



November 14, 2014

Dear Provider:

The 2014-15 Budget includes Vital Access Provider (VAP) funding to preserve the stability and geographic distribution of mental health clinic services. Pursuant to Title 14 New York Code, Rules and Regulations (NYCRR) Part 530, the Office of Mental Health (OMH) is seeking initial proposals from providers of Article 31 freestanding mental health clinics who have documented fiscal losses that threaten the continued viability of their agency and/or clinic programs. Please note that this VAP program is specifically targeted to Article 31 freestanding clinics. **Providers licensed pursuant to Article 28 of Public Health Law are not eligible to apply**

Providers interested in receiving VAP funding, need to submit an initial proposal that outlines current fiscal challenges and identifies business strategies/enhancements to the provision of clinic services that will enable them to attain overall fiscal viability, thereby preserving vital access to clinics for a special population or within a geographic region. Generally, a qualifying agency will be evaluated based upon the following criteria:

- 1. Agency and Clinic Program Financial Viability:** Favorable consideration will be given to those providers with identified fiscal difficulties, based on Consolidated Fiscal Report (CFR) and Audited Financial Statement information previously submitted to the Office of Mental Health. The information to be evaluated shall include:
  - a. Demonstrated fiscal challenges in the operation of the *provider agency* for the past three (3) years.
  - b. Demonstrated fiscal challenges in the operation of the *mental health clinic* for the past three (3) years.
  
- 2. Community Service Needs:** All proposals will be evaluated in the context of ensuring that the agency is critical to meeting the mental health needs of the community. Favorable consideration will be given to providers that can demonstrate that they have actively collaborated with community stakeholders (including Local Governmental Units, other behavioral health providers and service recipients) in assessing the mental health needs of the community that they serve. In addition, favorable consideration will be given to proposals that demonstrate the following:
  - a. Preservation of mental health services in areas where there is limited geographic access to such services.
  - b. Preservation of mental health services to populations which exhibit characteristics which challenge the traditional provision of such services (e.g. language barriers, cultural barriers).
  - c. Preservation of child and adolescent services.



- d. Preservation of services for individuals being discharged from the criminal justice system that require behavioral health care.

**3. Actionable Plan:** Initial proposals should include an actionable plan for the use of VAP funding. Favorable consideration will be given to proposals which include plans for interagency merger, cross-agency consolidation of administrative functions, and/or the demonstrated willingness to engage in such activities. Other examples of areas where VAP funding could be used to enhance services and achieve fiscal viability may include, but are not limited to, the following:

- Increase clinical productivity rates;
- Decrease no show rates;
- Increase the ratio of direct service time to available billing time;
- Increase the census of the program;
- Expand open access;
- Increase the use of collaborative documentation;
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- Develop and implement attendance and no show policies and discharge policies;
- Implement strategies on developing a better understanding of claim denials, with a focus on decreasing claim denials;
- Increased the claims collection rate;
- Increase the percentage of Medicaid/Medicaid Managed Care clients seen in the MH Clinic;
- Enhancements to billing systems, including the ability to easily extract and analyze billing and reimbursement information to improve the programs' understanding of the revenues collected. This could include reconciling the billing information with the general ledger, denial management by payor class, ability to manage open claims, denial management by denial type, more robust reporting, more accountability for self-pay receivables;

This list of examples is by no means exhaustive, therefore, if there are other actions or measures that your agency deems appropriate, please be sure to include these in your initial proposal.

You will find, attached, a copy of the outline of the initial application, which must be submitted by COB on December 12, 2014 for consideration. Please note that your initial proposal is intended to be concise, and must be submitted in accordance with the Application Submission Instructions included on the outline. Once the Office of Mental Health has reviewed these initial applications, those selected for participation in the VAP program will be required to develop a full proposal. The Office of Mental Health is committed to providing direction and assistance to ensure the full proposals are complete and meet the program objectives. This assistance will include the assignment of a Strategic Planner to each selected agency who will assist in finalizing the full proposal, including the development of a final budget detailing the necessary resources to support the final approved plan. Due to the urgent need for the VAP resources to preserve clinic services, the plans will be finalized and approved by OMH starting in February 2015.

