



# Rural Hospital Planning & Transition Grant Program – FY2024

GRANT REQUEST FOR PROPOSAL (RFP)

Minnesota Department of Health  
Office of Rural Health and Primary Care (ORHPC)  
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To obtain this information in a different format, call: 651-201-3838.

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## RFP Part 1: Overview

### 1.1 General Information

- **Announcement Title:** Rural Hospital Planning & Transition Grant Program FY2024
- **Minnesota Department of Health (MDH) Program Website:** [ORHPC Grants and Funding - MN Dept. of Health \(state.mn.us\)](#)
- **Application Deadline:** 11:59pm on January 31, 2024

### 1.2 Program Description

[MN Statutes Sec. 144.147](#) authorizes the Commissioner of Health to award grants to eligible rural hospitals for the development of strategic plans that preserve or enhance access to health services or for the implementation of transition projects to modify the type and extent of services provided, based on an existing strategic plan.

### 1.3 Funding and Project Dates

#### Funding

Funding will be allocated through a competitive process. If selected, you may only incur eligible expenditures when the grant agreement is fully executed and the grant has reached its effective date.

Funding	Estimate
Estimated Amount to Grant	\$250,000
Estimated Number of Awards	10
Estimated Award Maximum	\$45,000
Estimated Award Minimum	\$25,000

#### Match Requirement

Applicant hospitals must certify that at least 50 percent of the grant request amount will be matched from non-state sources.

#### Project Dates

June 1, 2024 – May 31, 2025

### 1.4 Eligible Applicants

An eligible applicant for this grant program is a non-federal, general acute care hospital in Minnesota that:

- Is located in a rural area, as defined in federal Medicare regulations, or in a community with a population of less than 15,000 according to U.S. Census Bureau statistics, outside the seven-county metropolitan area,
- Has 50 or fewer beds, and
- Is not for profit.

## 1.5 Questions and Answers

All questions regarding this RFP must be submitted by email to Melanie Innes at [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us). All answers will be posted within three business days at [ORHPC Grant Information - Minnesota Dept. of Health \(state.mn.us\)](#).

Please submit questions no later than 4:30 p.m. Central Time on January 24, 2024.

To ensure the proper and fair evaluation of all applications, other communications regarding this RFP including verbal, telephone, written or internet initiated by or on behalf of any applicant to any employee of the Department, other than questions submitted to as outlined above, are prohibited. **Any violation of this prohibition may result in the disqualification of the applicant.**

### RFP Information Meeting

An informational webinar will be held on January 10, 2024 at 10 a.m. Central Time. Join on your computer, mobile app or room device: [Click here to join the meeting](#). Materials from the meeting, including questions and answers will be posted by 4:30 p.m. Central Time on January 14, 2024 at [ORHPC Grant Information - Minnesota Dept. of Health \(state.mn.us\)](#).

## 1.6 Additional Resources

Hospitals eligible for the Rural Hospital Capital Improvement Program should also be aware of the following programs that support rural hospitals.

### Minnesota Medicare Rural Hospital Flexibility Program

The [Minnesota Medicare Rural Hospital Flexibility Program \(Flex Program\)](#) receives funds from the Health Resources and Services Administration Federal Office of Rural Health Policy to help [critical access hospitals](#), emergency medical services, and rural health professionals work together. Flex Program funding provides training or technical assistance to CAHs to build capacity, encourage innovation, and promote sustainable improvements in the rural health care system.

Minnesota's Flex Program supports rural systems of care with the CAH as the hub. The Flex Program promotes networks and community development, acts as a liaison between communities and federal and state programs, and monitors emergency medical services issues in rural Minnesota, among other activities.

For more information, please contact the Flex Program: [health.flex@state.mn.us](mailto:health.flex@state.mn.us).

## **Small Rural Hospital Improvement Program**

The [Small Rural Hospital Improvement Grant Program \(SHIP\)](#) is also supported by the Health Resources and Services Administration Federal Office of Rural Health Policy. SHIP assists eligible hospitals in meeting value-based payment and care goals through purchases of hardware, software, and training. SHIP supports small rural hospitals in implementing data system requirements and making improvements to health care value and quality. The Office of Rural Health and Primary Care (ORHPC) coordinates a state application to the Health Resources and Services Administration Federal Office of Rural Health Policy on behalf of Minnesota's small rural hospitals.

For more information, please contact the SHIP Program: [health.ruralSHIPgrant@state.mn.us](mailto:health.ruralSHIPgrant@state.mn.us).

## RFP Part 2: Program Details

### 2.1 Priorities

#### Health Equity Priorities

It is the policy of the State of Minnesota to ensure fairness, precision, equity and consistency in competitive grant awards. This includes implementing diversity and inclusion in grant-making. [The Policy on Rating Criteria for Competitive Grant Review](#) establishes the expectation that grant programs intentionally identify how the grant serves diverse populations, especially populations experiencing inequities and/or disparities.

This program serves diverse, underserved communities in rural areas of Minnesota and promotes equitable access to health care. Grants support hospitals in conducting needs assessments to determine what health services are needed and desired by the community, developing strategic plans to preserve or enhance access to health services, and implementing transition projects to modify their services according to their strategic plans.

In determining which hospitals will receive grants, the following criteria will be considered:

- improving community access to hospital or health services,
- changes in service populations,
- availability and upgrading of ambulatory and emergency services,
- the extent that the health needs of the community are not currently being met by other providers in the service area,
- the need to recruit and retain health professionals,
- the extent of community support,
- the integration of health care services and the coordination with local community organizations, such as community development and public health agencies, and
- the financial condition of the hospital.

This grant will serve:

- Hospitals outside of the seven-county metropolitan area
- Small, nonprofit hospitals with 50 or fewer beds
- Hospitals providing general, acute care
- Hospitals needing to create strategic plans for future success
- Hospitals transitioning through their existing strategic plans to ensure longevity of services

Grant outcomes will include:

- Hospitals establish sustainable strategic plans to preserve or enhance access to health services for rural communities.

- Hospitals implement transition projects to modify the type and extent of services provided as necessary to meet the needs of their rural communities as reflected in their strategic plans.

## 2.2 Eligible Projects

Grants may be used by hospitals and their communities to (1) develop strategic plans for preserving or enhancing access to health services, or (2) implement transition projects to modify the type and extent of services provided, based on an existing strategic plan.

### STRATEGIC PLAN:

At a minimum, a strategic plan must consist of:

- a needs assessment to determine what health services are needed and desired by the community. The assessment must include interviews with or surveys of area health professionals, local community leaders, and public hearings,
- an assessment of the feasibility of providing needed health services that identifies priorities and timeliness for potential changes, and
- an implementation plan.

The strategic plan must be developed by a committee that includes representatives from the hospital, local public health agencies, other health providers, and consumers from the community.

### TRANSITION PROJECT:

Grants may also be used by eligible rural hospitals that have developed strategic plans to implement transition projects to modify the type and extent of services provided, in order to reflect the needs of that plan. Grants may be used by hospitals under this paragraph to develop hospital-based physician practices that integrate hospital and existing medical practice facilities that agree to transfer their practices, equipment, staffing, and administration to the hospital. The grants may also be used by the hospital to establish a health provider cooperative, a telehealth system, an electronic health records system, or a rural health care system or to cover expenses associated with being designated as a critical access hospital for the Medicare rural hospital flexibility program. Not more than one-third of any grant shall be used to offset losses incurred by physicians agreeing to transfer their practices to hospitals.

**A key component of this grant program is the requirement of a 30-day period for the local Community Health Board (CHB) to review the proposal and submit comments to the Commissioner of Health. It is the responsibility of the applicant hospital to send a copy of the application to any relevant CHB.**

Any single grant to a hospital, including hospitals that submit applications as consortia, may not exceed \$45,000 a year and may not exceed a term of one year.

