MISSISSIPPI DEPARTMENT OF MENTAL HEALTH (DMH)

NOTICE OF FUNDING OPPORTUNITY (NOFO)

PSYCHIATRIC EMERGENCY SERVICES – EmPATH UNITS GRANT PROGRAM

I. Scope of Grant Project

Purpose

The State of Mississippi, through the Mississippi Department of Mental Health (DMH), invites Eligible Hospitals (defined as Mississippi-located hospitals meeting HRSA rural criteria or CAH designation) to apply for funding through the Psychiatric Emergency Services – EmPATH Units Grant Program (PES-EmPATH). PES-EmPATH is part of the State's Rural Health Transformation Plan (the Plan) and is funded under the Cooperative Agreement with the Federal Rural Health Transformation Program (RHT Program).

Background and Rationale

Mississippians in behavioral health crisis frequently present to hospital emergency departments (EDs) or enter law enforcement custody. Neither setting is optimized to deliver timely, trauma-informed psychiatric care. This often results in:

- Extended ED boarding
- Unnecessary inpatient admissions
- Increased law enforcement involvement
- Inappropriate jail placements
- Higher system costs
- Poor patient and family experiences

To address these gaps, DMH proposes the development of three regional EmPATH Units to:

- Serve as designated law enforcement drop-off locations
- Provide rapid psychiatric evaluation and stabilization
- Offer medical and behavioral clearance for transfer
- Reduce ED boarding and jail diversion
- Improve system coordination and outcomes

This initiative aligns with national best practices promoted by Substance Abuse and Mental Health Services Administration (SAMHSA) and the Health Resources and Services Administration (HRSA), which emphasize comprehensive crisis systems that include:

- 988 crisis call centers
- Mobile Crisis Response Teams
- Crisis Stabilization Programs
- Short-term (less than 24-hour) psychiatric emergency services

Program Description

A. Target Population

EmPATH Units shall serve individuals of 18 years and older who are experiencing:

- Acute psychiatric crisis
- Suicidal or homicidal ideation
- Co-occurring substance use disorders
- Co-occurring intellectual/developmental disabilities (IDD) or autism

Programs must accept individuals regardless of:

- Insurance status
- Ability to pay
- Complexity of presentation
- Law enforcement involvement

B. Core Service Components

Each EmPATH Unit must provide:

24/7 Operations

- Continuous admission capability
- No appointment required
- Law enforcement drop-off within 10–15 minutes

Rapid Psychiatric Assessment

- Initial triage within 15 minutes
- Comprehensive psychiatric evaluation
- Suicide and violence risk assessment
- Substance use screening
- Trauma-informed care approach

Medical Screening and Monitoring

- Capacity to manage medically fragile individuals
- On-site medical oversight
- Coordination for medical clearance
- Protocols for managing intoxication and withdrawal
- Ability to conduct basic laboratory testing

Stabilization and Treatment

- Medication initiation and adjustment
- De-escalation and behavioral interventions
- Individual and family engagement
- Peer support services
- Brief therapeutic interventions
- Safety planning

Disposition and Care Coordination

- Discharge to community with follow-up within 24–72 hours
- Transfer to Crisis Stabilization Units (CSUs) or Emergency Departments when medically necessary
- Admission to inpatient psychiatric units when medically necessary
- Referral to outpatient and community supports of the individual's choice

C. Enhanced Capabilities for Complex Populations

EmPATH Units must demonstrate capacity to:

- Stabilize individuals who are aggressive or behaviorally complex

- Provide enhanced observation capabilities
- Serve individuals with dual diagnosis of mental health and IDD/autism
- Manage co-occurring medical and psychiatric conditions
- Provide bridge stabilization for specialized placements

By allowing time for medical clearance and behavioral assessment prior to CSU admission, EmPATH Units will:

- Reduce CSU exclusions
- Improve equitable access
- Decrease unnecessary inpatient admissions
- Improve placement matching

Program Outcomes and Performance Metrics

Grant recipients must track and report the following outcomes:

