



# Round 2 Model Test: Applicable Dates

- **Required Letter of Intent to Apply Due Dates:**
  - Due June 6, 2014
- **Electronic Cooperative Agreement Application Due Dates:**
  - Due July 21, 2014, by 5:00 p.m., EDT
- **Anticipated Notice of Cooperative Agreement Announcement Dates:**
  - Fall 2014
- **Anticipated Cooperative Agreement Period of Performance:**
  - January 1, 2015 to December 31, 2018 (Inclusive of a pre-implementation period of up to 12 months)

More information available: [innovation.cms.gov/initiatives/state-innovations](http://innovation.cms.gov/initiatives/state-innovations)

# Agenda

- I. Funding Opportunity Description
  - i. Proposal Requirements:
    - a) Project Narrative
    - b) Budget Narrative
    - c) Financial Analysis
    - d) Operational Plan
- II. Model Test Award Information
- III. Eligibility Information
- IV. Application and Submission Information
- V. Application Review Information
- VI. Award Administration Information
- VII. Agency Contacts

# I. Funding Opportunity Description

- CMS will fund up to 12 Model Test states with approximately \$20-100 million grants per state for a four-year period, with funding based in part on the size of the state population and the scope of the transformation proposal
- This Funding Announcement expands on the State Innovation Models Round 1 Funding Announcement by specifying additional parameters CMS believes correlate with successful state-wide transformation.

# Proposal Requirements:

## Project Narrative (1 of 10)

- i. Model Test Project Narrative
  - 1) *Plan for improving Population Health*
  - 2) *Health Care Delivery System Transformation Plan*
  - 3) *Payment and/or Service Delivery Model*
  - 4) *Leveraging Regulatory Authority*
  - 5) *Health Information Technology*
  - 6) *Stakeholder Engagement*
  - 7) *Quality Measure Alignment*
  - 8) *Monitoring and Evaluation Plan*
  - 9) *Alignment with State and Federal Innovation*

# Proposal Requirements:

## Project Narrative (2 of 10)

### i. Model Test Project Narrative

#### 1) *Plan for improving Population Health*

- A state-wide plan to improve population health during the project period, with optional technical support from the Centers for Disease Control in developing the plans.
- Include integration of population health strategies with public health officials and health care delivery systems for all populations.
- **At a minimum**, address the core measures identified in the population health metrics document (See Appendix 1):
  - Tobacco use
  - Incidence of obesity and diabetes.
- Consider integrating state strategies to address child wellness and prevention priorities, as applicable, including:
  - Reducing childhood obesity
  - Preventing early childhood dental caries,
  - Addressing maternal depression to foster healthy child development

# Proposal Requirements:

## Project Narrative (3 of 10)

### i. Model Test Project Narrative

#### 2) *Health Care Delivery System Transformation Plan*

- a) Providers across the state and across the care continuum participate
- b) Over 80% of payments to providers from all payers link payment to value;
- c) Every resident of the state has a primary care provider who is accountable for the quality and for the total cost of their health care;
- d) Care is coordinated across all providers and settings;
- e) High-level of patient engagement and quantifiable results on patient experience;
- f) Providers leverage health information technology to improve quality;
- g) Adequate health care workforce to meet state residents' needs;
- h) Providers perform at the top of their license and board certification;
- i) Performance in quality and cost measures is consistently high;
- j) Population health measures are integrated into the delivery system; and
- k) Data is used to drive health system processes.

# Proposal Requirements:

## Project Narrative (4 of 10)

### i. Model Test Project Narrative

#### *3) Payment and/or Service Delivery Model*

- Models must include (but are not limited to): the state's Medicaid population, state employee population, and/or commercial payers' populations.
- Identify the targeted populations, the number of beneficiaries served, the number of participating providers, and the services to be delivered.
- Encouraged to align with one or more existing Medicare programs, demonstrations, and/or models, such as accountable care organizations (ACOs), primary care medical homes, and bundled payment programs.
- Describe any Medicaid expansion activities and the percentage of the state's population that is covered by Medicaid.



# Proposal Requirements:

## Project Narrative (5 of 10)

### i. Model Test Project Narrative

#### 4) *Leveraging Regulatory Authority*

- a) Aligning certificate of need processes and criteria (if applicable)
- b) Developing regulatory approaches to improve the effectiveness, efficiency and appropriate mix of the health care work force
- c) Creating opportunities to align state regulations and requirements for health insurers with the broader goals of multi-payer delivery system and payment reform
- d) Integrating value-based principles into health insurance exchange Qualified Health Plan (QHP) certification processes, state employee plans, or Medicaid managed care plans; and
- e) Requiring academic medical centers and professional schools to integrate transformation-based teachings into medical education programs.