## Ineligible Expenses

Ineligible expenses include but are not limited to:

- Fundraising
- Taxes, except sales tax on goods and services
- Lobbyists, political contributions
- Bad debts, late payment fees, finance charges, or contingency funds

## 2.3 Grant Management Responsibilities

### Grant Agreement

Each grantee must formally enter into a grant agreement. The grant agreement will address the conditions of the award, including implementation for the project. The grantee is expected to read the grant agreement, sign, and comply with all conditions of the grant agreement. Grantee should provide a copy of the grant agreement to all grantee staff working on the grant.

No work on grant activities can begin until a fully executed grant agreement is in place.

A sample grant agreement is attached as [Attachment D](#). Applicants should be aware of the terms and conditions of the standard grant agreement in preparing their applications. Much of the language reflected in the sample agreement is required by statute. If an applicant takes exception to any of the terms, conditions or language in the sample grant agreement, the applicant must indicate those exceptions, in writing, in their application in response to this RFP. Certain exceptions may result in an application being disqualified from further review and evaluation. Only those exceptions indicated in an application will be available for discussion or negotiation.

The funded applicant will be legally responsible for assuring implementation of the work plan and compliance with all applicable state requirements including worker's compensation insurance, nondiscrimination, data privacy, budget compliance, and reporting.

### Accountability and Reporting Requirements

It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports until all grant funds have been expended and all of the terms in the grant agreement have been met.

The reporting schedule will be once every quarter. A standard invoice and report form will be provided to grantees. Reports will be due 20 days after each quarter ends:

- January 20
- April 20
- July 20
- October 20

### Grant Monitoring

[Minn. Stat. § 16B.97](#) and [Policy on Grant Monitoring](#) require the following:



- One monitoring visit during the grant period on all state grants over \$50,000
- Conducting a financial reconciliation of grantee's expenditures at least once during the grant period on grants over \$50,000

## Grant Payments

Per [State Policy on Grant Payments](#), reimbursement is the method for making grant payments. All grantee requests for reimbursement must correspond to the approved grant budget. The State shall review each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment. Grant payments shall not be made on grants with past due progress reports unless MDH has given the grantee a written extension.

The invoicing and payment schedule will be quarterly. Reports will be submitted through the Office of Rural Health and Primary Care's online grant portal. A report form will be provided to grantees. Reports will be due 20 days after each quarter per the following schedule:

- January 20
- April 20
- July 20
- October 20

## 2.4 Grant Provisions

### Contracting and Bidding Requirements

**(a) Municipalities** A grantee that is a municipality, defined as a county, town, city, school district or other municipal corporation or political subdivision of the state authorized by law to enter into contracts is subject to the contracting requirements set forth under [Minn. Stat. § 471.345](#). Projects that involve construction work are subject to the applicable prevailing wage laws, including those under [Minn. Stat. § 177.41](#), et. seq.

**(b) Non-municipalities** Grantees that are not municipalities must adhere to the following standards in the event that duties assigned to the Grantee are to be subcontracted out to a third party:

- i. Any services or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process consistent with the standards set forth under Minnesota Statutes 16B.
- ii. Services or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three (3) verbal quotes or bids.
- iii. Services or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two (2) verbal quotes or bids or awarded to a targeted vendor.

- iv. The grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:
  - Minnesota Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List (<https://mn.gov/admin/osp/government/professionatechnicalcontracts/targeted-group-preferences/>);
  - Metropolitan Council's Targeted Vendor list: Minnesota Unified Certification Program (<https://mnuccp.metc.state.mn.us/>) or
  - Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: Central Certification Program (<https://www.stpaul.gov/departments/human-rights-equal-economic-opportunity/contract-compliance-business-development-9>).
- v. The grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.
- vi. The grantee must maintain support documentation of the purchasing or bidding process utilized to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.
- vii. Notwithstanding (i) - (iv) above, State may waive bidding process requirements when:
  - Vendors included in response to competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant or
  - There is only one legitimate or practical source for such materials or services and that grantee has established a fair and reasonable price.
- viii. Projects that include construction work of \$25,000 or more, are subject to applicable prevailing wage laws, including those under Minnesota Statutes 177.41 through 177.44.
- ix. Grantee must not contract with vendors who are suspended or debarred in MN: The list of debarred vendors is available at: <https://mn.gov/admin/osp/government/suspended-debarred/>.

### **Conflicts of Interest**

MDH will take steps to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per [Minn. Stat. § 16B.98](#) and the Office of Grants Management's Policy 08-01, "Conflict of Interest Policy for State Grant-Making."

**Applicants must complete the Applicant Conflict of Disclosure form ([Attachment B](#)) and submit it as part of the completed application.** Failure to complete and submit this form will result in disqualification from the review process.

Organizational conflicts of interest occur when:

- a grantee or applicant is unable or potentially unable to render impartial assistance or advice
- a grantee's or applicant's objectivity in performing the grant work is or might be otherwise impaired
- a grantee or applicant has an unfair competitive advantage

Individual conflicts of interest occur when:

- an applicant, or any of its employees, uses their position to obtain special advantage, benefit, or access to MDH's time, services, facilities, equipment, supplies, prestige, or influence
- An applicant, or any of its employees, receives or accepts money, or anything else of value, from another state grantee or grant applicant with respect to the specific project covered by this RFP/project.
- An applicant, or any of its employees, has equity or a financial interest in, or partial or whole ownership of, a competing grant applicant organization.
- An applicant, or any of its employees, is an employee of MDH or is a relative of an employee of MDH.

In cases where a conflict of interest is perceived, disclosed, or discovered, the applicants or grantees will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

## **Public Data and Trade Secret Materials**

All applications submitted in response to this RFP will become property of the State. In accordance with [Minn. Stat. § 13.599](#), all applications and their contents are private or nonpublic until the applications are opened.

Once the applications are opened, the name and address of each applicant and the amount requested is public. All other data in an application is private or nonpublic data until completion of the evaluation process, which is defined by statute as when MDH has completed negotiating the grant agreement with the selected applicant.

After MDH has completed the evaluation process, all remaining data in the applications is public with the exception of trade secret data as defined and classified in [Minn. Stat. § 13.37](#), subd. 1(b). A statement by an applicant that the application is copyrighted or otherwise protected does not prevent public access to the application or its contents. ([Minn. Stat. § 13.599](#), subd. 3(a)).

If an applicant submits any information in an application that it believes to be trade secret information, as defined by [Minn. Stat. § 13.37](#), the applicant must:

- Clearly mark all trade secret materials in its application at the time it is submitted,
- Include a statement attached to its application justifying the trade secret designation for each item, and
- Defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless MDH and the State of Minnesota, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense.
- This indemnification survives MDH's award of a grant agreement. In submitting an application in response to this RFP, the applicant agrees that this indemnification survives as long as the trade secret materials are in possession of MDH. The State will not consider the prices submitted by the responder to be proprietary or trade secret materials.

MDH reserves the right to reject a claim that any particular information in an application is trade secret information if it determines the applicant has not met the burden of establishing that the information constitutes a trade secret. MDH will not consider the budgets submitted by applicants to be proprietary or trade secret materials. Use of generic trade secret language encompassing substantial portions of the application or simple assertions of trade secret without substantial explanation of the basis for that designation will be insufficient to warrant a trade secret designation.

If a grant is awarded to an applicant, MDH may use or disclose the trade secret data to the extent provided by law. Any decision by the State to disclose information determined to be trade secret information will be made consistent with the Minnesota Government Data Practices Act ([Ch. 13 MN Statutes](#)) and other relevant laws and regulations.

If certain information is found to constitute trade secret information, the remainder of the application will become public; in the event a data request is received for application information, only the trade secret data will be removed and remain nonpublic.

