MCHRC
Maryland Community
Health Resources
Commission

STATE OF MARYLAND
Community Health Resources Commission
45 Calvert Street, Annapolis, MD 21401, Room 336

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor
John A. Hurson, Chairman – Mark Luckner, Executive Director

Health Enterprise Zones

Call for Proposals

October 5, 2012

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I. Executive Summary

The state of Maryland has numerous advantages for its residents to enjoy good health care, such as the 3rd highest median household income; the 2nd highest number of primary care physicians per capita; the 10th lowest rate of smoking; and outstanding medical schools. Despite these advantages, Maryland continues to lag behind other states on a number of key health indicators, such as ranking 43rd in infant mortality, 31st in early prenatal care, 28th in obesity prevalence, 31st in diabetes prevalence, 35th in cardiovascular deaths, 32nd in cancer deaths, and 33rd for geographic health disparities.

In recognition of these unacceptable disparities, Lieutenant Governor Anthony G. Brown, as Chair of the Maryland Health Quality and Cost Council, established the Health Disparities Work Group, led by Dean E. Albert Reece, M.D, Ph.D., M.B.A. of the University of Maryland School of Medicine. The Work Group issued its final report in January 2012, which provided several recommendations for best practices, monitoring, and financial incentives for the reduction of disparities in Maryland's health care system. The Work Group developed bold recommendations, including the concept of utilizing enterprise zones typically used to drive economic development, and applied this principle in the field of public health and health disparities. The Work Group concluded that improvement in overall health in communities and reductions in health care costs may be achieved by saturating underserved communities with primary care providers and other essential health care services.

The recommendations of the Maryland Health Quality and Cost Council provided the structure for legislation, The Maryland Health Improvement and Disparities Reduction Act of 2012 (SB 234/Chapter 3 of 2012), which was approved by the Maryland General Assembly and signed into law on April 10 by the Governor. The Act combats continued health disparities and attempts to improve public health in underserved communities by creating the framework for the establishment of Health Enterprise Zones (HEZ), contiguous geographic areas that demonstrate measurable and documented health disparities and poor health outcomes and that are small enough for the incentives in this program to have a significant impact on improving health outcomes and reducing health disparities. The purpose of the HEZ Initiative is to target state resources to:

- Reduce health disparities among racial and ethnic minority populations and among geographic areas;
- Improve health care access and health outcomes in underserved communities; and
- Reduce health care costs and hospital admissions and re-admissions.

The HEZ Initiative is a new, four-year pilot program, and the FY 2013 budget provides $4 million in new funding to the Community Health Resources Commission (CHRC) to support the activities of HEZs. Through this Call for Proposals, communities may apply for HEZ designation, which will enable access to a range of incentives which include state income tax credits; hiring tax credits; loan repayment assistance; priority entrance into the state's Patient Centered Medical Home Program; priority for available state electronic health record (EHR) grant funding; additional grant funding from the CHRC; and capital grant support. Applicants seeking HEZ designation may draw upon any or all of these incentives when developing their

intervention strategies to address health disparities, to expand access, and to help attract needed health care practitioners into the area. The application for HEZ designation will be a combination of **both** demonstrated need and intervention strategies to improve health outcomes in the potential HEZ.

The HEZ Initiative will be jointly administered by the Maryland Department of Health & Mental Hygiene (DHMH) and the CHRC. The Commission is issuing this HEZ Call for Proposals, will evaluate applications requesting HEZ designation, and will provide recommendations to the DHMH Secretary. Final HEZ designation decisions will be made by the Secretary by the end of calendar year 2012. It is anticipated that the state will award between two to four Zones in this first year of the program.

An internal steering committee led by DHMH Secretary Joshua M. Sharfstein, M.D., comprised of DHMH, Lt. Governor, and CHRC staff, was established to help guide implementation of the HEZ Initiative. The committee received guidance and input from several external sources including the Health Disparities Collaborative, which included more than 175 Marylanders participating in five committees.

In addition, a public comment period was launched in the summer of 2012, and the following three documents were distributed in draft form to solicit public feedback:

1. Threshold eligibility criteria for communities seeking HEZ designation;
2. Additional benefits that could be provided by the state to assist HEZ awardees; and
3. Principles that will be used to review HEZ applications.

The committee received more than 150 comments which led to a range of changes in the implementation plan and are summarized in a Joint Chairmen's Report submitted in August to the Maryland General Assembly (this report is available at http://dhmh.maryland.gov/healthenterprisezones/SitePages/Updates.aspx). In addition, public forums were held earlier this year in Baltimore City, Montgomery, Prince George's, and Charles Counties, the Eastern Shore, and western Maryland. The public comment period and these public forums informed the development of this Call for Proposals.

Key Dates	
October 11, 2:30 PM	Proposal Question & Answer Conference Call Dial-In Number: (866) 233-3852 Participant Access Code: 267478
October 19, 5:00 p.m.	Initial Letters of Interest are due to the CHRC
November 13, 12:00 p.m.	HEZ Proposals due to the CHRC
December 11	Select applicants invited to present at CHRC meeting
December 21	DHMH Secretary makes HEZ designations

Overview of the CHRC
The Maryland Community Health Resources Commission (CHRC) was created by the Maryland General Assembly when it approved the *Community Health Care Access and Safety Net Act of 2005* legislation to expand access to health care for low-income Marylanders and underserved communities in the state and bolster Maryland's health care safety net infrastructure. The CHRC is a quasi-independent commission operating within the DHMH, and its 11 members are appointed by the Governor. In creating the Commission, the Maryland General Assembly recognized the need for having an independent commission that focused on strengthening the state's diverse network of community health centers and safety net providers and addressed service delivery gaps in Maryland's dynamic health care marketplace.

