§ 2807-i. Service and quality improvement grants. 1. Grants to facilitate cooperative ventures for sharing administrative, management and operational services. a. Notwithstanding any inconsistent provision of law to the contrary, within amounts available therefor, the commissioner shall make grants pursuant to this subdivision to eligible applicants to facilitate cooperative ventures for sharing administrative, management and operational services among general hospitals and other health care providers. Funded projects shall include two or more hospitals and may also include other health care providers in coordination with those hospitals. Funded projects shall be designed to demonstrate the extent to which such cooperative arrangements would result in a reduction in costs to the facilities involved.

b. In order to be eligible to receive a grant under this subdivision, applicants shall prepare and submit to the commissioner a proposal at such time, in such manner and containing such information as the commissioner may require, including:

(i) a statement that such providers desire to negotiate and enter into a voluntary agreement;

(ii) a description of the nature and scope of the activities contemplated in the cooperative agreement;

(iii) a description of the financial arrangement between the providers that are parties to the agreement;

(iv) a description of the geographic area generally served by the providers;

(v) a description of the anticipated benefits and advantages to providers and to health care consumers;

(vi) a description of how the proposal will be coordinated with the regional health plan; and

(vii) any other information determined appropriate by the commissioner.

c. In awarding grants under this subdivision, the commissioner shall assure that there is a sufficiently representative geographic and size distribution of grantees, including urban, rural and suburban grantees.

d. Amounts provided under a grant awarded under this subdivision shall

only be used for the planning of cooperative ventures and shared services.

e. Grantees shall submit reports to the commissioner in such form and at such times as the commissioner may by regulation require, for the purpose of evaluating the operations and results of such program.

f. The commissioner in evaluating proposals pursuant to this section shall give primary consideration to the financial condition of applicants; provided however, that an applicant's financial condition shall not be the sole grounds for approval or rejection.

2. Management information systems grants. Notwithstanding any inconsistent provision of law to the contrary, within amounts available therefor, the commissioner shall make grants pursuant to this subdivision to general hospitals, not to exceed two hundred thousand dollars per hospital, for the purposes of expanding and improving their information management capabilities. In order to be eligible for grants pursuant to this subdivision, general hospitals which have experienced operating losses for the past two consecutive years, provided such operating losses have been at least two percent of such hospital's operating expenses, shall submit proposals which demonstrate that:

a. hospital management, productivity, and operations would be enhanced by improvements to the hospital's current management information system capabilities;

b. the cost of providing services would be contained or patient access to care or the quality of patient care would be improved;

c. such hospital's clinical, management and finance information systems would be integrated; and

d. cost finding and cost accounting capabilities would be enhanced.

3. Continuous quality improvement grants. Grants shall be awarded to general hospitals, within amounts available therefor, to establish

programs to improve quality assurance activities. Such programs shall seek to promote and encourage continuous quality improvement by integrating traditional medical staff review functions with risk management and infection control activities. Grants shall be used to support the following:

a. the establishment of a mission statement, an accompanying long term strategic plan and allocation of institutional resources which reflect the institution's commitment to continuous quality improvement;

b. the establishment of quality improvement activities which will enhance all institutional processes, including clinical, managerial and support functions;

c. activities which support a multidisciplinary collaborative approach to quality improvement;

d. integration of management information systems to improve health care delivery; and

e. an educational program on continuous quality improvement to inform staff of the institution's mission and plan for quality.

4. Equitable distribution. Funding shall as far as practicable be equitably distributed among applicants in urban, suburban and rural areas of the state.