## **Audits**

Per [Minn. Stat. § 16B.98](#), subd. 8, the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

## **Affirmative Action and Non-Discrimination Requirements for all Grantees**

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified. [Minn. Stat. § 363A.02](#). The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Minn. Rules, part [5000.3550](#).

The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

## 2.5 Review and Selection Process

### Review Process

Funding will be allocated through a competitive process with review by a committee representing individuals knowledgeable in rural hospital operations and finance. The review committee will evaluate all eligible and complete applications received by the deadline.

MDH will review all committee recommendations and is responsible for award decisions. **The award decisions of MDH are final and not subject to appeal.** Additionally:

- MDH reserves the right to withhold the distribution of funds in cases where proposals submitted do not meet the necessary criteria.
- The RFP does not obligate MDH to award a grant agreement or complete the project, and MDH reserves the right to cancel this RFP if it is considered to be in its best interest.
- MDH reserves the right to waive minor irregularities or request additional information to further clarify or validate information submitted in the application, provided the application, as submitted, substantially complies with the requirements of this RFP. There is, however, no guarantee MDH will look for information or clarification outside of the submitted written application. Therefore, it is important that all applicants ensure that all sections of their application are complete to avoid the possibility of failing an evaluation phase or having their score reduced for lack of information.

### Selection Criteria and Weight

The review committee will review each application on a 100-point scale. A standardized scoring system will be used to determine the extent to which the applicant meets the selection criteria.

The scoring factors that applications will be evaluated on are outlined here and detailed in [Attachment A](#):

- Applicant demonstrates a strong understanding of the problem – 15 points
- Applicant clearly and fully describes the project – 20 points
- Project is likely to result in successful outcomes – 20 points
- Applicant's project budget is clear and reasonable – 15 points
- Applicant provides evidence of strong community support – 30 points

### **Grantee Past Performance and Due Diligence Review Process**

- It is the policy of the State of Minnesota to consider a grant applicant's past performance before awarding subsequent grants to them.
- State policy requires states to conduct a financial review prior to a grant award made of \$25,000 and higher to a nonprofit organization, in order to comply with [Policy on the Financial Review of Nongovernmental Organizations](#).

### **Notification**

MDH anticipates notifying all applicants via email of funding decisions by May 31, 2024.

## RFP Part 3: Application and Submission Instructions

### 3.1 Application Deadline

All applications **must** be received by MDH no later than 11:59 p.m. Central Time on January 31, 2024.

**Late applications will not be accepted.** It is the applicant's sole responsibility to allow sufficient time to address all potential delays caused by any reason whatsoever. MDH will not be responsible for delays caused by mail, delivery, computer or technology problems.

### 3.2 Application Submission Instructions

ORHPC requires application submissions to be made through an online [Grants Portal](#). Please reference the [Grant Guide](#) for information on account creation, password recovery, application creation, and collaboration.

Read **RFP Part 4: Application Guidance** within this request for proposals for further instructions on how to address the application questions outlined in the Grants Portal.

If you have any questions, please contact us at: [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us).

### 3.3 Application Instructions

You must submit the following in order for the application to be considered complete:

- Organization and Applicant Information
- Project Information
- Proposal Narrative
- Key Personnel Biographical Sketch(es)
- Timeline and Workplan
- Community Health Board Information
- Budget
- Budget Narrative
- Required Attachments
  - Governing Board Resolution
  - Due Diligence Form
  - Audited Financial Statements
  - Strategic Plan

Incomplete applications will be rejected and not evaluated.

Applications must include all required application materials, including attachments. Do not provide any materials that are not requested in this RFP, as such materials will not be considered nor evaluated. **MDH reserves the right to reject any application that does not meet these requirements.**

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By submitting an application, each applicant warrants that the information provided is true, correct, and reliable for purposes of evaluation for potential grant award. The submission of inaccurate or misleading information may be grounds for disqualification from the award, as well as subject the applicant to suspension or debarment proceedings and other remedies available by law.

**All costs incurred in responding to this RFP will be borne by the applicant.**



## RFP Part 4: Application Guidance

### Organization and Applicant Information

Basic information about the applicant entity is requested, including legal and business name, address, and tax identification information for contracting purposes.

### Project Information

This section requests summary information about the project, including the request amount, the name of the program the grant funds are being requested for, and contact information.

### Narrative Guidance

The online application provides open fields for grant applications to respond to narrative questions about the project. Please provide concise and thorough responses to the questions outlined below.

### Hospital Overview

Describe the hospital, the services it provides, the population it serves, and the hospital's service area. The hospital overview should also describe the age and size of the hospital, number of available inpatient beds, configuration and condition of hospital facilities and equipment, how many patients are served, an overview of capital improvement needs, distance to nearest tertiary care center, etc.

### Problem Statement

The problem statement must clearly describe the nature of the health service problem(s) in the service area. The narrative should document changes in service populations over time, the extent to which health care needs of the community are not currently being met by the hospital or other providers in the service area, and the projected demand for ambulatory and emergency services. The problem statement should also discuss the need to recruit and retain health professionals.

### Project Description

Provide a brief overview of the project:

- State whether the grant funds will be used for the development of a strategic plan or the implementation of a transition project based on an existing plan.
- Describe proposed activities and the needs they will address.
- Describe how the grant funding will be used and what will be accomplished.
- State the measurable, achievable short-term objectives and long-range goals for the project.

- Describe the plan to evaluate the project.

## Key Personnel Biographical Sketch(es)

List out each key project staff person identified in the proposal narrative. Information should include: name, title, role in proposed project, relevant education, and professional experience relevant to the proposed project.

## Community Support

Provide evidence of support for the hospital and the proposed project from other local health service providers and from local community and government leaders. Evidence of such support may include past commitments of financial support from local individuals, organizations, or government entities, and commitment of financial support, in-kind services or cash, for this project.

## Timeline and Workplan

Provide a timeline for the key project activities/tasks. The timeline should identify the staff position or role (e.g., Clinical Director, Strategic Planning Consultant, etc.) involved in each task, and the estimated start and completion date for each task. All requests must have at least one project activity defined.

## Hospital Financial and Census Information

Please complete the following with data specific to the hospital for which the grant is requested (i.e., not for the entire system).

### **Current Day Cash on Hand**

### **Current Operating Margin**

### **Current Total Margin**

### **Average Daily Census in Last 12 months**

### **Percent of Revenue from Outpatient Services**

What percent of the hospital's total revenue came from outpatient services in the last 12 months?

## Hospital Financial and Census Information Narrative

Provide a brief narrative that gives context to and explains the data provided above.

## Budget Narrative

Please provide a budget narrative that addresses the following questions:

- Provide details for each budget line item including a rationale and how the costs of budgeted items were calculated.
- Identify and describe all sources of funding for the project, including the non-state sources required for the match of at least 50% of the grant amount. For matching dollars, source and plan to obtain funds from source must be explicitly stated.

## Budget

- Provide the amount of the grant request and matching funds in the following budget areas: Salaries
- Fringe
- Travel
- Supplies
- Contracted Services
- Equipment and Capital Improvements
- Indirect (at federally negotiated indirect cost rate or up to 10% of direct costs)
- Other

## Community Health Board Information

After you have sent a copy of your application to your local Community Health Board (CHB), fill in the information regarding CHB name and submission date.

A key component of this grant program is the requirement of a 30-day period for the local CHB to review the proposal and submit comments to the Commissioner of Health. It is the responsibility of the applicant hospital to send a copy of the application to any relevant CHB.

Upon sending your proposal to the CHB, request that the CHB submit all comments to [health.ruralhospitalgrants@state.mn.us](mailto:health.ruralhospitalgrants@state.mn.us) no later than March 2, 2024.