Over the last seven years, the Commission has awarded 110 grants totaling approximately $26.3 million, supporting programs in every jurisdiction of the state. These 110 programs have collectively served more than 105,000 underserved Marylanders. The CHRC has awarded grants to help reduce infant mortality; expand access to substance use treatment; integrate behavioral health services in primary care settings; increase access to dental care; boost primary care capacity; and invest in health information technology for safety net providers. Program sustainability is a top priority of the Commission, and CHRC grantees have used initial grant funds to leverage more than $10 million in additional federal and private funding sources to support their programs.

II. Information for Health Enterprise Zone Applicants

The designation of HEZ status will enable access to a range of incentives to support strategies to address health disparities, to expand access, and to help attract needed health care practitioners into the HEZ. Incentives and benefits include state income tax credits; hiring tax credits; loan repayment assistance; priority entrance into the state's Patient Centered Medical Home Program; priority for state EHR grant funding; additional grant funding from the CHRC; and capital grant support. These benefits and incentives are described in greater detail on page six. The purpose of the HEZ Initiative is to target state resources to:

- Reduce health disparities among racial and ethnic minority populations, and among geographic areas;
- Improve health care access and health outcomes in underserved communities; and
- Reduce health care costs and hospital admissions and re-admissions.

HEZ applicants are expected to submit applications which demonstrate the needs of the community, provide a comprehensive plan to address these needs, and achieve the overall policy goals of the HEZ Initiative. Eligible applicants should develop strategies using the benefits and incentives available to designated HEZs described in this Call for Proposals.

Community Eligibility
An HEZ is a community or a cluster of contiguous communities that are comprised of one or more zip codes. In order to be designated an HEZ, the proposed zip code(s) within a potential HEZ area must meet <u>each</u> of the following four criteria:

1. An HEZ must be a community, or a contiguous cluster of communities, defined by zip code boundaries (one or multiple zip codes);
2. An HEZ must have a resident population of at least 5,000 people;
3. An HEZ must demonstrate economic disadvantage by having either:
   a) a Medicaid enrollment rate above the median value for all Maryland zip codes; or
   b) a WIC participation rate above the median value for all Maryland zip codes.
4. An HEZ must demonstrate poor health outcomes by having either:
   a) a life expectancy below the median value for all Maryland zip codes, or
   b) a percentage of low birth weight infants above the median value for all Maryland zip codes.

A proposed HEZ made up of multiple zip codes must meet these criteria in each zip code if the values are known. ***Applicants are permitted to propose an alternative approach in eligibility determinations, using sub-zip code geographic bounds*** *(e.g. Census Tracts, Public Use Microdata Areas),* ***if the following criteria are met****:*

1. The area proposed is contiguous geographically;
2. The population in the proposed area is at least 5,000; and
3. The zip code(s) where the sub-zip code geographic bounds are located must meet the criteria for demonstrating economic disadvantage and poor health outcomes.

Data regarding the economic disadvantage and poor health outcomes, by zip code, has been compiled by DHMH and is available at: http://eh.dhmh.md.gov/hez/index.html. ***Applicants seeking designation status for sub-zip code geographic bounds will be required to provide data confirming eligibility for economic disadvantage and poor health outcomes.***

Letters of Interest are due to the CHRC no later than 5:00 p.m., October 19, 2012, but will be accepted and reviewed on a **rolling basis**. Applicants are encouraged to submit the Letter of Interest as soon as it ready, and not wait until October 19. The CHRC will review the Letters of Interest and Eligibility Worksheets (see Appendix Item A) as soon as is possible, certify each applicant's eligibility, and contact eligible applicants to submit the full application, hopefully within 48 hours of submission of LOI. Once eligibility is certified and applicants are notified, LOIs will be posted on the HEZ website. The full grant application is due to the CHRC no later than 12:00 p.m., November 13, 2012. For a more detailed description of the LOI, please see page 11 of this Call for Proposals.

Organizations Eligible to Apply for HEZ Designation on Behalf of a Community

An applicant for this Call for Proposals must be either a local government entity or a non-profit community-based organization. Applications should be submitted by one organization, the Coordinating Organization (local government entity or local non-profit entity), on behalf of a coalition of key community stakeholders and proposed HEZ geographic area. The community coalition should include a combination of health and community partners with specific roles and demonstrated historical experience working in the proposed zone. Applicants will be required to provide evidence validating that genuine efforts were made to include members of the target populations and minority groups in the HEZ application, and in the planning and program implementation, post-designation award.

Health Care Provider/Practices Eligibility
Individual health care providers and practices providing services within a Zone are eligible to receive state tax credits against their income, loan repayment assistance, funding for electronic health records, capital improvements and equipment in accordance with the HEZ Initiative and regulations to be proposed and adopted regarding tax credits. In addition, providers and practices may only receive incentives and benefits under the HEZ Initiative for the duration of their service/employment in a designated HEZ.

HEZ Benefits and Incentives
The HEZ Initiative provides a range of benefits and incentives to address health disparities and expand access to health care services. These benefits and incentives are available to non-profit organizations, local government entities, and eligible health care providers to achieve the HEZ's program goals at the community level. Following are examples of benefits and incentives that HEZ applicants may include in their application. If these benefits and incentives are included, then their cost must be included in the overall budget request of the HEZ application. Successful applicants will finalize the specific benefits and incentives utilized in the Zone in a post-designation conference.

- <u>Tax credits against the State income tax:</u> State income tax credits are available to eligible health care providers as part of an overall HEZ strategy to increase health care capacity and access to services. An eligible practitioner may claim a credit against the state income tax in an amount equal to 100% of the amount of the state income tax derived from income received from practice in the HEZ. Based on the language of the HEZ Act, tax credits are available for calendar years 2013, 2014, and 2015. Tax credits may become available for calendar year 2016, pending legislative approval and budget appropriation.

