# Frequently Asked Questions

## Patient Centered Medical Home – Facility Improvements (P-FI) Program (HRSA-14-073)

The questions and answers are organized by the following headings/topics for the Patient Centered Medical Home – Facility Improvements (P-FI) Program. The P-FI funding opportunity (HRSA-14-073) is available at http://www.hrsa.gov/grants/apply/assistance/P-FI.

## Contents

## Summary

**1.  What is the purpose of the P-FI funding opportunity?**
The Patient Centered Medical Home - Facility Improvements (P-FI) Program is a one-time funding opportunity for Health Center Program grantees to support facility enhancements through alteration and renovation or construction that will improve patient access to services and quality of care using the Patient Centered Medical Home (PCMH) model of care.

**2.  When will the grants be awarded?**
It is anticipated that grants will be awarded on or around September 1, 2014.

**3. How much Federal funding can an applicant request per application?**
Applicants can request a maximum amount of $250,000 in Federal funds per application.

**4. How much is available for the P-FI funding opportunity?**
Approximately $35 million is available to be awarded in FY 2014.

**5. How many applications can one health center submit?**
Only one application per organization will be considered for funding. If more than one application is submitted, HRSA will accept the applicant's last electronic submission validated by Grants.gov and/or EHB on or before the deadline date as the final and only acceptable application.

**6. Does the whole project need to be completed (i.e., Certificate of Occupancy/Final Inspection) by the end of project/budget period?**
A project is considered complete when the site is ready to be opened and operational or when the local permitting authority approves the occupancy of the site. Therefore, applicants are encouraged to propose a reasonable project that can be completed within the 2-year project/budget period. The project schedule should allow time for HRSA reviews and approvals, site and building permits, bidding and, if applicable, securing of financing for any non-Federal funds. All funds should be obligated by the end of the 2-year project/budget period.

**7. What is the difference between "obligated" and "expended"?**
The term "obligated" means that the grantee has incurred an expense that may be charged to the grant, but the expense has not yet been paid. The term "expended" means that the grantee has drawn and liquidated grant funds to pay the obligated expense. At the end of the project/budget period, grantees have 90 days to expend funds for obligated expenses.

**8. Will recipients be allowed to extend beyond the original project period?**
Grantees are expected to complete the P-FI project within the 2-year project/budget period.

## Eligibility

**9. Does our organization have to be PCMH recognized or on the path to doing so in order to apply?**
Health centers are not required to be PMCH recognized at the time of the application submission. However, health centers must demonstrate how the proposed project will ultimately help achieve, maintain, or enhance PCMH recognition.

**10. Is the award limited to health centers that have received previous PCMH funding from HRSA?**
No, applicants are not required to have received previous PCMH funding.

**11. Can a health center propose a new health center site?**
No, the P-FI grant can only support a project at an active service delivery site or administrative/service delivery site that is within the health center's current approved scope of project (i.e., an approved service delivery site listed on Form 5B) at the time of application submission.

**12. Can an applicant add additional services to their section 330 approved scope of project through this funding opportunity?**

No, an applicant cannot add additional services that are not currently in the section 330 approved scope of project through this funding opportunity.

**13. Can an applicant request P-FI funding at an administrative-only site which is already within the section 330 approved scope of project?**

No, the application cannot propose a project at an administrative-only site. Applicants must propose an active service delivery or administrative/service delivery site.

**14. Are health center sub-recipient and contractor sites eligible for funding?**

No, sub-recipient and contractor sites are not eligible to receive these funds.

**15. (*NEW*) How does HRSA define an "active" construction award under eligibility criterion *"g) the project will not occur at a site with an active HRSA award that supports construction (i.e., new construction, expansion, or alteration/renovation/repair projects)"*?**

For the purpose of funding opportunity HRSA-14-073, HRSA is defining an "active HRSA award that supports construction" as a project that:

− Has not been identified as "Complete*" as of the period ending March 31, 2014 Quarterly Progress Report submission; and
− All project-specific submissions have not been submitted to HRSA by the application deadline of April 17, 2014. This includes the Final Budget Information, Project Completion Certification, Final Photos, other active reporting requirement submissions, and/or conditions of award.

