Health Care Innovation Awards Round Two – Application Road Map

ANDREW RUSHTON: Thank you. Good afternoon, everyone. This is Andrew Rushton, from the CMS Innovation Center. And I'll be serving as the moderator for the seventh webinar in a series on the health care innovation awards, round two. Today's webinar will focus specifically on the application package.

Before we proceed, there are a few important housekeeping items to address. This webinar is being recorded, and the slides and transcript from the webinar will be posted to the Innovation Center's website. If you are a member of the press, this webinar is off the record, and if you have a question, please email press@cms.hhs.gov, or call 202-690-6145.

Furthermore, it should be noted that the comments made on this call are offered only for general informational and educational purposes. The CMS Innovation Center's comments are not offered as and do not constitute legal advice or legal opinions, and no statement made on this call will preclude the agency and/or its law enforcement partners from enforcing any and all laws, rules, and regulations. Applicants are responsible for ensuring that their actions fully comply with applicable laws, rules, and regulations and we encourage you to consult with your own legal counsel to ensure such compliance. Finally, to the extent that we may seek to gather facts and information from you during this call, we intend to gather your individual input. The CMS Innovation Center is not seeking group advice.

The main purpose of today's webinar is to focus on the application package. Additionally, subject matter experts will make themselves available to answer related questions. Immediately following the question and answer segment, we ask that attendees please fill out the participant's survey that will appear through the webinar portal. It is a short survey that should take approximately one minute to complete. We value your participant feedback throughout this webinar series.

As a friendly reminder, during the question and answer segment, questions will only be accepted through the web portal. Please note that no questions will be accepted by phone. On a technical note, if you experience any difficulty viewing the presentation today, please use the "Enlarge Slides" button on the webinar portal screen.

Also, if at any time during today's webinar, if you believe there's a delay in the slides, press the F5 button on your computer keyboard. Again, that's the F5 button to refresh the webinar portal screen. This should ensure that you're viewing the slide that is being discussed. If you do have questions that we are not able to answer in this webinar, we encourage you to email us at innovationawards@cms.hhs.gov. And with that, I will now turn it over to my colleague, Christy Meyer, team lead for the Health Innovation Awards. Christy.

CHRISTY MEYER: Thank you Andrew. Today's webinar on the Round Two Application focuses on important content pieces, as well as helpful hints on the submission process. Our Innovation Awards, Round Two goals build upon our first round of 107 awards that are operating nationally.

This second round of an Innovation Awards will continue to partner with innovators to identify new payment and service delivery models that result in better care and lower costs for Medicare, Medicaid, and CHIP enrollees. We seek to test new models in four specific innovation categories, and develop a clear pathway to new Medicare, Medicaid, and CHIP payment models. I will now ask my Innovation Center colleague, Lisa Kinard, to introduce the elements of the application package.

LISA KINARD: Thank you, Christy. I will provide a broad overview of the content for the application package. A large component of the application package is what we call the Application Narrative section. This section is limited to 50 pages. There are no exceptions, so please, carefully consider the length of each of these items for the narrative.

The Application Narrative consists of the cover letter for the application, the project abstract, the project narrative, and the budget narrative. Note that these forms have similar names, so please remember that these are three separate forms, and are intended for different purposes. Also, any letters of support for your application count against the page limit for the supplemental materials (edited).

Next, we have what we call supplementary materials. This set of documents has a 50-page limit. It consists of the financial plan, the operational plan, the executive overview, and the actuarial review. You will find templates for each of these on the grants.gov website.

The next part of the application consists of the standard forms. Many of you who have been involved in grant-writing for proposals, these forms will be familiar to you. They are the SF-424, the SF-424A, the SF-424B, the SF-LLL-- or lobbying disclosure form-- the project performance site location form, and the project abstract summary. Please note that these forms do not apply to the previous page limits for the application narrative, and the supplementary materials.

The first part of the application is the cover letter. A proposal will not be considered if a cover letter is not included. The cover letter should include the title of the proposal, the principal contact person, and the amount of the funding request. It should be typed on one page, and

then uploaded at grants.gov along with the entire application. The funding opportunity announcement has details on to whom the letter should be addressed.

A key important part of the application is what we call the project narrative. This section of the application allows the applicant the opportunity to describe in detail the model for service delivery and payment. Essentially, this is the applicant's opportunity to tell the story of the proposed model. The project narrative should be organized according to the headings as outlined in the Funding Opportunity Announcement. Please refer to page 24 of the Funding Opportunity Announcement for the required elements.

But a few notes about the importance of this section. Not only is it an opportunity to describe and explain the model you are proposing. It is also an opportunity to make your case on why your model should be selected. And now, I will turn it over to my colleague, Nevin.

NEVIN: Thank you, Lisa. Take a look, if you will, on Slide 12 on Project Narrative design. The Model Design section is the first of five sections in the overall Project Narrative. In the Model Design section, you need to clearly and effectively explain the aims, scope, focus, methods, and evidence base for your proposed intervention, specifying the target population in terms of clinical conditions, specific population parameters, and forms of health care coverage, including but not limited to Medicaid and CHIP beneficiaries, and spelling out how you intend to deliver multi-payer engagement in support of your model of care delivery and payment. Also included in this section should be your plans for patient recruitment and enrollment, education and outreach, and community integration.

On the next slide, number 13, you'll see our key points to consider in regard to the Model Design Narrative. First on the list, don't forget to reference the innovation category you're addressing, and indicate the priority areas impacted..