## Required Attachments

### Governing Board Resolution

Please complete the Governing Board Resolution form or provide copies of board-certified meeting minutes reflecting the applicable movement.

### Due Diligence Form

Please complete and provide one copy of the Due Diligence form. The Minnesota Department of Health (MDH) conducts pre-award assessments of all grant recipients prior to award of funds in accordance with federal, state and agency policies. The Due Diligence Review is an important part of this assessment. These reviews allow MDH to better understand the capacity of applicants and identify opportunities for technical assistance to those that receive grant funds.

**Audited Financial Statements**

Please provide one copy of the most recent independent audit. If the audit encompasses multiple hospitals within a system/umbrella organization, please provide additional financial information, such as an income statement specific to the applicant hospital.

**Strategic Plan (for implementation projects only)**

Please provide a copy of your existing strategic plan.

## RFP Part 5: Attachments

- Attachment A: [Application Evaluation Criteria](#)
- Attachment B: [Conflict of Interest](#)
- Attachment C: [Due Diligence Form](#)
- Attachment D: [Sample Grant Agreement](#)

## Attachment A: Application Evaluation Criteria

A numerical scoring system will be used to evaluate eligible applications. Scores will be used to develop final recommendations.

Applicants are encouraged to score their own application using the evaluation scoresheet before submitting their application. This step is not required but may help ensure applications address the criteria evaluators will use to score applications.

<b>Understanding of the Problem</b>	<b>Description of the Project</b>	<b>Project Outcomes</b>	<b>Project Budget</b>	<b>Community Support</b>
15 points	20 points	20 points	15 points	30 points
Applicant provides clear and thorough hospital overview	Applicant demonstrates how project addresses the problem(s)	Applicant states clearly defined short-term objectives and long-range goals for project	Applicant includes clear plan for 50% match from nonstate sources	Applicant provides evidence of strong community support for the hospital and proposed project
Applicant clearly and insightfully describes problem(s), including access to health services, unmet health needs, changes in service populations, and recruitment/retention of health professionals	Applicant's work plan and timeline are clear and reasonable	Considering factors such as project personnel and hospital financial condition, applicant is capable of implementing project	Applicant's budget narrative provides sufficient detail and rationale for expenses	Applicant demonstrates coordination with local agencies and community organizations
Applicant provides compelling data on and documentation of the problem(s)	Applicant's project has an impact on access to quality health care	Project is likely to successfully address problems/needs	Applicant's budget is reasonable	
	For transition projects: Applicant's project is a priority in the strategic plan	Applicant describes clear plan for evaluating project		
	For strategic planning projects: Applicant presents clear plans for needs assessment, feasibility assessment, and implementation			

## Attachment B: Conflict of Interest

The purpose of this form is to provide grant applicants a mechanism to disclose any actual, perceived or potential individual or organizational conflicts of interest that exist, as required by [Minn. Stat. § 16B.98](#), subd 2-3; Minnesota Office of Grants Management (OGM) [Policy 08-01, “Conflict of Interest Policy for State Grant-Making”](#); and federal regulation [2 Code of Federal Regulation \(CFR\) § 200.112, “Conflict of Interest.”](#) It is helpful if the applicant explains the reason for the conflict, but it is not required.

***A disclosure will not automatically result in removal of the applicant, or grant application, from the review process.***

### **Instructions**

Read the descriptions below, mark the appropriate box(es) that pertain to you and your organization as it relates to this specific Request for Proposal (RFP), obtain applicant signature (applicant to determine appropriate signer).

### **Conflicts of Interest**

Conflicts of interest may be actual, potential, or perceived. An actual conflict of interest occurs when a person uses or attempts to use their official position to secure benefits, privileges, exemptions or advantages for self, relatives, or organization with which the person is associated which are different from those available to the general public ([Minn. Stat. § 43A.38](#), subd. 5). A potential conflict of interest may exist if an applicant has relationships, affiliations, or other interests that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations, or interests. A perceived conflict of interest is any situation in which a reasonable person would conclude that conflicting duties or loyalties exists. A conflict of interest may exist even if no unethical, improper or illegal act results from it.

The Minnesota Department of Health (MDH) recognizes that applicants must maintain relationships with other public and private sector entities in order to continue as a viable organization. MDH will take this into account as it evaluates the appropriateness of proposed measures to mitigate actual, potential, and perceived conflicts of interest. It is not MDH’s intent to disqualify applicants based merely on the existence of a relationships with another entity, but rather only when such relationships cause a conflict that cannot be mitigated. Nevertheless, MDH and its partners must follow federal regulation and statutory guidance on conflicts of interest.

#### **I. Organizational Conflict of Interest:**

An **organizational conflict** of interest exists when, because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice, or a person’s objectivity in performing the grant work is or might be otherwise impaired, or a person has an unfair competitive advantage.

An example of organizational conflict of interest includes, but is not limited to:

- Unequal Access to Information. Access to information that is classified as nonpublic data or is otherwise unavailable to the public could provide a vendor a competitive advantage in a later competition for another grant. For example, a nonprofit entity, in the course of conducting grant work for the State, may be given access to information that is not available to the public such as government plans, opinions, interpretations or positions. This nonprofit entity cannot use this information to its advantage in securing a subsequent grant, and measures must be put into place to assure this. Such an advantage could be perceived as unfair by a competing vendor who is not given similar access to the relevant information.

## II. Individual Conflict of Interest:

An **individual conflict** of interest occurs when any of the following conditions is present:

- a. An applicant, or any of its employees, uses their position to obtain special advantage, benefit, or access to MDH's time, services, facilities, equipment, supplies, prestige, or influence.
- b. An applicant, or any of its employees, receives or accepts money, or anything else of value, from another state grantee or grant applicant with respect to the specific project covered by this RFP/project.
- c. An applicant, or any of its employees, has equity or a financial interest in, or partial or whole ownership of, a competing grant applicant organization.
- d. An applicant, or any of its employees, is an employee of MDH or is a relative of an employee of MDH.

Examples of individual conflict of interest include, but are not limited to:

- An individual owns Entity C and also sits on the board of Entity D, and both entities are applying to the same RFP.
- An employee or volunteer of the applicant has previously worked with MDH to create the "ground rules" for this solicitation by performing work such as, but not limited to: writing this RFP, preparing evaluation criteria, or evaluation guides for this RFP.
- An employee or volunteer of the applicant is compensated for serving on the board of a non-profit that may benefit from this work.

Instances in which an individual or applicant worked in a volunteer capacity with MDH should be evaluated on a case-by-case basis. Volunteer status has the potential to, but does not necessarily create a conflict of interest, depending on the nature of the relationship between the two parties. Volunteer is defined as "[a]n individual who performs hours of service for a public agency for civic, charitable, or humanitarian reasons, without promise, expectation or receipt of compensation for services rendered, is considered to be a volunteer during such hours" ([29 CFR § 553.101\(a\)](#)).



## Attachment C: Due Diligence Review Form

The Minnesota Department of Health (MDH) conducts pre-award assessments of all grant recipients prior to award of funds in accordance with federal, state and agency policies. **The Due Diligence Review is an important part of this assessment.**

These reviews allow MDH to better understand the capacity of applicants and identify opportunities for technical assistance to those that receive grant funds.