# Proposal Requirements:

## Project Narrative (6 of 10)

### i. Model Test Project Narrative

#### 5) *Health Information Technology*

##### a) Governance:

- State oversight of implementation
- Leverage existing assets and align with federally-funded programs and state enterprise IT systems
- Incorporate and expand existing public/private health information exchanges

##### b) Policy

- Levers to accelerate standards based health information technology adoption
- Methods to improve transparency and encourage innovative uses of data
- Promotion of patient engagement and shared-decision making;
- Multi-payer strategies to enable and expand the use of Health IT

##### c) Infrastructure

- Analytical tools and use of data-driven approach to coordinate and improve care
- Utilize telehealth and perform remote patient monitoring
- Use standards-based health IT to enable electronic quality reporting
- Integrate Public Health IT systems (such as clinical registries)
- Support of electronic data to drive quality improvement at the point of care.

##### d) Technical Assistance

- Identify targeted provider groups that will receive assistance and what services will be delivered
- identify how the state intends to extend resources to providers ineligible for Meaningful Use incentive payments, if applicable.

# Proposal Requirements:

## Project Narrative (7 of 10)

### i. Model Test Project Narrative

#### 6) Stakeholder Engagement

- The state **must**
  1. demonstrate a significant number of key stakeholders representative of the entire state population are engaged and actively committed to the implementation of the state's Model Test proposal and
  2. present a clear and pragmatic strategy for maintaining stakeholder commitment throughout implementation of the proposed test.
- Stakeholders **must** include: health care providers/systems, commercial payers/purchasers, state hospital and medical associations, community-based and long term support providers, consumer advocacy organizations, and, as applicable, tribal communities.
- Submit attestations of support from each identified stakeholder
- Representatives must be prepared to travel to CMS or participate in a virtual teleconference to discuss commitment to the state's proposal

# Proposal Requirements:

## Project Narrative (8 of 10)

### i. Model Test Project Narrative

#### 7) *Quality Measure Alignment*

- Align quality measures across all payers in the state
- Describe in detail any progress to date on quality measure alignment
- Articulate a path for developing a realizable plan by the conclusion of the 12 month pre-implementation period
- Demonstrate payers' commitment to reducing the administrative and/or non-clinical burden to providers in the state

# Proposal Requirements:

## Project Narrative (9 of 10)

### i. Model Test Project Narrative

#### *8) Monitoring and Evaluation Plan*

- Provide quantifiable measures for regularly monitoring the impact of its proposed model on:
  1. Strengthening population health;
  2. Transforming the health care delivery system; and
  3. Decreasing per capita health care spending.

# Proposal Requirements:

## Project Narrative (10 of 10)

### i. Model Test Project Narrative

#### *9) Alignment with State and Federal Innovation*

- CMS, HHS, federal, and external initiatives
- The state must describe how the proposal will
  1. Coordinate with and build upon existing initiatives, and
  2. Ensure that federal funding will not be used for duplicative activities, or to supplant current federal or state funding.

# Proposal Requirements: Budget Narrative

## ii. Budget Narrative

- SF-424A
- Budget Narrative
- Limit overhead and administrative costs to no more than 10% of direct costs
- See Section IV. 2. *Content and Form of Application Submission* for more information

# Proposal Requirements:

## Financial Analysis

### iii. Financial Analysis

- Estimate the proposal's return on investment for the Model, and specifically for Medicare, Medicaid, and/or CHIP populations, over the performance period of the award as well as on a projected annualized basis after the term of the award is finished
- Explain how interventions will reduce total cost of care for the beneficiaries its model serves
- Obtain and submit an external actuarial certification of the Financial Analysis
  - A qualified actuary who is a member of the American Academy of Actuaries must complete the external certification



#### iv. Operational Plan

- Describe the activities and budgets for each year of the model and provide a detailed timeline for implementation and major milestones
- Demonstrate plans to scale implementation activities to ramp up to an operational start within 12 months of receiving funding
- Establish accountability targets for the project, including specific quarterly milestones and metrics associated with each investment or activity that would be financed in whole or in part by this award
  - Projected quarterly targets should indicate the number and/or proportion of health care providers, hospitals, and beneficiaries that will be engaged by each Model Test component.
- Demonstrate the resources and track record needed to operate the model and report on the progress being made during the operation
- Applicants may also propose to implement their State Health System Innovation Plan through a public-private partnership.
  - The state must demonstrate active engagement and participation in the public-private partnership.

# II. Model Test Award Information

## 1. Total Funding

- \$700 million for up to 12 state-sponsored Model Test

## 2. Award Amount

- \$20-100 million per state, based on the size of the state population and the scope of the proposal

## 3. Anticipated Award Date: Fall 2014

## 4. Period of Performance

- 48-month project period, divided into four budget periods:
  - An initial budget period of 12 months for pre-implementation work, followed by three budget periods of 12 months each.