For HRSA awards that support multiple projects within the same grant, please note that only the project site that is being requested in the application must comply with the requirements outlined above.
* For additional information, please reference page 5 of the Quarterly Progress Reports Manual at: http://bphc.hrsa.gov/policiesregulations/capital/qprmanual.pdf

**16. (*NEW*) When will HRSA evaluate the status of progressive action conditions for Health Center Program grantees to determine if they are eligible for funding through HRSA-14-073?**

HRSA will evaluate the progressive action condition status for Health Center Program grantees 30-45 days prior to the anticipated award of September 1, 2014 to determine if the application meets the following eligibility criteria outlined in HRSA-14-073:

− Five or more active 60 or 30 day progressive action conditions on current award; and
− One or more 30 day progressive action condition(s) on current award.

## Eligible Use of Funds

**17. What types of projects are permitted through the P-FI funding opportunity?**

Applicants may propose either a construction project or an alternation and renovation (A/R) project in the P-FI application. The project may include the purchase of loose, moveable equipment relevant to the proposed project, provided that the total cost of the equipment does not exceed 50% of the total project cost.

**18. Can we propose an equipment-only project?**

No, applicants may not propose moveable equipment-only projects.

**19. What is the difference between alteration/renovation (A/R) and construction?**

− **Alteration and renovation project:** This type of project would not increase the total square footage of an existing building, and does not require ground disturbance or footings. An A/R project can consist of work required to:  1) modernize, improve, and/or reconfigure the interior arrangements or other physical characteristics of a facility; 2) improve and/or replace exterior envelope; or 3) improve accessibility (such as sidewalks and ramps) and/or life safety requirements in an existing facility.

− **Construction project:** A construction project will increase physical square footage—either through building on to an existing facility or constructing a new facility from the ground up. This may include: Adding a wing to an existing facility; adding a floor to an existing facility; constructing a brand new structure; demolishing a structure and building a new one in the same location; permanently affixing a modular or prefabricated unit to an existing facility or land; and/or expanding parking beyond an existing surfaced parking area. A construction project can also include renovations to an existing building in the case when an addition to that building is part of the project.

**20. How many projects may be proposed within an application?**

Applicants may propose only one (1) distinct, site-specific, stand-alone construction or alteration/renovation project within the FY 2014 P-FI application.

**21. Are pre-award costs allowable? Is the service of a grant writer an allowable pre-award cost?**

Pre-award (e.g., planning) costs may be proposed as part of the application. If the health center receives a grant award, only pre-construction costs incurred 90 days prior to the award date, and in accordance with Federal procurement requirements, may be considered for reimbursement under the grant. Services of a grant writer are not allowable.

**22. What are the limitations for use of funding under this opportunity?**

The following costs are unallowable and cannot be supported with P-FI funds:

− Health center operating costs (e.g., funding direct services, clinical full-time equivalents, costs for staff not directly related to the implementation of the proposed project within the project scope of work), rent, mortgage payments, refinanced credit facilities;
− Costs related to Electronic Health Records (EHR) ongoing operations and maintenance;
− All pre-award construction costs (costs incurred before the award date);
− Pre-construction (architectural and engineering) costs incurred prior to 90 days before the award date;
− Creation of shell space for future use;
− Creation or improvement of space for use that is not consistent with the Health Center Program (section 330 of the Public Health Service Act, as amended);
− Equipment costs exceeding 50% of the total project cost;
− Leasing movable equipment;
− Purchasing equipment for a site other than the site proposed in the application;
− Purchase of a mobile van;
− Land and/or facility purchase;
− Indirect costs; or
− Project financing costs, such as conducting financial assessments or obtaining loans or mortgages.

**23. Can an application propose the purchase of a modular unit?**
The purchase and permanent installation of a modular unit to expand an active site is an allowable construction cost.

# Application

**24. Does Executive Order 12372 (Intergovernmental Review of Federal Programs) apply to the HRSA-14-073 funding opportunity?**
The P-FI Program is not subject to the provisions of Executive Order 12372.

**25. Who can be listed as the project manager?**
The Project Manager is the person responsible for the administrative direction and oversight of the project. The Project Manager may also be the Authorizing Official.

**26. Can the project manager be a contractor?**
Yes, the project manager may be a contractor who is responsible for overseeing the day-to-day activities of the project.

**27. Is a Public Health System Impact Statement required or applicable?**
No, a Public Health System Impact Statement is not required to be completed or distributed for this funding opportunity.

**28. Is a Notice of Intent for initial PCMH recognition required?**
No, a Notice of Intent for PCMH recognition is not required for this funding opportunity.

**29. Are letters of support required?**
No, letters of support are not required, but may be included as an additional attachment. Letters of support may be addressed to the Health Resources and Services Administration. Only those letters of support that are submitted with the application in will be included in the application review. Letters of support that are sent directly to HRSA will not be attached to the application for review.

