measurements for FY 2015 and FY 2016. The data table should align with the work plans (Attachments 2 and 3) and include the same core areas and activity categories. Outcome measures do not need to be repeated in the work

plans since they are listed in the data table. An [example data table](1) that meets Flex requirements is available.

(2) **Attachment 2: Current FY 2016 Work Plan.** Review and update of the FY 2016 Work Plan (previously submitted in the 2016 NCC) to show status of activities. If a new activity has been introduced through a change in scope, or an activity has been terminated, this should be noted and identified clearly. The updated Work Plan should include the quantitative outputs based on previously identified process measures associated with the activities. Outcome measures for the core areas and activity categories in the work plan should be reported in the Work Plan Data Table (Attachment 1) and do not need to be repeated in this work plan (Attachment 2).

(3) **Attachment 3: Future FY 2017 Work Plan** for the September 1, 2017 - August 31, 2018 period. The FY 2017 Work Plan should be a succinct overview of grant goals, objectives, and activities. The work plan defines what is to be done, when it will be done, and who will do it. The work plan should include outputs (process measures) to track completion of activities. Include ongoing activities that will continue from the current budget period, as well as any new activities and indicate if each activity is new or ongoing. A [suggested work plan template](1) is available. Outcome measures for FY 2017 should be included in the Work Plan Data Table (Attachment 1) and do not need to be repeated in this work plan (Attachment 3). Any new outcome measures not previously identified should be added to the Work Plan Data Table with their current baseline measurements.

(4) **Attachment 4: FY 2017 Budget Justification Narrative.** Please provide a Budget Justification Narrative that is sufficiently detailed and covers use of federal funds for each object class category listed on the HRSA Notice of Award. Travel and contractual costs must be itemized. Discuss any significant changes to your FY 2017 budget relative to FY 2016.

Flex-specific budget requirements:
   a. Grantees should base budgets on the grant-specific recommended future support amount listed in box 13 of the most recent Notice of Award.
   b. FORHP expects all grantees to participate in the 2018 National Flex Meeting (Reverse Site Visit) and one other regional or national meeting each year related to the administration of the Flex Grant, as a part of ensuring program maintenance and integrity. The budget should include necessary travel funds for these out-of-state meetings.
   c. A Flex representative is encouraged to attend the NRHA CAH Conference in Kansas City, MO.
   d. Whenever staff turnover occurs by personnel directly responsible for executing the duties of the Flex grant, the replacement personnel are required to attend a Flex Program Workshop in Duluth, MN, within one year of start date.
   e. Indirect costs for the Flex grant are limited by statute. Following HRSA policy this indirect cost limitation is applied to the direct cost of the grant and the requested indirect cost in the proposed budget should be no more than 15% of the direct cost. This limit comes to approximately 13.04% of the total grant award, inclusive of direct and indirect costs.

(5) **Attachment 5: Position Descriptions and Biographical Sketches**. Include position descriptions for all new positions and new staff for which grant support is requested. Please indicate if new positions

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[1] https://www.ruralcenter.org/tasc/content/flex-grant-guidance

are filled or currently vacant. Include a biographical sketch, curriculum vitae, or resume for all new staff. This attachment is not required if program has no new staff and no new positions since writing the 2016 NCC. If there are no staff changes, please state, "No staffing changes since March 2016" in section 5 of the performance narrative.

(6) **Attachment 6: MBQIP Participation Waivers**. Request for waiver from MBQIP participation requirements for FY 2017 on behalf of CAHs initially deemed ineligible by FORHP. The waiver request should include a qualifying justification and the required waiver elements as described in the [MBQIP participation criteria](https://www.ruralcenter.org/tasc/resources/flex-eligibility-criteria-mbqip-participation)[2]. A [MBQIP sample waiver template](https://www.ruralcenter.org/tasc/resources/mbqip-sample-waiver-template-fy-2017)[3] is available. This attachment is not required if no waivers are requested.