- <u>Hiring Tax credits:</u> Hiring tax credits are available to eligible health care provider practices as part of an overall HEZ strategy to increase health care capacity and access to services. An eligible practitioner may claim a refundable credit of $10,000 against the state income tax for hiring a qualified position in the Health Enterprise Zone. Based on the language of the HEZ Act, tax credits are available for calendar years 2013, 2014, and 2015. Tax credits may become available for calendar year 2016, pending legislative approval and budget appropriation.

- <u>Loan repayment assistance:</u> Loan repayment assistance is available to eligible health care providers for qualified education loan repayments.

- <u>Priority to enter the state's Patient Centered Medical Home Program (PCMH):</u> Priority entry into Maryland's PCMH program may be available to eligible health care providers and practices who meet the standards developed by the Maryland Health Care Commission for entry into the PCMH Program.

- <u>Grant funds for electronic health records:</u> Grants for obtaining and/or implementing electronic health records systems are available to eligible health care providers and

practices.

- Grants to defray the costs of capital or leasehold improvements**:** Grants for capital/leasehold improvements are available to eligible health care providers and practices to improve or expand capacity for the delivery of primary healthcare, behavioral, or dental services in the HEZ.

- Grants to defray the costs of medical or dental equipment**:** Grants for medical or dental equipment are available to eligible health care providers and practices for equipment which must be used to provide medical or dental services in the HEZ. Grants are not to exceed the lesser of $25,000 or 50% of the cost of the equipment. Providers/Practitioners must leave working medical and dental equipment in the designated Zone for continued community use, should the providers/practitioners choose to leave the Zone.

- Grant funding for innovative public health strategies: Grant funding is available to non-profit organizations and local government entities to facilitate innovative public health strategies and other incentives to help address the goals of the HEZ Initiative. Examples of fundable innovative public health strategies could include (but are not limited to) the following:
  a) Internship and volunteer programs for students in an HEZ;
  b) Funding for improvements to the environment in an HEZ, including improvements intended to increase access to recreation, healthy food, and quality housing;
  c) Grants to integrate behavioral health care into existing primary care practices in an HEZ;
  d) Funding for better health information technology tools for providers in an HEZ; and
  e) Funding for resources to enhance provider capacity to serve non-English speakers in an HEZ.

In addition to these incentives and benefits, CHRC and DHMH will provide the following types of assistance and support to HEZ designees, which do not need to be included in the application's budget.

- General support for program planning, implementation, and evaluation;
- Working with HEZ grantees and coalition members to provide access to DHMH data resources for approved HEZs;
- Invitation to participate in appropriate collaboratives and work groups;
- Assistance in connecting to existing grant-writing resources;
- Opportunity to apply for J-1 Visa Waiver primary care placements in HEZ sites that are located in federally designated Health Professional Shortage Areas and Medically Underserved Areas or Populations; and
- Priority assistance in achieving Health Information Exchange connectivity at the individual practice level.

Program Duration

HEZ designation will be for a four-year period and applications for HEZ designation should reflect a four-year period of activities. Designations made by the Secretary will be for the duration of the four-year program. Applicants should submit a detailed work-plan and evaluation plan with specific activities, objectives, milestones, and deliverables for each year of

the potential four-year program. In order to receive funding in years two, three, and four of the designation, HEZ Coordinating Organizations will need to meet the terms and conditions of the designation award, namely submitting the required reporting documents on a quarterly basis. In addition, Coordinating Organizations must demonstrate progress in terms of meeting performance measures developed by the Coordinating Organization and CHRC. HEZs that fail to comply with the reporting requirements or do not demonstrate performance in year one may be subject to revocation of designation status, and would no longer have access to benefits and incentives under the HEZ Act. The CHRC retains the right to "claw-back" funds distributed to the Zones or revoke the designation award if the Coordinating Organization is not compliant under the terms and conditions of the designation or does not meet performance measures during implementation.

Program Budget and Use of Funds
HEZ funding requests should be between $500,000 and $2 million per year for the duration of the four-year program. Annual budgets should be based on the calendar year (January – December). The Secretary and the CHRC, post-designation decisions (in January 2013), will meet with grantees to finalize the distribution of benefits and incentives to each designated Zone.

Overall or Global Budget
Applicants will be required to submit an overall or global budget requested, per year, for the duration of the four-year program. The global budget should include the total dollar amount allocated to **each** of the above benefit and incentive areas in the budget, per year. (see Appendix Item F). For example, if the HEZ applicant is requesting a total of $1 million in year one (calendar year 2013), the sum of each incentive or benefit requested should total $1 million. Please refer to Appendix Item G for a sample global budget. In the global budget, applicants are not expected to include/list the specific/actual provider names or practices that will receive each of the incentives or benefits. The global budget simply requires sub-totals for each incentive or benefit utilized in the Zone for each year of the program duration. In the months following the HEZ designation, the Coordinating Organizations will work to identify the individual providers and practices that will receive these benefits and incentives, and the CHRC will work with the Coordinating Organization to develop a mechanism to distribute these benefits and incentives.