Organization	Information
Organization Name:	
Organization Address:	
If the organization has an Employer Identification Number (EIN), please provide EIN here:	
If the organization has done business under any other name(s) in the past five years, please list here:	
If the organization has received grant(s) from MDH within the past five years, please list here:	

### Section 1: To be completed by all organization types

Section 1: Organization Structure	Points
1. How many years has your organization been in existence? <input type="checkbox"/> Less than 5 years (5 points) <input type="checkbox"/> 5 or more years (0 points)	
2. How many paid employees does your organization have (part-time and full-time)? <input type="checkbox"/> 1 (5 points) <input type="checkbox"/> 2-4 (2 points) <input type="checkbox"/> 5 or more (0 points)	
3. Does your organization have a paid bookkeeper? <input type="checkbox"/> No (3 points) <input type="checkbox"/> Yes, an internal staff member (0 points) <input type="checkbox"/> Yes, a contracted third party (0 points)	
<b>SECTION 1 POINT TOTAL</b>	

**Section 2: To be completed by all organization types**

Section 2: Systems and Oversight	Points
<p>4. Does your organization have internal controls in place that require approval before funds can be expended?</p> <p><input type="checkbox"/> No (6 points)</p> <p><input type="checkbox"/> Yes (0 points)</p>	
<p>5. Does your organization have written policies and procedures for the following processes?</p> <ul style="list-style-type: none"> <li>• Accounting</li> <li>• Purchasing</li> <li>• Payroll</li> </ul> <p><input type="checkbox"/> No (3 points)</p> <p><input type="checkbox"/> Yes, for one or two of the processes listed, but not all (2 points)</p> <p><input type="checkbox"/> Yes, for all of the processes listed (0 points)</p>	
<p>6. Is your organization’s accounting system new within the past twelve months?</p> <p><input type="checkbox"/> No (0 points)</p> <p><input type="checkbox"/> Yes (1 point)</p>	
<p>7. Can your organization’s accounting system identify and track grant program-related income and expense separate from all other income and expense?</p> <p><input type="checkbox"/> No (3 points)</p> <p><input type="checkbox"/> Yes (0 points)</p>	
<p>8. Does your organization track the time of employees who receive funding from multiple sources?</p> <p><input type="checkbox"/> No (1 point)</p> <p><input type="checkbox"/> Yes (0 points)</p>	
<p><b>SECTION 2 POINT TOTAL</b></p>	

**Section 3: To be completed by all organization types**

Section 3: Financial Health	Points
<p>9. If required, has your organization had an audit conducted by an independent Certified Public Accountant (CPA) within the past twelve months?</p> <p><input type="checkbox"/> Not Applicable (N/A) (0 points) – if N/A, skip to question 10</p> <p><input type="checkbox"/> No (5 points) – if no, skip to question 10</p> <p><input type="checkbox"/> Yes (0 points) – if yes, answer question 9A</p>	
<p>9A. Are there any unresolved findings or exceptions?</p> <p><input type="checkbox"/> No (0 points)</p> <p><input type="checkbox"/> Yes (1 point) – if yes, attach a copy of the management letter and a written explanation to include the finding(s) and why they are unresolved.</p>	
<p>10. Have there been any instances of misuse or fraud in the past three years?</p> <p><input type="checkbox"/> No (0 points)</p> <p><input type="checkbox"/> Yes (5 points) – if yes, attach a written explanation of the issue(s), how they were resolved and what safeguards are now in place.</p>	
<p>11. Are there any current or pending lawsuits against the organization?</p> <p><input type="checkbox"/> No (0 points) – If no, skip to question 12</p> <p><input type="checkbox"/> Yes (3 points) – If yes, answer question 11A</p>	
<p>11A. Could there be an impact on the organization’s financial status or stability?</p> <p><input type="checkbox"/> No (0 points) – if no, attach a written explanation of the lawsuit(s), and why they would not impact the organization’s financial status or stability.</p> <p><input type="checkbox"/> Yes (3 points) – if yes, attach a written explanation of the lawsuit(s), and how they might impact the organization’s financial status or stability.</p>	
<p>12. From how many different funding sources does total revenue come from?</p> <p><input type="checkbox"/> 1-2 (4 points)</p> <p><input type="checkbox"/> 3-5 (2 points)</p> <p><input type="checkbox"/> 6+ (0 points)</p>	
<b>SECTION 3 POINT TOTAL</b>	

**Section 4: To be completed by nonprofit organizations with potential to receive award over \$25,000 (excluding formula grants)**

Office of Grants Management Policy 08-06 requires state agencies to assess a recent financial statement from nonprofit organizations before awarding a grant of over \$25,000 (excluding formula grants).

Section 4: Nonprofit Financial Review	Points
<p>13. Does your nonprofit have tax-exempt status from the IRS?</p> <p><input type="checkbox"/> No - If no, go to question 14</p> <p><input type="checkbox"/> Yes – If yes, answer question 13A</p>	Unscored
<p>13A. What is your nonprofit’s IRS designation?</p> <p><input type="checkbox"/> 501(c)3</p> <p><input type="checkbox"/> Other, please list:</p>	Unscored
<p>14. What was your nonprofit’s total revenue (income, including grant funds) in the most recent twelve-month accounting period?</p> <p><b>Enter total revenue here:</b></p>	Unscored
<p>15. What financial documentation will you be attaching to this form?</p> <p><input type="checkbox"/> If your answer to question 14 is less than \$50,000, then attach your most recent Board-approved financial statement</p> <p><input type="checkbox"/> If your answer to question 14 is \$50,000 - \$750,000, then attach your most recent IRS form 990</p> <p><input type="checkbox"/> If your answer to question 14 is more than \$750,000, then attach your most recent certified financial audit</p>	Unscored

Signature

I certify that the information provided is true, complete and current to the best of my knowledge.

- **SIGNATURE:**

- **NAME & TITLE:**

- **PHONE NUMBER:**

- **EMAIL ADDRESS:**

**MDH Staff Use Only**

**Section 4A: Nonprofit Financial Review Summary**

Complete Section 4A for nonprofit organizations with the potential to receive an award over \$25,000 (with the exception of formula grants). Skip Section 4A and move to Section 5 for all other grantee types.

1. Were there significant operating and/or unrestricted net asset deficits?
  - Yes – if yes, answer questions 3 and 4
  - No – if no, skip questions 3 and 4 and answer questions 5 and 6
2. Were there any other concerns about the nonprofit organization’s financial stability?
  - Yes – if yes, answer questions 3 and 4
  - No – if no, skip questions 3 and 4 and answer questions 5 and 6
3. Please describe the deficit(s) and/or other concerns about the nonprofit organization’s financial stability:
4. Please describe how the grant applicant organization addressed deficit(s) and/or other concerns about the nonprofit organization’s financial stability:
5. Granting Decision:
6. Rationale for grant decision:

**Section 5: Total Points**

<b>Section 1</b>	+	<b>Section 2</b>	+	<b>Section 3</b>	=	<b>Total Points</b>
	+		+		=	

**Section 6: Program Information**

MDH Grant Program	Information
Applicant Project Name	
MDH Grant Program Name	
Division/Section	
Date Nonprofit Review Completed	
Review conducted by	

## Attachment D: Sample Grant Agreement

This grant agreement is between the State of Minnesota, acting through its Commissioner of the Department of Health (“MDH”) and Insert name of Grantee (“Grantee”). Grantee’s address is.

### Recitals

1. MDH is empowered to enter into this grant agreement under Minn. Stat. §§ [144.05](#) and [144.0742](#) and [144.147](#). The Rural Hospital Planning and Transition Grant Program is established for the purposes of awarding grants to rural hospitals for the development of strategic plans that preserve or enhance access to health services or to implement transition projects to modify the type and extent of services provided, based on an existing strategic plan.
2. MDH is in need of planning and transition services to help small hospitals (50 or fewer beds) preserve or enhance access to health services.
3. The vision of MDH is for health equity in Minnesota, where all communities are thriving and all people have what they need to be healthy. Health equity is achieved when every person has the opportunity to attain their health potential. Grantee agrees, where applicable, to perform its work with advancing health equity as a goal.
4. Grantee represents that it is duly qualified and will perform all the activities according to the terms of this grant agreement. Grantee agrees to minimize administrative costs as a condition of this grant agreement pursuant to [Minn. Stat. § 16B.98](#), subd 1.