## 5. Number of Awards: 12 states

## 6. Type of Award: Cooperative agreements

## 7. Termination of Award

# III. Eligibility Information

## 1. Eligible Applicants

- 50 state Governor's Offices, United States Territories Governors' Offices, and the Mayor's Office of the District of Columbia
- Only one application from a Governor per state
- A state cannot receive both a Round 2 Model Design award and a Round 2 Model Test award.
- **Must** include a letter from the Governor (or the Mayor, if from the District of Columbia) officially endorsing the application
- States currently engaged in a Round 1 Model Test award with CMS are NOT eligible to apply for funding under Round 2
- For an outside organization or a public-private partnership:
  - The Governor's Office must submit a justification for the request and an attestation that the state will actively participate in all activities with the Letter of Intent
  - Approval of such requests will be at the sole discretion of CMS
- **Must meet all eligibility threshold criteria described in this FOA**

2. Cost sharing or matching is not required

3. Foreign and international organizations are not eligible to apply

4. Faith-Based Organizations are not eligible to apply

# IV. Application and Submission Information

- Future webinar: **How to Apply on Grants.gov**
  - Thursday, June 12, 2014
  - 4:00pm-5:00pm EDT

# V. Application Review Information

## (1 of 4)

Applicants must meet all eligibility threshold criteria described in the FOA

### 1. Criteria for A) Model Test 1) Expert Review Panel

- Model Test Plan (50 points)
  - a) Model Test Plan
  - b) Medicaid expansion activities
  - c) High potential for producing better health, better care and lower costs for Medicare, Medicaid/CHIP and Medicare-Medicaid enrollees
  - d) Current status and specific improvement targets
  - e) Population health plans
  - f) Engagement in HHS initiatives
  - g) Continuous monitoring and improvement
  - h) Strategies to leverage State Marketplace Exchanges

# V. Application Review Information

## (2 of 4)

### 1. Criteria for A) Model Test 1) Expert Review Panel (*cont.*)

- Provider Engagement Strategy (10 points)
- Payer and Other Stakeholder Strategy (10 Points)
- Operational Plan (20 points)
- Model Test Budget Narrative and Financial Analysis (10 points)

# V. Application Review Information

## (3 of 4)

1. Criteria for A) Model Test 1) Expert Review Panel (*cont.*)
  - HHS Leadership Panel presentations
    - Based on scores from the Expert Panel Review, selected applicants will be invited to present in person (in the Baltimore/Washington Metropolitan area)
    - Panel is comprised of individuals who possess knowledge or expertise in innovative health care payment and service delivery models.
  - The presentations will be expected to highlight the following, in addition to information from the FOA:
    - State and Stakeholder Commitment
    - Likelihood of Success
    - Novelty of Payment Model
    - Ability to Align with Medicare Programs

# V. Application Review Information

## (4 of 4)

### 2. Review and Selection Process for Model Test

- Objective review panel
- Presentation to HHS leadership led by cabinet-level health official
- CMS Office of the Actuary assessment of savings estimates
- Approving CMS official considerations
- Approval or denial of proposals for Model Test funding
- Selection for Model Design award



# VI. Award Administration Information

1. Award Notices
2. Administrative and National Policy Requirements
3. Terms and Conditions
4. Cooperative Agreement Terms and Conditions of Award
5. Reporting
  - A. Progress Reports
  - B. Project Monitoring
  - C. Evaluation
  - D. Evaluation Design and Data Collection
  - E. Monitoring and Rapid-Cycle Evaluation within States
  - F. Impact Evaluation
  - G. Federal Financial Report
  - H. Transparency Act Reporting Requirements
  - I. Audit Requirements
  - J. Payment Management Requirements

# VII. Agency Contacts

## 1. Programmatic Contact Information

- All programmatic questions about the SIM initiative must be directed to the program e-mail address: [stateinnovations@cms.hhs.gov](mailto:stateinnovations@cms.hhs.gov). The submitter may direct a follow-up question to:

Leah B. Nash  
Centers for Medicare & Medicaid Services  
Center for Medicare & Medicaid Innovation  
Phone: 410-786-8950 or e-mail: [Leah.Nash@cms.hhs.gov](mailto:Leah.Nash@cms.hhs.gov)

## 2. Administrative Questions

- Administrative grant questions about the SIM initiative may be directed to:

Grants Management Specialist, Gabriel Nah  
Centers for Medicare & Medicaid Services  
Office of Acquisitions and Grants Management  
Phone: 301-492-4482 or email: [Gabriel.Nah@cms.hhs.gov](mailto:Gabriel.Nah@cms.hhs.gov)

# Next Steps

- Upcoming Webinar (see website for details):
  - June 12<sup>th</sup>, 4-5pm EDT: How to Apply using Grants.gov
- Submit questions to [StateInnovations@cms.hhs.gov](mailto:StateInnovations@cms.hhs.gov)
- FAQs will be updated and posted to the Innovation Center website at [innovation.cms.gov/initiatives/state-innovations](http://innovation.cms.gov/initiatives/state-innovations)
- Additional information is also available on our website



Questions?

Contact [StateInnovations@cms.hhs.gov](mailto:StateInnovations@cms.hhs.gov)