Grant Program Budget (by Implementing Organization)
In addition to submitting the global budget, applicants may also be required to submit in their HEZ application a program-specific budget, if they request CHRC grant funding for innovative public health strategies. Applicants are required to provide the total grant funding amount requested for **each** participating partner organization that may receive CHRC grant funding and an accompanying line-item budget, by organization, showing precisely how each organization will utilize CHRC grant funding. Please refer to Appendix Item I for a sample line-item budget. In addition to the Grant Program Budget form, applicants must also provide an accompanying budget justification which details how each line item of grant funding will support the overall objectives of the HEZ. Funding amounts to partners should be appropriate to their responsibilities in the implementation of the HEZ programs and strategies. Applicants are expected at the time of the application to indicate in their application which organizations are committed to partnering in the implementation of the program's strategies by providing either an executed Memorandum of Understanding or Letter of Commitment.

Depending on the distribution mechanism agreed upon by the HEZ Coordinating Organization and CHRC, grant funding and certain incentives will be made directly by the CHRC to the partnering organization or providers who will be implementing the program and/or receiving the benefit. Coalition organizations and providers receiving funding under the HEZ program are expected to work with the CHRC and Coordinating Organizations to ensure all HEZ program reporting and evaluation guidelines are followed.

Incentives and benefits must be used for the purposes indicated in the HEZ Call for Proposals. As required in previous CHRC Call for Proposals, grant funds for innovative public health strategies may be used for program staff salaries and fringe benefits, consultant fees, data collection and analysis, in-state program-related travel, conference calls and meetings, and office supplies and expenses. Indirect costs are limited to 10% of the total grant funds requested (not 10% of the overall HEZ budget). If the services in an application will be delivered by a contractor agency or sub-grantee, and not directly by the applicant, the applicant may not take a fee for passing through the funds to the contractor agency. Funding under the HEZ program may not be used to support clinical trials, for lobbying, or for political activity.

III. Review Principles

Applications will be evaluated by a Review Committee, which will be comprised of experts in the fields of public health, health disparities, chronic diseases, social determinants of health and program management, and economic development. Individuals volunteering on the Review Committee may not be involved in any of the HEZ applications. The Review Committee will be asked to review and score each application on the following 13 review criteria:

1. Purpose. The application addresses the core statutory goals of the HEZ Initiative of reducing health disparities, including racial/ethnic and geographic health disparities, in Maryland.

2. Description of need. The application demonstrates the health and health services needs of the proposed HEZ resident population. The application demonstrates that the needs of the community exceed existing health resources and that the community's health and socio-economic outcomes are worse than/below the State's average and/or comparable communities. Applicants are permitted to draw on the data submitted in the Letter of Interest (the economic disadvantage or poor health outcomes) for threshold eligibility consideration or draw on other data metrics or factors demonstrating the need of the proposed Zone.

3. Core disease targets and conditions. The application identifies at least one or more specific diseases and/or conditions for improvement, and the data provided in the description of need supports the targeted disease(s) and/or conditions(s).

4. Goals. The applicant provides goals for health improvement by January 2016 in the HEZ that are achievable and measurable. The goals reflect the disparities being addressed (in terms of racial, ethnic and/or geographic) and reflect each of the following areas:
   a. Improved risk factor prevalence or health outcomes (Maryland State Health Improvement Process or Local Health Improvement Coalition measures, or others);
   b. Expanded primary care workforce ;

c. Increased community health workforce (including public health and outreach workers);
d. Increased community resources for health (housing, built environment, food access, etc.);
e. Reduced preventable emergency department visits and hospitalizations; and
f. Reduced unnecessary costs in health care (costs that would not have accrued if preventive services and adequate primary care had been provided).

5. Strategies. The strategies and interventions proposed in the application have a high degree of achieving success or achieving the goals stated in the application.

6. Cultural, linguistic and health literacy competence. The application explains how the strategies will be implemented in a culturally competent manner and designed to be accessible to the target population. This includes addressing translation and interpretation issues for non-English speakers and issues of low health literacy in the target population. The application describes the efforts that will be undertaken to recruit a racially, ethnically, and linguistically diverse workforce for the HEZ.

7. Balance. The proposed strategies are balanced between community-based approaches and primary care provider-based incentives. The strategies combine grants for public health and community services with the provider credits and incentives to expand health care capacity/services.

8. Contributions from local partners. Explicit financial or in-kind contributions from local partners and stakeholders are part of the strategic resource mix in order to amplify the impact of the State-provided pilot funding and incentives.

9. Coalition. The application demonstrates that the coalition includes a diverse array of health and community partners, with specific roles and historical experience working in the HEZ. A potential coalition could be led by the Coordinating Organization (the entity submitting the HEZ application and ultimately responsible for reporting requirements and Zone performance) and be comprised of participating partners that are delivering services in the Zone and community advisory groups involved in assisting overall implementation of the activities in the Zone. The application demonstrates inclusion of members of the target populations and minority groups in planning and ongoing oversight of the program. The application describes the coalition team members and participating partners and what assets, experience, knowledge, etc., are brought to the HEZ. There should be a clear governance structure of the coalition with a point of accountability for the Coordinating Organization and each key coalition member. There should be an advisory and oversight entity composed primarily of community members or residents of the designated Zone to provide advice and input to the coalition and the Coordinating Organization. This advisory/oversight entity should reflect experience in serving minority communities or populations.

10. Work-plan. The application provides a detailed work-plan that provides a clear understanding of how the program will be implemented over a four-year period and includes a detailed list of program activities, measurable outcomes, timelines, responsible entities and other logistics that enable tracking of effort; describes roles of the listed partners; includes interim milestones and deliverables; and supports appropriate data collection and reporting. See Appendix E for a sample work-plan.

11. Program management and guidance. The application provides a plan for quarterly reporting to the CHRC regarding progress and challenges regarding implementation of the HEZ work-plan and interim values for the evaluation metrics. The application includes a plan of quarterly reporting that meets the criteria in this Call for Proposal (see section V. Evaluation and Implementation, page 18) and that make sense given the core disease targets and conditions of the HEZ as well as the goals of the HEZ.