### Grant Agreement

#### Term of Agreement

#### Effective Date

June 1, 2024, or the date MDH obtains all required signatures under [Minn. Stat. § 16B.98](#), subd. 5, whichever is later. Per [Minn. Stat. § 16B.98](#), subd 7, no payments will be made to the Grantee until this grant agreement is fully executed. Grantee must not begin work until this grant agreement is fully executed and MDH’s Authorized Representative has notified Grantee that work may commence.

#### Expiration Date

May 31, 2025, or until all obligations have been fulfilled to the satisfaction of MDH, whichever occurs first.

#### Survival of Terms

The following clauses survive the expiration or cancellation of this grant agreement: Liability; Financial Examinations; Government Data Practices and Data Disclosure; Ownership of Equipment and Supplies; Intellectual Property; Publicity and Endorsement; and Governing Law, Jurisdiction, and Venue.

## **Activities**

### **MDH's Activities**

MDH activities, in accordance with the Minnesota Department of Administration's Office of Grants Management's policies and federal regulations, may include but are not limited to financial reconciliations, site visits, programmatic monitoring of activities performed, and grant activity evaluation.

### **Grantee's Activities**

Grantee, who is not a state employee, shall conduct the activities specified in Exhibit A, which is attached and incorporated into this grant agreement.

## **Time**

Grantee is required to perform all of the activities stated in this grant agreement, and any incorporated exhibits, within the grant agreement period. MDH is not obligated to extend the grant agreement period. Failure to meet a deadline may be a basis for a determination by MDH's Authorized Representative that Grantee has not complied with the terms of the grant agreement.

## **Award and Payment**

MDH will award funds to Grantee for all activities performed in accordance with this grant agreement.

## **Grant Award**

Reimbursement will be in accordance with the agreed upon budget contained in Exhibit B, which is attached and incorporated into this grant agreement

## **Travel Expenses**

Grantee will be reimbursed for mileage at the current IRS rate in effect at the time the travel occurred; meals and lodging expenses will be reimbursed in the same manner and in no greater amount than provided in the current "[Commissioner's Plan](#)" promulgated by the Commissioner of Minnesota Management and Budget ("MMB"); or, at the Grantee's established rate (for all travel related costs), whichever is lower, at the time travel occurred. Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless Grantee has received MDH's prior written approval for out-of-state travel. Minnesota will be considered the home state for determining whether travel is out-of-state.

## **Budget Modifications**

Grantee may modify any line item in the most recently agreed-upon budget by up to 10 percent without prior written approval from MDH. Grantee must notify MDH of any modifications up to 10 percent in writing no later than the next invoice. Grantee must obtain prior written approval from MDH for line-item modifications greater than 10 percent. Grantee's failure to obtain MDH's prior approval may result in denial of modification request, loss of funds, or both. The total obligation of MDH

for all compensation and reimbursements to Grantee shall not exceed the total obligation listed under “Total Obligation.”

### **Total Obligation**

The total obligation of MDH for all compensation and reimbursements to Grantee under this grant agreement will not exceed \$0.00.

### **Terms of Payment**

#### **Invoices**

MDH will promptly pay Grantee after Grantee presents an itemized invoice for the activities actually performed and MDH’s Authorized Representative accepts the invoiced activities. Invoices must be submitted at least quarterly or according to a schedule agreed upon by the Parties. The final invoice is due 30 calendar days after the expiration date of the grant agreement.

#### **Matching Requirements**

Grantee certifies that the following matching requirement, for the grant agreement will be met by Grantee: 50% of \$grant award.

### **Contracting and Bidding Requirements**

#### **Municipalities**

A grantee that is a municipality, as defined in [Minn. Stat. § 471.345](#), subd. 1, is subject to the contracting requirements set forth under [Minn. Stat. § 471.345](#). Projects that involve construction work are subject to the applicable prevailing wage laws, including those under [Minn. Stat. § 177.41](#), et. seq.

#### **Non-municipalities**

Grantees that are not municipalities must adhere to the following standards in the event that activities assigned to Grantee are to be subcontracted out to a third party:

- i. Any services or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process consistent with the standards set forth under [Minn. Stat. ch. 16B](#).
- ii. Services or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three verbal quotes or bids.
- iii. Services or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two verbal quotes or bids or awarded to a targeted vendor.
- iv. Grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through the following entities are used when possible:
  - 1) Minnesota Department of Administration’s Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List (<http://www.mmd.admin.state.mn.us/process/search/>);



- 2) Metropolitan Council's Targeted Vendor list: Minnesota Unified Certification Program (<https://mnuccp.metc.state.mn.us/>); or
  - 3) Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: Central Certification Program (<https://www.stpaul.gov/departments/human-rights-equal-economic-opportunity/contract-compliance-business-development/central>).
- v. Grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, awarding and administration of contracts.
  - vi. Grantee must maintain support documentation of the purchasing or bidding process utilized to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.
  - vii. Notwithstanding parts (i) through (iv) above, MDH may waive the formal bidding process requirements when:
    - Vendors included in response to a competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant agreement or
    - There is only one legitimate or practical source for such materials or services and Grantee has established that the vendor is charging a fair and reasonable price.
  - viii. Projects that involve construction work of \$25,000 or more, are subject to applicable prevailing wage laws, including those under [Minn. Stat. §§ 177.41](#) through [177.44](#).
  - ix. Grantee must not contract with vendors who are suspended or debarred in Minnesota. The list of debarred vendors is available at: <http://www.mmd.admin.state.mn.us/debarredreport.asp>.

### **Conditions of Payment**

All activities performed by Grantee pursuant to this grant agreement must be performed in accordance with the terms of this grant agreement, as determined in the sole discretion of MDH's Authorized Representative. Furthermore, all activities performed by Grantee must be in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. MDH will not pay Grantee for work that MDH determines is noncompliant with the terms and conditions of this grant agreement or performed in violation of federal, state, or local law, ordinance, rule, or regulation.

### **Authorized Representatives**

#### **MDH's Authorized Representative**

MDH's Authorized Representative for purposes of administering this grant agreement is Robin Bly, 651-201-3936, [robin.bly@state.mn.us](mailto:robin.bly@state.mn.us), or their successor, and has the responsibility to monitor Grantee's performance and the final authority to accept the activities performed under this grant

agreement. If the activities performed are satisfactory, MDH's Authorized Representative will certify acceptance on each invoice submitted for payment.

### **Grantee's Authorized Representative**

Grantee's Authorized Representative is insert name, title, address, telephone number, and e-mail, or their successor. Grantee's Authorized Representative has full authority to represent Grantee in fulfillment of the terms, conditions, and requirements of this grant agreement. If Grantee selects a new Authorized Representative at any time during this grant agreement, Grantee must immediately notify MDH's Authorized Representative in writing, via e-mail or letter.

### **Assignment, Amendments, Waiver, and Grant Agreement Complete**

#### **Assignment**

Grantee shall neither assign nor transfer any rights or obligations under this grant agreement.

#### **Amendments**

If there are any amendments to this grant agreement, they must be in writing. Amendments will not be effective until they have been executed and approved by MDH and Grantee.

#### **Waiver**

If MDH fails to enforce any provision of this grant agreement, that failure does not waive the provision or MDH's right to enforce it.

#### **Grant Agreement Complete**

This grant agreement, and any incorporated exhibits, contains all the negotiations and agreements between MDH and Grantee. No other understanding regarding this grant agreement, whether written or oral, may be used to bind either party.