- Average time from arrival to psychiatric evaluation (target: ≤ 60 minutes)
- Average length of stay (target: < 23 hours)
- Percentage of law enforcement drop-offs completed within 15 minutes
- Referrals to a higher level of care or continued inpatient/residential care including: EDs, CSUs, state hospitals, etc.
- Percentage of individuals diverted from inpatient admission
- Percentage of occupancy
- 7- and 30-day follow-up engagement rates
- 30-day readmission rate
- Service utilization by rural residents
- Access for individuals with IDD/autism
- Access for uninsured individuals

Required Staffing Model

Programs must include:

- Board-certified or board-eligible psychiatrists (on-site or telepsychiatry)
- Psychiatric nurse practitioners or physician assistants (24/7)
- Registered nurses (24/7)
- Licensed behavioral health clinicians
- Certified Peer Support Specialists (CPSS)
- Behavioral health technicians
- Ratio of 3:1

Facility Requirements

Facilities must:

- Be designed to promote calming, open, therapeutic spaces
- Include recliner-based treatment areas (not ED-style stretchers)
- Have ligature-resistant design features
- Include secure observation capability
- Provide private evaluation rooms
- Meet all state licensing and life safety standards
- Co-located with a hospital ED

System Coordination Requirements

Grant recipients must demonstrate formal agreements with:

- 988 call centers
- Mobile Crisis Response Teams
- Local law enforcement agencies
- Emergency Departments
- Crisis Stabilization Units
- Inpatient psychiatric facilities
- Community outpatient providers

Funding and Sustainability

Proposals must include:

- Start-up budget
- Operational budget
- Billing strategy (Medicaid, Medicare, commercial, uninsured pool)
- Sustainability plan
- Cost-avoidance projections (ED diversion, reduced jail utilization, inpatient savings)

Proposal Evaluation Criteria

Proposals will be evaluated based on:

1. Program design and fidelity to EmPATH model
2. Demonstrated experience serving high-acuity populations
3. Operational readiness
4. Rural access strategy
5. Workforce plan
6. Data collection and reporting capabilities
7. Budget feasibility and sustainability
8. Commitment to equity and trauma-informed care

Anticipated Impact

By implementing three regional EmPATH Units, the state will:

- Complete the behavioral health crisis continuum
- Reduce emergency department boarding
- Divert individuals from jail
- Improve law enforcement efficiency
- Enhance access for medically fragile and behaviorally complex individuals
- Reduce unnecessary inpatient admissions
- Improve outcomes for individuals, families, and first responders
- Reduce overall system costs

II. Eligibility and Funding

Eligible Applicants

Any Eligible Hospital may apply for PES-EmPATH funding. If awarded, applicants must possess or obtain a Unique Entity Identifier (UEI), Federal Employer Identification Number (FEIN), and MAGIC Vendor Number to participate in the program.

By accepting RHT Program funding from the State of Mississippi, any Eligible Hospital will commit to participating in and supporting the Statewide Health Information Exchange (HIE) developed under the RHT Program.

Funding Availability

The State anticipates an initial round of funding under PES-EmPATH, with the potential for additional opportunities in future years:

Program Year	Amount Available	Application Opens	Application Deadline	Award Announcements (Tentative)	Performance Period
Program Year 1	$14 million	07/15/2026	08/17/2026	September 2026	Date of Award to 07/31/2027

All awards are subject to the State's receipt of funds under the RHT Program. The State anticipates that additional funding opportunities may be available in future RHT Program years; however, an Eligible Hospital's receipt of funding in one Program Year does not guarantee funding in subsequent years. The State will provide additional information regarding the structure and requirements of future-year PES-EmPATH funding at a later date.

For Program Year 1, the State expects to announce awardees as early as September 2026. The performance period for Program Year 1 runs from the award through July 31, 2027, meaning all Program Year 1 funds must be spent or incurred by then. Given the compressed window, the State will provide awardees with a strict deadline for final reimbursement submissions before the end of the Performance Period.

During Program Year 1, the State anticipates awarding three proposals, with total awards not to exceed $14 million. Additionally, total renovation expenditures across all awards are limited to $4.5 million.