IV.   REPORTING REQUIREMENTS

Reporting Requirement	Reporting Deadline
Federal Financial Report	January 30, 2018
Performance Improvement and Measurement System	October 31, 2017
Potential Competing Continuation Application	TBD, early 2018

Federal Financial Report
The Federal Financial Report (FFR) for the previous budget period (FY 2016) must be submitted **no later than January 30, 2018**, and must be submitted electronically through the HRSA EHBs. HRSA expects that all funds will be used within the year they are awarded, however if you anticipate that there will be an unobligated balance (UOB) of funds at the completion of the current budget period and that these funds will be needed to complete the project objectives, you must request prior approval to use the UOB as carryover for your project in the new budget period. You may do so by submitting a prior approval request through the HRSA EHBs within 30 days of the electronic FFR due date and no later than March 1, 2018. The request to use the UOB shall include an explanation of why the funds were not spent and why the carryover is needed, a detailed budget justification, and SF-424A. The prior approval is subject to review by grants management and the program office for appropriate justification and alignment with program objectives and the grantee is reminded that only activities listed in the approved FY 2016 work plan are eligible for carryover into the FY 2017 budget period.

Performance Improvement and Measurement System (PIMS)
FORHP created specific performance measures within the Performance Improvement and Measurement System (PIMS) located in the HRSA EHBs. Grantees report program data in this system annually following the end of the budget period. For Flex, the PIMS report focuses on two topics that reflect some, but not all, of the significant work of state Flex programs: 1) CAH participation in Flex-funded performance improvement activities and 2) total state Flex program spending (for both performance improvement and other work) in each of the activity categories of the Flex grant. FORHP revised and updated PIMS measures in calendar year 2016. The FY 2016 report (due October 31, 2017) will be the second year of revised PIMS data.

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[2] https://www.ruralcenter.org/tasc/resources/flex-eligibility-criteria-mbqip-participation
[3] https://www.ruralcenter.org/tasc/resources/mbqip-sample-waiver-template-fy-2017

Competing Continuation Application

Future Flex grant funding beyond the current project period ending August 31, 2018, will depend on the availability of appropriated funds, satisfactory performance of continuing recipients, and a decision that continued funding is in the best interest of the federal government.

In the event that future funding is not available a final report will be due November 29, 2018, 90 days after the end of the final budget period.

V. TECHNICAL ASSISTANCE

Program Assistance

Grantees are encouraged to request assistance, if needed, when submitting their NCC Progress Report. Please contact the Flex Program Coordinator or your FORHP Project Officer to obtain additional information regarding overall program issues:

> Sarah Young, MPH
> Flex Program Coordinator
> Health Resources and Services Administration
> Federal Office of Rural Health Policy
> 5600 Fishers Lane
> Rockville, Maryland 20857
> Telephone: 301.443.5905
> E-mail: syoung2@hrsa.gov

Grants Management

Grantees may obtain additional information regarding business, administrative or fiscal issues related to the NCC submission by contacting:

> Kimberly Dews
> Grants Management Specialist
> Division of Grants Management Operations, OFAM
> Health Resources and Services Administration
> 5600 Fishers Lane,
> Rockville, Maryland 20857
> Telephone: 301.443.0655
> E-mail: kdews@hrsa.gov

Electronic Progress Report - HRSA EHBs Assistance

Grantees may need assistance when working online to submit their noncompeting continuation information electronically. For assistance with submitting the information in HRSA's EHBs, contact the HRSA Call Center, 8 a.m. to 8 p.m. ET, weekdays (except Federal holidays):

> HRSA Contact Center
> Phone: (877) Go4-HRSA or (877) 464-4772
> E-mail: http://www.hrsa.gov/about/contact/ehbhelp.aspx
> EHBs Knowledge Base: https://help.hrsa.gov/display/public/EHBSKBFG/Index
> NCC Progress Report User Guide for Grantees (requires EHB login)