The Office of Mental Health looks forward to reviewing your initial proposal, should your agency choose to submit one. We are hopeful that this funding will stabilize the fiscal condition of many mental health agencies and preserve vital access to mental health clinic services.

Sincerely,

Robert E. Blaauw  
Director  
Community Budget and Financial Management

**General Outline for Vital Access Provider (VAP)  
Article 31 Free Standing Clinic Applications**

- **General Descriptive / Contact Information of Applicant:**
  - Applicant's Legal Corporate Name
  - Applicant's Name as Known by the Office of Mental Health (if different from Legal Corporate Name)
  - Applicant's Mailing Address
  - Name and Title of Contact Person (individual authorized to submit application request)
  - Contact Person's Address, Phone, Fax and Email Address
  
- **Executive Summary/Background Information:**
  - Project Name
  - Executive Summary should briefly describe the overall project's scope including: specific problems to be addressed, the financial condition of the provider and/or clinic program to document need, how financial viability for the provider and/or clinic program will be achieved, the client population to be targeted/served by the project, how this project will preserve access to behavioral health care needs of the community/geographic area served by the provider (access, quality, etc.), and where the clinic that serves an otherwise unmet community need is located.
  
- **VAP Proposal:**
  - Narrative description should provide an overview of the proposal, including a clear description of what the project is attempting to achieve and how it will be achieved. For example: fiscal viability through mergers or consolidation of identified agency/program operations; decreased costs/increased revenues resulting from billing software/EHR enhancements/increased collectability rates; or operational changes resulting in increased productivity, decreased no-show rates, same day services, decreased inpatient admission rates, and/or improved outcome measures.
  - All proposals must identify why programs are presently operating at a deficit and specify how the agency will address these areas in order for clinic services to become financially viable. The proposal must also provide concise information on how the proposal, if accepted, will result in fiscal viability for the provider/program once fully implemented. If selected, the final application will require financial projections for the agency/program after the VAP funding ends, to demonstrate financial viability.
  - Proposal must provide clear objectives for the use of the funds being requested.
  - Specific activities/deliverables to be funded through VAP funding must be stated.
  - The proposal must provide a timeline for accomplishing the project's activities/goals which must be completed on or before March 31, 2017.
  
- **Financial Operating Budget Section:**
  - Financial section with budget by cost category for the use of the requested VAP funds including personnel costs, OTPS expenses and additional equipment (including IT) costs. If selected, a comprehensive budget including detailed costs and staff FTEs will be required.
  - A clear timeline for implementing the proposal must be included. If selected, a more comprehensive timeline will be required to detail all steps involved with implementation of the approved plan. The final timeline will be monitored on a quarterly basis, along with quarterly reporting of expenditures related to the approved proposal.

- **Objectives to be Achieved with Metrics for Documentation:**
- Provide generalized measurable program objectives to be achieved (e.g., improved patient outcomes, increased linkages to/utilization of other ambulatory care services, improved rates of no show for appointments, etc.).
  - Provide generalized measurable financial objectives to be achieved for the agency (e.g., improved financial metrics documented by operating margins, net profit margins, debt to capital coverage, days cash on hand, improved fund balances, and current asset to liability ratios greater than (1:1).
  - Provide generalized measurable financial objectives to be achieved for the clinic program (e.g., improved productivity, increased revenue collectability, reduced per unit cost, etc.).
  - If selected, more specific, and detailed, measurable metrics will be developed, with the assistance of the Strategic Planner. These metrics will be part of the quarterly reporting required on the provider, and will be monitored.

- **Application Submission Instructions:**
- **No more than one application will be accepted per provider.**
  - **Applications shall not be more than five (5) pages in length, when printed single-sided.**
  - **Applications shall be completed in Calibri font, with a pitch not less than 10. Margins on the application shall not be less than one (1) inch.**
  - **Completed applications must be received no later than December 12, 2014, and should be addressed to: [mhclinicvap@omh.ny.gov](mailto:mhclinicvap@omh.ny.gov)**
  - **Applications will only be accepted at the above e-mail address. Paper submissions will not be accepted.**