Awardee Classification

Selected applicants chosen to receive funding will be classified as 'subrecipients'. A subrecipient is an entity that receives a subaward from a pass-through entity (DMH) to carry out part of a Federal program and is responsible for programmatic decision-making (not just providing goods/services) and compliance requirements applicable to its portion of the Federal award.

A subrecipient:

- Carries out part of the Federal program
- Uses judgment/discretion in delivering program activities
- Is accountable for program compliance for its portion of the award

Subrecipients are responsible for carrying out the approved work as planned and using grant funds only for

allowable, well-documented program costs. They must maintain appropriate financial and internal controls, keep accurate records, and submit complete and timely financial and progress reports to DMH.

They are also required to retain records, comply with monitoring and audit requirements (including Single Audit[1] requirements when applicable), and provide documentation for oversight. When procuring goods or services with grant funds, subrecipients must follow applicable federal procurement standards[2], including maintaining documentation to support purchasing decisions.

All awards are subject to applicable federal and state laws, regulations, and guidance, including 2 CFR Part 200 and 2 CFR Part 300, the terms and conditions of the federal award (including CMS requirements for the RHT Program), state procurement rules, and the subaward agreement issued by DMH, and any subsequent changes and/or updates to applicable state and federal law, regulations, and guidance. Applicants are responsible for ensuring that all activities, costs, procurement actions, contracts, and project management practices comply with these requirements.

Failure to comply with these requirements may result in disallowed costs or corrective action, including recoupment.

Funding Disbursement

Subrecipients will receive funds on a reimbursement basis. DMH will execute and maintain the subrecipient agreements and the State will draw down funds from CMS for disbursement to subrecipients in accordance with the CMS award terms and applicable requirements (including 2 CFR Part 200). To support the drawdown, subrecipients must submit payment requests on an agreed-upon cadence using a prescribed request form, and each request must be based on documented incurrence of cost and expenditure for allowable program purposes (e.g., executed contracts with invoiced goods or services, purchase orders, payroll obligations and subsequent check or ACH) that are within the approved budget, scope of work, and period of performance. DMH and the State will review requests for allowability and compliance with all applicable procurement requirements and, upon approval and drawdown from CMS, will work with the Mississippi Department of Finance and Administration (MS DFA) to disburse funds to the subrecipient. Subrecipients must maintain documentation supporting the obligations and expenditures and provide such records upon request.

Subrecipients may apply for advance funding if they are able to prove the reimbursement model would detrimentally impact their ability to succeed in the timely implementation and completion of their proposed capital project. A separate request form, detailing the evidence necessary for a subrecipient to receive funding in advance, can be provided to awarded subrecipients upon request. If approved, such advanced funding will be capped as a percentage of the subrecipient's total award.

[1] A Single Audit is an organization-wide audit that includes review of financial statements and compliance with federal award requirements (2 CFR Part 200, Subpart F).

[2] Subrecipients are required to comply with Federal procurement requirements in 2 CFR Part 200 when purchasing goods or services under a Federal Award.

Funding Restrictions

PES-EmPATH funds cannot be used for any purpose for which the CMS prohibits the use of RHT Program funds. Funding restrictions include, but are not limited to:

- Total indirect and administrative costs may not exceed 5% of the award amount
- Funds may not replace existing funding and must support new or expanded activities
- Per employee, salaries charged to the award may not exceed the federal salary cap ($225,700)
- Clinician salaries or wage support for clinicians subject to non-compete contractual limitations
- Funds may not support ongoing costs without a sustainability plan
- Provider payments[3] are not an allowable use of funds under this award

- Broadband infrastructure is not an allowable use of funds
- New construction or major building expansion is not an allowable use of funds
- Lobbying or advocacy activities are not an allowable use of funds
- Investment vehicles or endowments that generate profit are not an allowable use of funds
- Demolition of buildings is not an allowable use of funds
- Funding for telehealth, cybersecurity, other technology solutions and electronic health records will be offered under separate grant programs.