**30. How should attachments be formatted?**
All attachments in EHB must be provided to HRSA in a computer-readable format (i.e., do not upload text as images). HRSA recommends that applicants submit PDF files but will also accept Microsoft Word or Excel files. Please do not use spaces or special characters when naming files.

**31. Who should complete and sign the Environmental Information Documentation (EID) checklist?**
The Authorizing Official (AO) may complete and the sign the EID checklist (OMB Form 0915-0324). Because this is a certification of conditions and the potential impacts on and around a proposed project site, the AO is strongly encouraged to seek consultation to ensure a complete understanding of the information requested.

**32. Our organization is proposing an alteration/renovation project; will we be exempt from undertaking environmental studies?**
Although applicants proposing an alteration/renovation projects typically do not require preparation of a full Environmental Assessment under the National Environmental Policy Act (NEPA), the organizations need to comply with the following requirements as applicable:

- If the proposed work involves exterior work, ground disturbance, or work on a building that is over 50 years old, the project may require SHPO consultation under Section 106 of the National Environmental Policy Act.
- Buildings constructed prior to 1975 may require submission of a hazmat study and abatement plan.
- If the site is located in a coastal state, the project may require compliance with the Coastal Zone Management Act.
- If the proposed project is in a 100 or 500 year floodplain, it may require compliance with E.O. 11988, Floodplain Management.

If concurrent construction is occurring at the site with the proposed alteration/renovation project, other requirements may apply. The full scope of work should be disclosed on the EID Checklist (OMB Form 0915-0324).

# Application Review

**33. What is the review process and how will the application be evaluated?**
Grant applications will be subject to internal and external HRSA reviews. The internal review will assess completeness and eligibility. These applications will also be reviewed by an external Objective Review Committee (ORC) to assess technical merit. The review criteria outlined in the P-FI funding opportunity announcement (HRSA-14-073) will be used by the ORC to review and rank applications.

**34. What are the relevant qualifications of the reviewers?**
HRSA maintains a large database of reviewers that are selected based on the type of grant that is being reviewed. Each reviewer will be screened to avoid conflicts of interest. Review committee members are responsible for providing an objective, unbiased evaluation based on the criteria that have been established for this funding opportunity.

**35. Will the amount of funds be reduced if there are substantially more eligible applications than available funds or depending on the strength of the application?**
Applications will be funded at the amount requested in the grant application. Requested amounts within applications will not be reduced if there are more competitive applications than available funds.

**36. Will projects with additional sources of funds (equity and/or debt) be more competitive than projects that request grant funding for all allowable costs? Should the applicant request grant funds at a certain percentage of the total project cost?**
Applicants should request funds that are adequate, necessary, and reasonable to make the application competitive. Applications will be reviewed and scored independently by the Objective Review Committee based on the review criteria outlined in the funding opportunity announcement. HRSA encourages applicants to carefully review the criteria to ensure that they submit strong applications that meet or exceed the established criteria.

## Electronic Submission Requirements

**37. How are applications submitted?**
Applications must be submitted electronically through BOTH Grants.gov and HRSA's EHB. Applicants must submit to Grants.gov and receive a tracking number through Grants.gov before beginning the application within EHB.

**38. How are grant application packages accessed from Grants.gov?**
To access the FY 2014 P-FI funding opportunity announcement:
− Go to http://www.grants.gov/ and click on the red tab labeled "Apply for Grant Opportunities."
− Select the "Download a Grant Application Package" red label.  This will take you to the "Download Application Package" webpage.
− Under the "Download Application Package" webpage, enter the Funding Opportunity Number, HRSA-14-073 and click "Download Package.
− Click on Download under the "Instructions and Application" heading to access the application package.

**39. What is the registration process for Grants.gov?**
Registration in Grants.gov is required. Instructions for Grants.gov registration can be found at http://www.hrsa.gov/grants/userguide.htm. As registration may take up to a month, start the process as soon as possible. Call Grants.gov at 800-518-4726 between 7:00 AM and 9:00 PM EST for technical assistance.

**40. What is the registration process for HRSA Electronic Handbooks (EHB)?**
Instructions for EHB registration can be found at http://www.hrsa.gov/grants/userguide.htm.
For technical assistance contact the HRSA Call Center at 877-464-4772 between 9:00 AM and 5:30 PM EST or by email at CallCenter@hrsa.gov.

