

Frequently Asked Questions

Tennessee Small and Rural Hospital Readiness Grant

Last Updated: April 9, 2020

General Questions

1) What is the Tennessee Small and Rural Hospital Readiness Grant?

- Governor Lee created the Small and Rural Hospital Readiness Grant to support hospitals that are facing financial strain due to the ongoing response to COVID-19. Grants, totaling \$10 million across eligible hospitals, will be allocated from the state's FY20 COVID-19 response appropriation and distributed by the Department of Finance & Administration (F&A). For qualifying hospitals, grants are available up to \$500k per hospital and will serve as a bridge over the coming weeks as patient volumes decline and new federal funds become available.

2) How can our hospital apply?

- To apply, please populate and submit an application, which can be accessed on the Tennessee Department of Economic & Community Development (TNECD) website [here](#). Applications will be reviewed on a rolling basis.

3) Does our hospital have to apply by a certain day?

- The application website launched on April 6, 2020 and will remain open through May 6, 2020.

4) What is the purpose of this application?

- This application will provide the State with pertinent facility, quality, operational, and financial information, helping Tennessee to determine funding eligibility and allowance.

5) Does the application have to be complete in one sitting or can we save and resume the application?

- You can save your application and resume on the page you were last on by clicking 'Save and Resume', located at the bottom of the application page. Once you have selected this option, you will receive an email with a link that will direct you to the page you were previously on to resume completing the application.

Note: If you save your progress more than once, the accompanying email will contain a **new link each time**. Please select the link from the most recent email to resume back to the page you previously were on.

6) What are the immediate next steps following the acceptance of our application?

- Once your application is received, Guidehouse – our third-party review vendor – will contact you within (5) business days to schedule a qualitative interview. Following the interview, the Tennessee Small and Rural Hospital Readiness Grant Review Committee will review the application and preliminary findings. TNECD will notify you of its funding determination within five (5) business days after the qualitative interview.

7) How does the State of Tennessee define a “small or rural” hospital?

- A “small” hospital is a hospital that would be eligible for small-business relief (i.e., fewer than 500 employees). A “rural” hospital is a hospital located outside of a major urban or suburban area; provided, that the hospital may be located within a metropolitan statistical area.

8) Should we report counts of employed people, not just total positions?

- Please report counts of employed people.

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- 9) **When counting physicians, should we include physicians that do not work directly for the hospital, but are affiliated, contracted, or have privileges at our hospital?**
- Please count employed physicians only.
- 10) **When reporting “Total Business Staff”, should we include housekeeping and other personnel not included in the list?**
- Please include Business Office and Administrative staff only.
- 11) **Where should we report counts for observation and swing beds?**
- Please include the observation and swing beds in the inpatient discharges.

Miscellaneous Questions from Small and Rural Hospital Readiness Grant Webinar

- 12) **Do the balance sheet projections need to include any accelerated payments from Centers for Medicare & Medicaid Services (CMS), Small Business Administration (SBA), etc.?**
- *In the balance sheet projections*, if you have received accelerated payments or know the timing of when you will receive accelerated payments, please include them in your projections, as appropriate. If you are unsure of the timing, please do not include in your projections. Please do not include payments that you have only applied for but have no expectation of receiving in the balance sheet projections.

You can document all federal support you are pursuing in the Application Section, “Additional Financing Options and Activities”, Question 3. When documenting federal and other support that you are pursuing, please make sure to provide as much detail as possible (e.g., date that you applied for support, amount of funding applied for, etc.).

- 13) **Can someone other than the hospital Chief Executive Officer (CEO) or Chairman of the Board fill out the application?**
- The CEO and Chairman of the Board must provide their signatures in the Participation Acknowledgement portion of the application. The rest of the application can be populated by a designated person, if necessary.
- 14) **If our hospital does not qualify for an SBA loan, does that preclude us from applying for this grant?**
- This does not preclude you from applying, but we do want to ensure that you are pursuing all avenues of federal resources available.
- 15) **Does this grant preclude our hospital from receiving any federal, CARES Act, or Federal Emergency Management Agency (FEMA) funding?**
- Funding received from the State will not be duplicative of federal relief that may be available.
- 16) **Can a rural or small hospital be part of a larger hospital system?**
- Yes.
- 17) **Do you want dollar amounts for upcoming financial obligations?**
- Yes. The more detail you can provide, the more information we will have to share with the Review Committee.

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18) If our hospital is part of a larger health system, do we need to provide income and balance sheets for just our hospital or the health system as well?

- Yes. If you are owned by or affiliated with a larger health system, please submit income and balance sheets for both your hospital and the health system. To submit hospital and health system files in the online application, please label files clearly so the State can distinguish between hospital files and system files, and then upload them in a single .zip file.

Definitions

Organizational Information

- **FTEs**
 - Translating measure of a part-time employee's workload, typically a physician's clinical time, into their equivalent value as a full-time employee
 - Formula: *Total annual clinical hours for physician / 2,080 working hours total annual*
- **Count**
 - Headcount of each individual employee

Facility, Quality and Operational Indicators

- **Licensed Hospital Beds of any type**
 - Maximum number of beds approved by the licensing agency
- **In-Service Hospital Beds**
 - Number of beds that are regularly maintained and staffed to be immediately available for the care of admitted patients
- **ICU Beds**
 - Number of beds designated for the intensive care unit
- **Average Daily Census**
 - Number of patients physically present in a healthcare facility over a period (year)
 - Formula: *Total inpatient days / 365*
- **Volumes - Inpatient Discharges**
 - Number of patients receiving inpatient services who were discharged from the hospital in each time period
- **Volumes - Outpatient Visits**
 - Number of patients who receive outpatient services in each time period
- **Volumes - Emergency Department Visits**
 - Number of patients who present to the Emergency Department in each time period
- **Volumes - Total Patient Volume**
 - Total inpatient and outpatient volumes (i.e., excluding emergency department visits)
 - Formula: *Inpatient Discharges + Outpatient Visits*
- **Total Revenue**
 - Total amount of money earned in a period (year)
- **Net Patient Revenue**
 - Formula: *(Total Patient Revenue – Patient Discounts)*
- **Operating Margin**
 - Formula: *(Net Patient Revenue – Total Operating Expenses) / Net Patient Revenue*
- **Unrestricted Cash (\$)**
 - Monetary reserves that can be used for any purpose
- **Days Cash on Hand**

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- The number of days of operating expenses that an organization could pay with its currently available cash
- Formula: $[(Unrestricted\ Cash) / (Total\ Operating\ Expense - Depreciation\ Expense)] / 365$
- **Bond Covenants (total \$)**
 - Legally binding terms of agreement between a bond issuer and a bondholder. They are designed to protect interests and come in the form of *Restrictive covenants* that forbid the issuer from undertaking certain activities, or *Affirmative covenants* that require the issuer to meet certain requirements
- **Long-Term Debt**
 - Any amount of outstanding debt the healthcare facility holds that has a maturity of 12 months or longer. Long-Term debt is classified as a non-current liability on the facility's balance sheet
- **Total Debt**
 - The sum of all liabilities included in the healthcare facility's balance sheet
 - Formula: $Total\ Asset - Total\ Equity$

Key Contacts for Additional Questions

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