Please refer to the National RHT Program Notice of Funding Opportunity released by CMS and CMS' Frequently Asked Questions regarding the RHT Program for detailed information regarding federal funding restrictions imposed by CMS on the RHT Program.

III. Reporting Requirements

The State will monitor a subrecipients' performance, including, but not limited to, through review of financial and programmatic reports and performance measures, under any Grant Agreement awarded as a result of this NOFO.

The State is required to submit detailed reports to CMS regarding activities and expenditures under the RHT Program. The State will require each subrecipient to submit quarterly progress reports and a final evaluation report to permit the State to fulfill its RHT Program requirements. Subrecipients may be required to respond to questions from or submit additional reporting to the State's RHT Program team as deemed necessary by the State.

[3] Please note that CMS' final definition of provider payments includes (1) payments to providers for performance in alternative payment models tied to outcomes, and (2) payments to providers for services that are not paid by insurers but support the strategic goals of the RHTP and tie to a specific initiative.

Quarterly Progress Reports

- Expenditures to date, reported by approved budget category and performance period, with explanations for any material variances
- Progress against approved workplan milestones, including identification of delays, risks, or implementation challenges
- Preliminary performance or outcome metrics, as applicable, aligned with approved project objectives

Quarterly reports must be submitted following the schedule below for first 4 quarters of Program Year 1 with similar cadence expected in future periods.

Quarter	Reporting Period	Due Date
Quarter 1	Initial Awarding – September 30, 2026	10/15/2026

Quarter 2	October 1 – December 31, 2026	1/15/2027
Quarter 3	January 1 – March 30, 2027	4/15/2027
Quarter 4	April 1 – June 30, 2027	7/15/2027

Annual Evaluation and Final Reporting

To support the State's required annual CMS progress report due August 30th of each year, subrecipients will be required to submit:

- A cumulative evaluation report summarizing activities, expenditures, and progress toward intended outcomes for the reporting year
- Updated outcome and performance data, including both quantitative measures and qualitative findings
- An assessment of implementation challenges, lessons learned, and implications for sustainability

Subrecipients shall provide all applicable reports in the format specified in an accurate, complete, and timely manner and shall maintain appropriate supporting backup documentation. Failure to meet submission deadlines for required reports or other requested information may result in the State, in its sole discretion, placing the Grantee on financial hold without first requiring a corrective action plan, in addition to pursuing any other corrective or remedial actions under the Grant Agreement.

IV. Application Information

Application Instructions

- Applications must be submitted through the online portal. Required attachments must be uploaded as PDF files and Microsoft Excel budget template. Please ensure all required documentation is included at the time of submission.
- **Submission Deadline: 5PM CT on August 17, 2026**

Application Review

- Each application received by the deadline will be reviewed for completeness and responsiveness. Incomplete or unresponsive submissions will not be moved to the merit review phase.
- For the merit review phase, a review panel will employ grant-specific criteria and scoring, considering program objectives and readiness factors, as explained below under Application Criteria. As noted above, the review panel also will consider how to best distribute PES-EmPATH funds to ensure statewide impact and to avoid duplication with other plan programs. Based on the merit review, the review panel will make RCGC award decisions.

V. Questions

Applicant Questions and Requests for Clarification

- Questions about this Grant Application, including requests for clarification or additional information, must be made in writing and submitted via email to info@mississippirhtp.com no later than 11:59 PM CT on Wednesday, July 22.
- **Deadline for Questions and Requests for Clarification: 11:59 PM CT on Wednesday, July 22.**

An informational presentation regarding the PES-EmPATH NOFO is available on the state website.

Potential applicants should not communicate in any other manner with State officials or State agents regarding PES-EmPATH. Any attempts by a potential applicant – either directly or indirectly - to influence or otherwise impact the outcome of the PES-EmPATH application process will disqualify such potential applicant from any

PES-EmPATH award.

VI. FAQs

We encourage applicants to review the State's RHT Program FAQs before submitting your application. The FAQs provide further guidance and clarification on program requirements, eligibility, application expectations, and other common questions. As we continue to receive stakeholder questions and feedback, DMH will publish updated FAQs.