**41. How do I know if an application has been successfully submitted?**
For the Grants.gov portion of the application, the applicant organization will receive verification via e-mail from Grants.gov verifying successful submission of the application. For the EHB portion of the application, the submitting authorized official (AO) will receive a confirmation web page upon successful submission in EHB. Applicants are strongly encouraged to print this confirmation page; no e-mail confirmation will be sent through EHB.


## Budget

**42. Does the requested budget have to be for 24 months?**
The proposed budget may not exceed a 24-month period. Applicants are expected to complete the project within the 2-year project period.

**43. Is the $250,000 maximum for the entire 2-year project/budget period or can applicants request $250,000 per year for the 2-year project/budget period, for a total request of $500,000 in Federal funds?**
Applicants can request a maximum amount of $250,000 per application for the entire 2-year project/budget period.

**44. What is the Federal share percentage that is calculated on the SF-424C budget?**
The Federal share percentage is a standard calculation that is required for the SF-424C Budget. The Federal percentage share will be used to determine the drawdown percentage. On a project with an 80 percent Federal Share percentage, for example, the grantee will pay costs as they are incurred by paying 80 percent of the costs with grant funds and the remaining 20 percent with funds from other sources. The EHB system will automatically calculate the Federal share percentage for each project based on the amounts the applicant enters on Lines 16c (Total Project Allowable Cost) and 17c (Total Project Allowable Cost-Federal Funding) of the budget.

**45. How should dollar amounts be entered on the SF-424C Budget?**
Amounts must be rounded to the nearest whole dollar.

**46. Where moveable equipment should be entered on the SF-424C budget page?**
All loose, moveable items equipment (regardless of cost) should be entered on Line 10 Equipment.

**47. Can you provide more instruction on how to prepare the budget justification?**
The budget justification must provide a detailed break-out and description of each cost element in the budget and provide sufficient narrative detail to explain how each cost element contributes to the goals and objectives of the P-FI project. Further, if there are additional sources of funding, applicants should identify which costs will be covered by the Federal P-FI grant. Please refer to the sample budget justification available at http://bphc.hrsa.gov/policiesregulations/capitaldevelopment/.

**48. For total project costs, should all other sources of funding for the project, regardless of whether it supports allowable or unallowable costs, be identified?**
On the Funding Sources form, applicants should list all other sources of funding for all costs (both allowable and unallowable) on Lines 3a-3e (Columns a, b, and c, as appropriate). If there are additional sources of funding, sufficient narrative detail must be provided in the budget justification.

**49. If a health center is utilizing other sources of funding to supplement a project, do those other sources need to be in-hand or committed?**
No, but applicants must be able to demonstrate how they will be able to complete the P-FI project within the two-year project period, as well as how it will maintain the improvements that result from the P-FI project. As part of the budget justification, applicants should provide information on the other sources of funding, the status of obtaining the full funding needed to undertake the project, including plans for securing the balance of the funds that have not been secured. It is in the applicant's best interest to ensure that completion and sustainability requirements will be met by having any other sources of funding for the project secured by the time of application.

**50. How should in-kind costs be included in the overall project budget and entered into the application?**
"In-kind costs" include the receipt of goods and/or services in lieu of cash contributions or as a donation. The estimated value of in-kind services should be included in the "other allowable costs" and "un-allowable costs" columns of the budget justification, depending on the nature of the cost (refer to the allowable cost chart in the funding opportunity guidance). These costs should also be accounted for in the "Other Sources of Funding" section of the project.

**51. Can the budget include costs for the operation of the health center?**
Health center operational costs are not allowable, and cannot be included as part of the application. The budget and budget justification submissions should include only those costs directly related to the P-FI project proposed in the application.

**52. Are indirect costs allowable under this funding opportunity (HRSA-14-073)?**
No, indirect costs are not allowable under this funding opportunity.

**53. Is the allowable contingency five (5) percent of construction costs plus five (5) percent of site and demolition work or is it five (5) percent of all project costs?**
Contingency costs (Line 13 of the SF-424C budget form) are limited to 5 percent of the sum of Lines 7c allowable site work, 8c allowable demolition and removal, and 9c allowable construction.

**54. Is there a dollar limit under the Miscellaneous category of expenses?**
On the SF-424C, Line 11c is limited to no more than 10 percent of Line 16c (total cost). Applicants must explain and identify the Miscellaneous items in the budget justification.

**55. How should items with a unit cost of less than $5,000 and a useful life of more than 1 year be entered on the SF-424C?**
All items with a unit cost of less than $5,000 and a useful life of more than 1 year should be entered on Line 10 Equipment.