12. Sustainability. The application provides a feasible short-term and long-term sustainability strategy and acquisition of resources beyond state funding. Explicit financial or in-kind contributions from local partners and stakeholders should be part of the strategic resource mix and can be described here either as pledges or potential contributions to be pursued by the Coordinating Organization. Investments from insurers who stand to gain from cost savings in the HEZ are a potential component of a sustainability plan.

13. Internal evaluation and progress monitoring. The application provides a draft internal evaluation plan which tracks its progress in meeting each of the goals within the HEZ. The evaluation plan should include implementation and process metrics and performance measures with time-specific milestones and targets to allow assessment of the deployment of the interventions in the work-plan.

A Review Committee will evaluate applications on these review principles and will provide the CHRC with recommendations for selected organizations to present their applications before the full Community Health Resources Commission. Applicants not invited to present will be notified that they are not eligible to receive HEZ designation in this Call for Proposal opportunity. Recommendations by the CHRC to the Secretary will be based upon the recommendations of the Review Committee and presentations before the Commission. The Secretary will issue final HEZ designation awards in late December, 2012.

IV. Submitting an Application for Health Enterprise Zone Designation

The HEZ designation application has three steps:
Step 1: Submit a Letter of Interest, due no later than October 19, 2012, 5:00 p.m.
Step 2: Submit full Application, due no later than November 13, 2012, 12:00 p.m.
Step 3: Present Applications before the CHRC, December 11 (invited applicants only)

Step 1: Letter of Interest
The Letter of Interest should include the following items:
1. Name of the applicant organization (the Coordinating Organization);
2. Name, title, address, telephone number, and e-mail for the Chief Executive Officer and the proposed program director (if different) of the Coordinating Organization;
3. Documentation that shows the Coordinating Organization is either a community-based non-profit organization or local government entity;
4. Name of organizations partnering in the coalition;
5. A description of the location/geographic area of the proposed Health Enterprise Zone (i.e., community/neighborhood names); and

6. HEZ Eligibility Worksheet (Appendix Item A).

Letters of Interest are due to the CHRC no later than 5:00 p.m., October 19, 2012, but will be accepted and reviewed on a **rolling basis**. Applicants are encouraged to submit the Letter of Interest as soon as it is ready, and not wait until October 19. Letters of Interest should be submitted as a PDF or Word Document attachment, sent via email to dhmh.hez@maryland.gov. Please save file attachments using the following format: Organization Name, HEZ Letter of Interest, Date.

The CHRC will review the Letters of Interest and Eligibility Worksheets (see Appendix Item A) as soon as is possible, certify each applicant's eligibility, and contact eligible applicants to submit the full application, hopefully within 48 hours of submission of LOI. Once eligibility is certified and applicants are notified, LOIs will be posted on the HEZ website.

Only applicants whose proposed HEZ meets the eligibility criteria (see page 4) will be invited to proceed in submitting a full application (Step 2). CHRC staff will review the Letters of Interest, certify applicants' eligibility, and will invite eligible applicants to submit a formal application for HEZ designation. The CHRC will notify applicants of their eligibility as soon as is possible, hopefully within a 48-hour period of submission of the Letter of Interest.

Step 2: Submission of Applications

Following are guidelines and the requested structure of the HEZ application. The overall length of the HEZ application should be no more than 25 pages and will contain Standard Forms located in the Appendices of this Call for Proposals and narrative written sections. The HEZ application should be structured using these topic headings and forms, in the following order:

Topic Heading and Forms	Narrative versus Standard Form	Included in Page Limit
Table of Contents	Narrative	Not included
1. Grant Application Cover Sheet	Standard Form – CFP Appendix Item B	Not included
2. Contractual Obligations, Assurances, and Certifications	Standard Form – CFP Appendix Item C	Not included
3. Program Summary	Narrative	Included
4. Program Purpose	Narrative	Included
5. HEZ Geographic Description (HEZ map)	Narrative	Included (map not included)
6. Community Needs Assessment	Narrative	Included
7. Core Disease(s) and Condition(s) Targeted	Narrative	Included
8. Goals	Narrative	Included
9. Strategy to Address Health Disparities	Narrative	Included
10. Use of Incentives and Benefits	Narrative	Included

11. Cultural, linguistic and health literacy competency	Narrative	Included
12. Applicant Organization and Key Personnel	Narrative	Included
13. Coalition Organizations and Governance	Narrative	Included
14. Work-plan	Standard Form – CFP Appendix Items D and E	Not included
15. Evaluation Plan	Narrative	Included
16. Sustainability Plan	Narrative	Included
17. Program Budget and Justification	Standard Form – CFP Appendix Items F - I	Not included
18. Financial Audit		Not included
Appendices		Not included

The suggested content of each of these sections is provided below. Appendices should be limited to only the material necessary to support the application.

1. Grant Application Cover Sheet: The form should be completed and signed by the program director(s) and either the chief executive officer or the individual responsible for conducting the affairs of the applicant and legally authorized to execute contracts on behalf of the applicant organization. This form is attached as Appendix Item B and also can be accessed at the Maryland Community Health Resources website (http://dhmh.maryland.gov/mchrc/ - click on "Forms" on the left hand side menu) and the DHMH HEZ website (http://dhmh.maryland.gov/healthenterprisezones/).

2. Contractual Obligations, Assurances, and Certifications**:** The agreement should be completed and signed by either the Chief Executive Officer or the individual responsible for conducting the affairs of the applicant and authorized to execute contracts on behalf of the applicant organization. This document is attached as Appendix Item C and also can be accessed at the Maryland Community Health Resources website (http://dhmh.maryland.gov/mchrc/ - click on "Forms" on the left hand side menu) and the DHMH HEZ website (http://dhmh.maryland.gov/healthenterprisezones/).