#### **Liability**

Grantee must indemnify and hold harmless MDH, its agents, and employees from all claims or causes of action, including attorneys' fees incurred by MDH, arising from the performance of this grant agreement by Grantee or Grantee's agents or employees. This clause will not be construed to bar any legal remedies Grantee may have for MDH's failure to fulfill its obligations under this grant agreement. Nothing in this clause may be construed as a waiver by Grantee of any immunities or limitations of liability to which Grantee may be entitled pursuant to [Minn. Stat. ch. 466](#), or any other statute or law.

#### **Financial Examinations**

The relevant books, records, documents, and accounting procedures and practices of Grantee and any entity with which Grantee has engaged in carrying out the purpose of this grant agreement are subject to examination under [Minn. Stat. § 16B.98](#), subd. 8. Examinations may be conducted by MDH, the Minnesota Commissioner of Administration,

and the Minnesota State Auditor, or and the Minnesota Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

## **Government Data Practices and Data Disclosure**

### **Government Data Practices**

Grantee and MDH must comply with the Minnesota Government Data Practices Act, [Minn. Stat. ch. 13](#), as it applies to all data provided by MDH under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by Grantee under this grant agreement pursuant to [Minn. Stat. § 13.05](#), subd. 11(a). The civil remedies of [Minn. Stat. § 13.08](#) apply to the release of the data referred to in this clause by either Grantee or MDH. If Grantee receives a request to release the data referred to in this clause, Grantee must immediately notify MDH. MDH will give Grantee instructions concerning the release of the data to the requesting party before any data is released. Grantee's response to the request must comply with the applicable law.

### **Data Disclosure**

- Grantee consents to disclosure of its social security number, federal employee tax identification number, or Minnesota tax identification number--which may have already been provided to MDH--to federal and state tax agencies and state personnel involved in the payment of state obligations pursuant to [Minn. Stat. § 270C.65](#), subd. 3, and all other applicable laws. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

### **Ownership of Equipment and Supplies**

Equipment. "Equipment" is defined as tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000. MDH shall have the right to require transfer of all Equipment purchased with grant funds (including title) to MDH or to an eligible non-State party named by MDH. MDH may require the transfer of Equipment if the grant program is transferred to another grantee. At the end of this grant agreement, grantee must contact MDH's Authorized Representative for further instruction regarding the disposition of Equipment.

Supplies. "Supplies" is defined as all tangible personal property other than those described in the definition of Equipment. Grantee must notify MDH's Authorized Representative regarding any remaining Supplies with an aggregate market value of \$5,000 or more for further instruction regarding the disposition of those Supplies. For the purpose of this section, Supplies includes but is not limited to computers and incentives.

### **Ownership of Materials and Intellectual Property Rights**

### **Ownership of Materials**

“Materials” is defined as any inventions, reports, studies, designs, drawings, specifications, notes, documents, software, computer-based training modules, and other recorded materials in whatever form. Grantee shall own all rights, title, and interest in all of the materials conceived, created, or otherwise arising out of the performance of this grant agreement by it, its employees, or subgrantees, either individually or jointly with others.

- Grantee hereby grants to MDH a perpetual, irrevocable, no-fee license and right to reproduce, modify, distribute, perform, make, have made, and otherwise use the Materials for any and all purposes, in all forms and manners that MDH, in its sole discretion, deems appropriate. Grantee shall, upon the request of MDH, execute all papers and perform all other acts necessary to document and secure this right and license to the Materials by MDH. At the request of MDH, Grantee shall permit MDH to inspect the original Materials and provide a copy of any of the Materials to MDH, without cost, for use by MDH in any manner MDH, in its sole discretion, deems appropriate.

### **Intellectual Property Rights**

Grantee represents and warrants that Materials produced or used under this grant agreement do not and will not infringe upon any intellectual property rights of another including but not limited to patents, copyrights, trade secrets, trade names, and service marks and names. Grantee shall indemnify and defend MDH, at Grantee’s expense, from any action or claim brought against MDH to the extent that it is based on a claim that all or parts of the materials infringe upon the intellectual property rights of another. Grantee shall be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages including, but not limited to, reasonable attorney fees arising out of this grant agreement, amendments and supplements thereto, which are attributable to such claims or actions. If such a claim or action arises or in Grantee’s or MDH’s opinion is likely to arise, Grantee shall at MDH’s discretion either procure for MDH the right or license to continue using the materials at issue or replace or modify the allegedly infringing materials. This remedy shall be in addition to and shall not be exclusive of other remedies provided by law.

### **Workers’ Compensation**

Grantee certifies that it is in compliance with [Minn. Stat. § 176.181](#), subd. 2, which pertains to workers’ compensation insurance coverage. Grantee’s employees and agents, and any contractor hired by Grantee to perform the work required by this grant agreement and its employees, will not be considered State employees. Any claims that may arise under the Minnesota Workers’ Compensation Act on behalf of these employees, and any claims made by any third party as a consequence of any act or omission on the part of these employees, are in no way MDH’s obligation or responsibility.

### **Publicity and Endorsement**

## **Publicity**

Any publicity given to the program, publications, or activities performed resulting from this grant agreement, including but not limited to, notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for Grantee or its employees individually or jointly with others, or any subgrantees, must identify MDH as the sponsoring agency. If publicity is not specifically authorized under this grant agreement, Grantee must obtain prior written approval from MDH's Authorized Representative. If federal funding is being used for this grant agreement, the federal program must also be recognized.

## **Endorsement**

Grantee must not claim that MDH endorses its products, services, or activities.

## **Termination**

### **Termination by MDH or Grantee**

MDH or Grantee may cancel this grant agreement at any time, with or without cause, upon 30 days' written notice (e.g., by mail, email, or both) to the other party.

### **Termination for Cause**

If Grantee fails to comply with the provisions of this grant agreement, MDH may terminate this grant agreement without prejudice to the right of MDH to recover any money previously paid. The termination shall be effective five business days after MDH sends written notice (e.g., mail, email, or both) of termination to Grantee.

### **Termination for Insufficient Funding**

MDH may immediately terminate this grant agreement if it does not obtain funding from the Minnesota Legislature or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the work scope covered in this grant agreement. Termination must be by written notice to Grantee; e.g., mail, email, or both. MDH is not obligated to pay for any work performed after notice and effective date of the termination. However, Grantee will be entitled to payment, determined on a pro rata basis, for activities satisfactorily performed to the extent that funds are available. MDH will not be assessed any penalty if this grant agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. MDH must provide Grantee notice of the lack of funding within a reasonable time of MDH receiving notice of the same.

### **Termination by Commissioner of Administration**

The Commissioner of Administration may unilaterally and immediately cancel this grant agreement if, in the Commissioner's sole discretion, further performance does not serve MDH's purposes or is not in the best interests of the State of Minnesota.

## **Governing Law, Jurisdiction, and Venue**

This grant agreement, amendments and supplements to it, shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this grant agreement, or for breach thereof, shall be in the state or federal court with competent jurisdiction in Ramsey County, Minnesota.

### **Clerical Error**

Notwithstanding Clause “Assignment, Amendments, Waiver, and Grant Agreement Complete” of this grant agreement, MDH reserves the right to unilaterally fix clerical errors, defined as misspellings, minor grammatical or typographical mistakes or omissions, that do not have a substantive impact on the terms of the Grant Agreement without executing an amendment. MDH must inform Grantee of clerical errors that have been fixed pursuant to this paragraph within a reasonable period of time.

### **Lobbying**

Grantee must ensure that grant funds are not used for lobbying, which includes paying or compensating any person for influencing or attempting to influence legislators or other public officials on behalf or against proposed legislation, in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

In accordance with the provisions of [31 USC § 1352](#), if Grantee uses any funds other than federal funds from MDH to conduct any of the aforementioned activities, Grantee must complete and submit to MDH the disclosure form specified by MDH. Further, Grantee must include the language of this section in all contracts and subcontracts, and all contractors and subcontractors must comply accordingly.