**56. What relocation costs are allowable?**
While moving costs associated with a project are unallowable, the following types of relocation costs are allowable:
– Renting a space for temporary relocation purposes while work on the main site is being completed;
– Costs associated with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (as amended by the Uniform Relocation Act of 1987)(the Act provides relocation assistance in specific circumstances where the project involves the displacement of persons and businesses).

## Equipment

**57. What is moveable equipment?**
Moveable equipment includes non-expendable items with a useful life of more than 1 year and a unit cost of greater or less than $5,000 that is not permanently affixed and can be easily moved, such as x-ray equipment, freezers, autoclaves, medical exam tables, dental chairs, computers, and modular workstations. Office supplies (e.g., paper, pencils, toner, etc.); medical supplies (e.g., syringes, blood tubes, plastic gloves, etc.), and educational supplies (e.g., pamphlets, educational videotapes, etc.) are not defined as moveable equipment and are unallowable.

**58. How much moveable equipment can I purchase?**
No more than 50 percent of the total allowable budget will support moveable equipment costs (line item 10 of the budget information).

**59. What is clinical versus non-clinical equipment?**
Clinical equipment is used in the direct delivery of health care services, whether diagnostic or therapeutic. Non-clinical equipment would encompass all other equipment that is used to meet the day-to-day-operations of the site.

**60. What information is needed for the Equipment List?**
All moveable equipment should be entered in the Equipment List. Equipment should be relevant and appropriate to the identified needs of the health center and the associated project. The Equipment List will require the following information for each item: equipment type (clinical or non-clinical), item description, quantity, unit price, and total price. Fixed equipment (HVAC, doors, windows, sinks, generators, etc.) should not be included in this list.

**61. Can grant funds be used to lease moveable equipment?**
No, grant funds may only be used for the purchase of moveable equipment.

**62. Can equipment be purchased for health center sites other than the proposed site in the application?**
No, only equipment purchases associated with the project-specific site may be proposed.


# Federal Interest and Leasehold Improvements

**63. Is a Notice of Federal (NFI) Interest required?**
Depending on the scope of work, the owner of the property may be required to consent and file a Notice of Federal Interest. Additional information on NFI requirements is located in the P-FI funding opportunity announcement (HRSA-14-073).

**64. What is required in a NFI and how is it filed?**
Information regarding the contents of a NFI and filing is available at
http://bphc.hrsa.gov/policiesregulations/capital/nfifilingguide.pdf

A sample NFI can be obtained at
http://bphc.hrsa.gov/policiesregulations/capital/postaward/samplenoticeoffederalinterest.docx.

**65. When is a NFI required to be filed? Must it be submitted with the application?**
If a NFI is required, the applicant must submit the NFI after the award of the grant, but prior to initiating physical work on the project.

**66. What if there is already a HRSA NFI on the property?**
NFIs must specify the grant under which the capital funding was provided. NFIs that cite other grant programs cannot be substituted. Existing NFIs may be amended to add in the new grant and project description along with the existing grant information upon issuance of a Notice of Award.

**67. Are leasehold improvements allowable?**
Leasehold improvements are allowed. For the purposes of leased properties, please note that funds for a leased property cannot address needs that are part of the terms of the lease (are the obligation of the lessor). The applicant must provide a signed Landlord Letter of Consent from the facility owner. The

Landlord Letter of Consent from the facility owner referenced above must address the following components:

– Approval of the scope of the project;
– Agreement to provide the health center reasonable control of the project site for the appropriate amount of time; and
– Agreement to file a NFI in the land records of the local jurisdiction before the project begins if a NFI applies. This will include communications with a lessor related to protecting such interest, in accordance with the standard award terms and conditions. Such documentation should be available for subsequent review.

**68. Why does it matter if a proposed project site is owned or leased?**
An applicant must demonstrate site control to ensure that the proposed projects can be completed and that the benefit to the health center will be realized. When a NFI is required, the applicant must provide HRSA a copy of the filed NFI prior to the start of construction activities. Applicants that lease the project site will need to provide HRSA a Landlord Letter of Consent from the facility owner, and a copy of the NFI filed by the facility owner, prior to the start of construction activities.

## Green Building

**69. What does HRSA mean by "green sustainability principles in reference to the funding opportunity?**
In the Project Description section, applicants must clearly demonstrate how the construction and/or design elements will incorporate sustainable/green design, construction practices, and products to the maximum extent feasible. Examples of such design considerations include salvage during demolition, use of low-impact materials, ensuring energy efficiency, and maximizing reuse/recycling capabilities.