3. Program Summary: The program summary is a concise, one-page overview of the proposed HEZ community(ies), the community needs, and the overall strategies that will be implemented to achieve the HEZ program's goals.

4. Program Purpose: The application should describe how the activities in the application will address the core goals of HEZ Initiative.

5. HEZ Geographic Description: The application should provide a brief description of the geographic location of the proposed HEZ, including the zip code(s) or sub-zip code geographic units that will be part of the HEZ. Applications should provide names of the community(ies) or

neighborhood(s) that are participating as part of the HEZ and any other relevant details that help to describe the physical location of the proposed HEZ. Applications should include a map of the proposed HEZ area that delineates the geographic units that are the boundaries of the zone (i.e., zip code, Census Tracts, etc). This can be the same map provided as part of the Letter of Interest.

6. Community Needs Assessment: The application should describe the health and health service needs of the population in the proposed HEZ. Examples of metrics to describe community need include (but are not limited to) indicators of health status, risk factor prevalence, health insurance status, primary care access, Medically Underserved Area or Medically Underserved Population designations, and other needs that impact the health of the community. This data should be presented, where possible, by racial groups and by Hispanic ethnicity. The application should also discuss other socio-economic factors that contribute to poor health in the community, such as data regarding education, employment, income, housing, physical environment, and other community factors that impact health.

7. Core Disease Targets and Conditions. Based upon the community need, the application should identify specific disease(s) and/or condition(s) that will be targeted for improvement. Applications are encouraged to target at least one of the following conditions identified by the Health Disparities Workgroup of the Maryland Health Quality and Cost Council: cardiovascular disease, diabetes, and asthma. Applications may address other major conditions where the community experiences poor health outcomes, such as behavioral health, dental health, birth outcomes, or related co-morbid conditions.

8. Goals: The application should propose ***measurable*** goals for health improvement in the HEZ by January 2016. The goals should reflect the disparities being addressed. Each goal should be included in the work-plan (see item 16, page 17). Goals should cover each of the following areas:

- Improved risk factor prevalence or health outcomes (e.g., SHIP or LHIP measures, or others);
- Expanded primary care workforce;
- Increased community health workforce (including public health and outreach workers);
- Increased community resources for health (e.g., housing, built environment, food access, etc.);
- Reduced preventable emergency department visits and hospitalizations; and
- Reduced unnecessary costs in health care (costs that would not have accrued if preventive services and adequate primary care had been provided).

9. Strategies. The application should provide a clear description of each strategy, including the key programmatic components, implementation steps, and partnering organizations who will assist in the implementation of the proposed strategy. The application should reference the key action steps included in the work-plan (see item 16, page 17). The evidence and rationale for each of the strategies and interventions should be presented. Examples of potential strategies could include:

- A strategy to increase provider capacity by a specified percentage;
- A strategy to improve the quality of service delivery as indicated by HEDIS measures;
- A strategy to address community barriers to healthy lifestyles;
- A strategy to improve health outcomes through the use of community health workers;

- A plan to strengthen community and environmental policies to support good health in schools, day care, recreation centers, senior centers, and workplaces;
- A strategy to provide better access to healthy foods or facilities for physical activities;
- A strategy to engage underserved racial and ethnic minority persons in the Health Enterprise Zone;
- A strategy to improve the built environment in an HEZ, including improvements intended to increase access to recreation, healthy food, and quality housing;
- A strategy to integrate behavioral health care into existing primary care practices in an HEZ;
- A strategy to improve health information technology tools for providers in an HEZ; and
- A strategy to enhance provider capacity to serve non-English speakers in an HEZ.

Applicants are encouraged where possible to adopt strategies that are evidence-based, generally accepted as promising practices, or new/innovative ideas. Applicants are encouraged to bring health information technology (electronic medical records and health information exchange) and the patient-centered medical home model to their strategic approaches.

10. Use of Incentives and Benefits. The applications should describe which incentives and benefits will be utilized as part of its strategies. The proposed strategies should be balanced between community-based approaches and provider-based incentives, and it should combine grants for public health and community services with the provider credits and incentives that are available to HEZs. The application must include a proposal to use funding available under this Initiative to provide for loan repayment incentives to induce health enterprise zone practitioners to practice in the HEZ.

11. Cultural, linguistic and health literacy competency. The application should explain how the strategies will be implemented in a culturally competent manner and designed to be accessible to the target population. This includes addressing translation and interpretation issues for non-English speakers, and issues of low health literacy in the target population. The application should describe the efforts that will be undertaken to recruit a racially, ethnically, and linguistically diverse workforce for the HEZ.

12. Applicant Organization and Key Personnel: The application should provide a description of the Coordinating Organization (applicant organization) and the organization's capacity to implement and lead the HEZ program. This can include any relevant experience in leading a coalition of organizations, community-based work, and implementation of multi-year programs. The application should identify the program director and describe his/her role within the Coordinating Organization, qualifications to lead the program, and responsibilities in carrying out the program. The application should also identify other essential staff, their roles in the program, and their relevant qualifications. Résumés for all key personnel should be included as appendices, and do not count as part of the overall page limit of the application. The application should describe any positions for which the organization that will need to hire new/additional staff.

13. Coalition Governance and Participating Partners: The application should provide a list of all HEZ coalition members (this list may be included as an appendix item if needed [not included in

the overall page limit]). The application should describe the coalition team members and what assets, experience, knowledge, etc. each brings to the proposed HEZ. The application should also describe the roles and responsibilities (if any) of coalition members in the implementation of any of the proposed strategies and intervention. The application should describe the governance structure that will be used by the Coordinating Organization, which provides a point of accountability for each core coalition member and participating partner. The application should describe plans to include members of the target populations and minority groups in planning and ongoing oversight of the program.