Providing education about the importance of policies as a public health strategy, however, is allowed. Education includes providing facts, assessment of data, reports, program descriptions, and information about budget issues and population impacts, but stopping short of making a recommendation on a specific piece of legislation. Education may be provided to legislators, public policy makers, other decision makers, specific stakeholders, and the general community.

By signing this grant agreement, Grantee certifies that it will not use any funds received from MDH to employ, contract with, or otherwise coordinate the efforts of a lobbyist, as defined in [Minn. Stat. § 10A.01](#), subd. 21. This requirement also applies to any subcontractors or subgrantees that Grantee may engage for any activities pertinent to this grant agreement.

### **Other Provisions**

#### **Voter Registration Services Requirement**

If this grant agreement will disburse any state funds (as indicated on the Award Cover Sheet); AND Grantee is a local unit of government, city, county, township or non-profit organization, then Grantee is required to comply with [Minn. Stat. § 201.162](#) by providing voter registration services for its employees and for the public served by the grantee.

## Debarment, Suspension and Responsibility Certification

Federal regulation [2 CFR § 200.214](#) prohibits MDH from purchasing goods or services with federal money from any party that has been suspended or debarred by the federal government. Similarly, [Minn. Stat. §§ 16C.03](#), subd. 2, and [16B.97](#), subd. 3, provides the Commissioner of Administration with the authority to debar and suspend any party that seeks to contract with MDH.

Anyone may be suspended or debarred when it is determined, through a duly authorized hearing process, that they have abused the public trust in a serious manner. In particular, the federal government expects MDH to have a process in place for determining whether a vendor has been suspended or debarred, and to prevent such vendors from receiving federal funds.

By signing this grant agreement, Grantee certifies that it and its principals:

- a) Are not presently debarred, suspended proposed for debarment, declared ineligible, or voluntarily excluded from transacting business by or with any federal, state or local governmental department or agency;
- b) Have not within a three-year period preceding this grant agreement: a) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract; b) violated any federal or state antitrust statutes; or c) committed embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
- c) Are not presently indicted or otherwise criminally or civilly charged by a governmental entity for: a) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction; b) violating any federal or state antitrust statutes; or c) committing embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement or receiving stolen property; and
- d) Are not aware of any information and possess no knowledge that any subcontractor(s) that will perform work pursuant to this grant agreement are in violation of any of the certifications set forth above.

## Incentives

When included in the approved Work Plan and or Budget, the following language applies.

### ***Handling of Incentives.***

Grantee is required to have policies and procedures in place addressing the purchasing, security, distribution, and asset tracking of incentives. All grantee staff involved in the purchase, distribution, security, and reconciling of incentives must be trained on the grantee's policies and procedures prior to the grantee placing any order for incentives. Those policies and procedures must, at a minimum, include the following:

### ***Separation of duties***



- a) More than one Grantee staff person must be involved in the management and handling of the incentives.
- b) The Grantee staff who authorizes the purchase of incentives must not have sole physical access to the incentives.
- c) The Grantee staff who will have physical access to the incentives cannot have sole access to modify the incentives records.
- d) Handoff of incentive from one person to another must be documented.

***Distribution of Incentives*** (incentives may only be used for approved purposes by MDH)

- a) Only one incentive can be given to an individual per occurrence/event.
- b) Undistributed incentives must always be kept in a secure location. Incentive instruments must never be stored in any personal homes, they must always be securely stored in the grantee's business space.
- c) Grantee will purchase and have on hand no more than three months' worth of incentives at any given time. The three months' worth must be based off the most currently approved workplan. All incentives must be distributed prior to grantee purchasing additional incentives.
- d) Grantee will be responsible for the costs of any incentives that remain undistributed at the end of the grant agreement.
- e) If MDH provided the grantee with the incentives, the return of undistributed incentives to MDH must occur in person with the State's Authorized Representative within 30 calendar days of the grant expiration date. If in-person return is not possible, the grantee must return undistributed incentives via courier or via US Mail that requires signatures and a tracking number within 30 calendar days of the grant expiration date.
- f) The tracking log must be returned separately from the physical cards. Electronic return is the preferred method for the tracking log.

***Incentive tracking documentation.***

The tracking documentation the Grantee must maintain must not contain any private data. The tracking system must record the following:

- a) Number of incentives on hand, including starting balance and any additional incentives purchased.
- b) description of the incentives
- c) quantity of incentive(s) distributed to each participant.
- d) the last four digits of any pre-paid card number
- e) value/amount
- f) a unique non-identifiable data point for each participant (e.g. case number, file number),
- g) date participant received incentive(s), and
- h) signature of Grantee staff member providing incentive(s) to participant(s)

***Reconciliation.***

At least two different Grantee staff must reconcile the incentives at least quarterly. The Grantee staff conducting the reconciliation must not also be the handlers of the



incentives. The reconciliation must include the dates and signature of the two people who perform the reconciliation. Grantee must submit the reconciliation documentation to the State's Authorized Representative no less than two weeks after each reconciliation.

***Subcontracting/Subgranting.***

The Grantee must communicate and verify that their subcontracts/subgrants will only use incentives for MDH approved purposes. The Grantee will be responsible for monitoring, oversight, and reconciliation of any incentives that its subcontractors or subgrantees purchase and distribute and will include this same language in any of its subgrants or subcontracts that it enters as part of its work for MDH.

***Lost or stolen incentives.***

The Grantee bears all financial responsibility for any unaccounted for, lost, or stolen incentives.

***Invoicing.***

If the Grantee purchased the incentives themselves, the Grantee must only invoice MDH for the incentives after they've been distributed.

***Failure to Comply.***

For grantees who do not have effective written policies and procedures in place before purchasing incentives, MDH reserves the right to withhold payment and or request reimbursement in the amount equal to the unallowable costs. Withheld payments will be released when the grantee provides documentation to MDH that it has written effective policies and procedures in place. Grantees who do not comply with this requirement may be subject to increased monitoring and will be offered technical assistance. MDH also reserves the right to terminate a grant agreement for failure to comply with these requirements.

**Exhibit A – Grantee’s Activities/ Scope of Work**

**Program and Activity Reports**

It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports until all grant funds have been expended and all of the terms in the grant agreement have been met.

The reporting schedule will be quarterly. Reports will be submitted through the Office of Rural Health and Primary Care’s online grant portal. A report form will be provided to grantees.

Reports will be due:

- January 20
- April 20
- July 20
- October 20
- Final report will be due on June 30, 2025.

Project Workplan

Activity/Task Description	Person/Contractor Responsible (Job Title Only)	Start Date Exact date required; TBD not acceptable  Start date must be on or after <b>June 1, 2024</b>	End Date Exact date required; TBD not acceptable  End date must be on or before <b>May 31, 2025</b>

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**Exhibit B – Grantee’s Budget**

Expenses that are unrelated to grant-approved activities, as defined in Exhibit B, will not be reimbursed.

<b>Budget Category</b>	<b>Amount of State Funds</b>	<b>Amount of Matching Funds (funds from non-state sources)</b>	<b>Project Total (State funds plus match)</b>
Salaries	\$0.00	\$0.00	\$0.00
Fringe	\$0.00	\$0.00	\$0.00
Supplies	\$0.00	\$0.00	\$0.00
Travel	\$0.00	\$0.00	\$0.00
Equipment & Capital Improvements	\$0.00	\$0.00	\$0.00
Consultants/ Subcontractors/Contracted Services	\$0.00	\$0.00	\$0.00
Other: N/A	\$0.00	\$0.00	\$0.00
Indirect	\$0.00	\$0.00	\$0.00
<b>TOTAL:</b>	\$0.00	\$0.00	\$0.00