14. Work-Plan (Chart): The application should include a work-plan for implementing the HEZ program across each goal and strategies. The work-plan is a comprehensive program management tool for HEZ performance (see Appendix E for a sample chart) that describes the key strategies, activities, and evaluation measures and links these with the overall goals of the HEZ. The work-plan should provide a "step-by-step" understanding of the key actions, the timing to implement these actions, and who (which participating partners or personnel) is responsible for implementing these actions. In addition, the work-plan will describe the time-specific milestones or deliverables that will be used to evaluate the success of the activities in the HEZ. The work-plan should be in a chart format which provides a clear understanding of how the program's goals will be achieved over the four-year program duration and should include the following components:

a. Goals;
b. Objectives;
c. Key program activities/action steps;
d. Data evaluation and measurement;
e. Responsible organization/entity; and
f. Timeline for implementation.

Some information presented in the other parts of the application, such as goals, specific strategies, activities, and the evaluation plan, will be repeated in the work-plan. A template (blank) work-plan chart and sample work-plan are included in this Call for Proposals (see Appendix Items D and E).

15. Evaluation Plan: The evaluation plan should include implementation and process metrics and performance measures with time-specific milestones and targets to assess the deployment of the interventions and strategies in the work-plan. Whereas the work-plan is in chart format (see Appendix D), the evaluation plan is in narrative (written prose) form. The primary purpose of the evaluation plan is to describe how the Coordinating Organization will measure the implementation and success of the proposed strategies on an ongoing basis to achieve the goals of the HEZ and report this information to the CHRC on a regular basis. This evaluation plan should include the specific activities/methods the Coordinating Organization (and sub-grantees/participating partners, where applicable) will undertake to capture needed information (e.g., health outcome data) and how the Coordinating Organization will evaluate the success of the activities within the HEZ on a regular basis. The evaluation plan should also include the health outcome metrics that will be tracked/reported to demonstrate that the HEZ is achieving its health improvement goals. Time-specific milestones for the health outcome metrics should be included. Methods for collecting the health outcome data within the HEZ or assembling data from external sources should be discussed. The metrics of reach (deployment) and impact

(health outcomes) should be analyzed in categories of race and ethnicity to assess the impact on minority health and health disparities.

In addition, the internal evaluation plan should describe how the Coordinating Organization plans to monitor the activities and progress of sub-grantees/participating partners in the implementation of specific program activities. This could include any information/data the Coordinating Organization will require from sub-grantees, how sub-grantees will be held accountable for program achievement, and how this information will be reported to the CHRC. The information gathered by the Coordinating Organization should be linked to specific milestones, data measures, and/or other metrics that evaluate the progress on key activities, objectives, and program goals. Applications should reference the data and evaluation measures included in the Work-Plan (see item 16, page 17).

Applications should show a budgeted line-item between 5% and 10% of the overall HEZ global budget for data collection and evaluation efforts. If the applicant organization plans to utilize external organizations or other tools/resources to assist to evaluation of the program, this should be described here (e.g., hiring an external organization to administer a survey or group interviews, purchasing software to capture particular data).

16. Sustainability: The application should describe a plan for sustainability and acquisition of resources beyond State funding, including partnership with entities in the health care system that have the financial incentive for better outcomes. The application should include a specific plan for developing and implementing a short-term and long-term sustainability strategy.

17. Program Budget and Justification (Standard form): The HEZ funding request should be between $500,000 to $2 million per year for the duration of the four-year program. All applicants must complete the Global Budget Form which provides the annual and total budget request by program benefit and incentive requested (see Appendix Item F for a template (blank) global budget form and Appendix Item G for a sample global budget form).

Applicants requesting CHRC grant funding for innovative health programs may also be required to complete a separate Grant Program Budget Form, which is a line-item budget for each organization that will be partnering in the implementation of the public health grant program (see Appendix Item H for a template (blank) organization program budget form and Appendix Item I for a sample organization program budget). For example, if the application requests CHRC grant support for the salaries of five community health workers to be hired by a participating partner, then the Line-Item Grant Budget Form is required in addition to the Global Budget.

The budget justification should detail what is included in each line-item and describe how each item will support the achievement of the program's goals and objectives. Funding levels to implementing organizations should be appropriate to their roles and responsibilities in the work-plan.

18. Financial Audits: Non-profit Coordinating Organizations must submit a copy of their most recent financial audit of the organization. As in previous CHRC Call for Proposals, financial audits are not required for local government entities.

Application Formatting
Applications should be approximately 20 to 25 pages single-spaced on standard 8 ½" x 11" paper with one-inch margins and using 12-point Times New Roman or Arial font. Tables and charts may use a 10-point font or larger. Please number pages. The hard copy of the application documents should be bound with prong report fasteners or clips. Please do not use spiral binding or three ring binders.

Applications are due to the CHRC no later than 12:00 p.m., November 13, 2012 by email **and** hand delivery, U.S. Postal Service, or private courier.

Electronic versions of applications should be submitted in one PDF or Word Document attachment, sent via email to dhmh.hez@maryland.gov. Please save file attachments using the following format: Organization Name, HEZ Proposal, Date.

In addition to electronic application submission, the following must be received by November 13, 2012, 12:00 p.m. to be considered a complete application package:

(1) One original application, labeled "original"; and

(2) Eight bound copies of the application.

Send hard copies of applications to:

Mark Luckner
Executive Director
Maryland Community Health Resources Commission
45 Calvert Street, Room 336
Annapolis, MD 21401

Step 3: Presentation before the CHRC (invited applicants only)
A selected number of applicants will be invited to present their proposal at a Community Health Resources Commission meeting. This meeting will be held on December 11, Additional information regarding time and location of this meeting will be forthcoming. Invited applicants will be provided presentation instructions upon notification of invitation to present.

V. Program Evaluation and Implementation

The CHRC implements a robust system of grantee performance management that holds grantees accountable for performance and is designed to ensure that finite grant resources are utilized wisely and efficiently. The CHRC will work with each HEZ Coordinating Organization and its participating partners to develop standard and customized performance measures that will be reported by the grantees on a quarterly basis. These performance measures will reflect the four-year duration of the program and will be a combination of interim and longer-term measures.

Internal Evaluation
At the beginning of the grant period (January 2013), CHRC staff and the HEZ Coordinating Organization will meet to finalize the internal evaluation plans, which will be developed from the work-plan and proposed internal evaluation plan submitted in the original HEZ application. As part of this internal evaluation, HEZ Coordinating Organizations will be required to submit the following three deliverables on a quarterly basis. CHRC staff will make sample reports available to HEZ Coordinating Organizations after HEZ designations are made.

1. **Milestone & Deliverable Report (M&D)**. Quantitative report (excel file) which reports on a core set of common measures for all HEZ programs and specific measures that are unique to each HEZ program. These measures will be developed from the work-plan and proposed evaluation measures provided in the HEZ application. Grantees will be expected to provide baseline data/projections on evaluation measures and subsequent data will be compared to baseline data/projected outcomes;

2. **Narrative reports**. Qualitative report (word document) summarizing the status of implementation of key strategies of the HEZ proposal. The narrative reports should be based on the key time-specific milestones and deliverables in the M&D report (above), and the work-plan and proposed evaluation plan that were provided in the HEZ application. These reports provide details about each grant program including any major events or activities that took place as part of the implementation; any problems or barriers encountered during the reporting period and how these barriers were resolved or will be addressed; and details about why the grantee has not achieved program goals to date. Any successes or unexpected outcomes from the program activities should be highlighted in the narrative report; and

3. **Expenditure reports.** A line-item budget detail (excel file) showing exactly how HEZ resources were expended and utilized. Activities or expenditures by participating partners should be included. Recipients of HEZ funds are expected to retain all documentation of the use of grant funds and provide these to the CHRC upon request.

HEZ grantees will provide these reports throughout the program's four-year duration. Compliance will be required as a condition of receipt of funding in years two, three, and four of the program.

External Evaluation
Under the Maryland Health Improvement and Disparities Reduction Act, the CHRC and DHMH are required to submit an annual report to the Maryland General Assembly and Governor documenting the impact of the activities in the Health Enterprise Zones. To fulfill this reporting requirement, the CHRC will solicit proposals to contract with an outside entity to perform an independent, external evaluation of the program. This evaluator will not only analyze the periodic reports submitted by the HEZ Coordinating Organizations, but will also perform additional data collection and analysis to assess the impact of the activities of the HEZs on the outcomes specified in the Act and the proposals. The external evaluation activities will be coordinated and funded through the CHRC and DHMH, and, as such, do not need to be included as part of budget requests submitted by HEZ Coordinating Organizations. As a condition of receiving HEZ grant funds, however, HEZ grantees will be required to participate in this external evaluation. This may include the Coordinating Organization and participating partners assisting

with any data collection and information gathering required, such as participation in surveys, focus groups, site visits, meetings, and key informant interviews with the evaluators.

Program Implementation and Benefits Distribution

The HEZ program period will begin in January 2013, and reporting requirements will be organized around a calendar year. Once HEZ designations are made by the Secretary, CHRC staff and HEZ Coordinating Organizations will develop and finalize program budgets, internal evaluation plans, and periodic reports submitted to the CHRC. Once these documents are finalized, it is expected that the Coordinating Organization and partnering entities will begin implementing the HEZ strategies immediately. In addition, the HEZ Coordinating Organization and CHRC will determine the mechanics of distributing incentives or benefits. In some cases, the Coordinating Organization will receive funds from the CHRC to distribute the benefits to participating partners, and in other cases, the CHRC will distribute benefits directly to the individual participating partners.

Providers and practices who wish to receive benefits and incentives in the HEZ strategies (income and hiring tax credits, loan repayment assistance, EHR, capital and equipment funding) must apply to the Coordinating Organization. Within six months of designation (July 2013), the Coordinating Organization must evaluate the applications of providers and practices, certify their eligibility, and provide the CHRC with the specific/actual providers and practices that will receive the benefits and incentives budgeted for year one of the program. The CHRC and DHMH will distribute funding and incentives directly to each provider/practice.

Grant Modifications

HEZ Coordinating Organizations are permitted to request changes to their approved HEZ proposal/programs by submitting a formal Grant Modification Form (see Appendix Item H), and when required, an updated Global or Program Budget to the CHRC. Grantees may be asked to present their grant modification request before the CHRC.

VI. Inquiries and Other Information

Conference Call for Applicants

The program office will host a conference call for interested applicants to provide information on the HEZ program and assistance with the application process. This conference call, on **October 11, 2:30 p.m.**, is ***optional***. This call will be available on a first come, first serve basis. Multiple participants from the same organization are encouraged to use one phone line when calling into the conference call. The call in information is:

Dial-In Number: (866) 233-3852
Participant Access Code: 267478

Questions from Applicants

Applicants may also submit written questions at any time to dhmh.hez@maryland.gov.

COMMUNITY HEALTH RESOURCES COMMISSION
2012 Commissioners
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Dr. Charlene Dukes
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CHRC Staff and Contact Information
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