Second, I can't emphasize enough how important clear, concrete, and achievable aims, methods, and outcomes are to the model design. But you do have to show us how you can make it happen. That means spelling out how you intend to get from the aims to the outcomes. On the slide that's how "the mechanics of the service delivery and payment models align with the aims" and also lead (convincingly so) to the outcomes. And make your model credible by citing research, experience, and data that provide a sufficient evidence base for your approach. Also, you'll need to give us a workable plan for recruiting and retaining patients, as well as a reasonable target for the numbers you can deliver. Show us how you intend to get them into the program, and keep them engaged along the way. Care quality and lower costs matter, and so does patient satisfaction. Finally, establish that you have in hand, or can demonstrate, buy-in from key partners, and show us that you could also work with other payers.

Slide 14 covers section two of the Project Narrative on organizational capacity. In this section, you need to demonstrate with some degree of confidence that you can do what you propose to do, and have the will, resources, and know-how to make it happen, keep it going, and get it done during the entire three-year period of performance. So in this section, describe your

organization, your facilities, your current staff, the experience and expertise of your people, and your resources. Tell us your track record, what you've done and how it pertains to what you propose to accomplish.

Demonstrate also that you have the leadership, the people, the health and health care skills, and the management ability to run a program like the one you're proposing. Demonstrate that you and partner organizations have a plan for working together effectively. Demonstrate that you understand the needs of the population you propose to serve, and the obstacles you might face in getting the job done.

On slide 15, you'll see points about section three, which is return on investment. In simple terms, this means demonstrating that the cost of your intervention to improve the quality of care will be outweighed by the overall savings to the health care system. I am not going to venture into a complex discussion of total cost of care since that was discussed on a previous webinar and you can consult the materials on our website.

Slide 15 shows you three ways that you should discuss, demonstrate, and support your proposal's approach to attain a reduction in the cost of care. First, you should calculate a reduction in the per beneficiary per year total cost of care. This starts with consulting published per beneficiary per year costs for your target population.. The percentage difference between the per beneficiary per year cost for an individual in your target population before the start of the project and the per beneficiary per year cost your project can deliver is your estimated reduction in the per beneficiary per year total cost of care.

You will need to back up your estimate of cost savings through the data presented in your financial plan, which requires applicants to demonstrate their ability to achieve savings over the three-year period of the award. The Financial Plan also requires applicants to project annualized savings after the term of the award is finished. These are the annualized model run rate savings referred to in item three on slide 15. Basically, these calculations show how and whether savings would continue after project support is withdrawn. (Please refer to the Funding Opportunity announcement and the Total Cost of Care webinar materials for more complete information.)

A couple of notes here on how application materials are counted against page limits, and this is important. First, please note that the financial plan is uploaded as one of the supplementary materials on grants.gov, and therefore counts against the 50-page limit for supplementary materials, rather than the 50-page limit for the project narrative. That saves you some space in the project narrative for more fully describing your model design.

Second, also note that the required budget narrative-- to be discussed later-- which explains and supports standard form 424 A is actually considered to be section five of the Project Narrative, and is uploaded as the Budget Narrative Attachment form in grants.gov. The budget narrative counts against the 50-page limit on the Project Narrative. It is not a supplementary material, nor is it part of the required forms section.

Slide 16 addresses the requirements for internal and external financial reviews of your overall application. Key documents for this are the aforementioned financial plan, and also the model sustainability plan, which shows how the model design affects total cost of care during and after the three-year period of performance. The model sustainability plan must describe a payment model that would, if implemented by CMS, support the applicant's service delivery model—absent additional federal spending—after the end of the cooperative agreement period.

This model sustainability plan is directly part of section three of the Project Narrative in the application package. It is not uploaded separately, and it counts against the 50-page limit for the project narrative. In regard to reviews, if you are requesting less than $10 million in funding, as Lisa pointed out earlier, then your application must be reviewed and signed by your chief financial officer and authorizing official. However, if you are requesting $10 million or more in funding, your application must also be accompanied by an external actuarial certification conducted by a qualified actuary who is a member of the American Academy of Actuaries.

On slide 17, you'll see a screen shot of a sample financial plan. The relevant calculations here for net savings for target participants were discussed in our previous webinar on total cost of care. Our point here is just a simple reminder, namely that all parts of the return on investment section, your initial discussion of return on investment, the financial plan, and the payment model included in the model sustainability plan are interdependent, and together make your case for being able to improve health and achieve lower cost. The numbers and logic should match throughout, and each should support and reflect the calculations and reasoning of the others.

On the next slide, slide 18, you'll see the fourth section of the Project Narrative. This is the section on monitoring, reporting, and evaluation. In section four, your application should spell out a plan for monitoring the progress and performance of your model test should you receive an award for round two of the Health Innovation Awards. In this section, you should demonstrate both your understanding of how to effectively collect data, and monitor your models performance, and also your capacity to carry out and report such monitoring. Note that your monitoring plan should mirror your operational plan, which is part of the supplementary materials.

A simple example of this would be that any milestone for implementing part of the program or achieving improvement in quality of care should be reflected or mirrored in the matrix used to monitor your progress, and therefore in the data you collect. Please do not confuse monitoring with evaluation. The Centers for Medicare and Medicaid Services will separately conduct ongoing and summative evaluation of models being tested.

On slide 19, you'll see section five of the Project Narrative. This is the actual budget narrative, as distinct from the financial plan, model sustainability plan, and operational plan. The budget narrative should mirror your operational plan, explaining how you anticipate spending the requested funds over the three-year period of performance as you implement and conduct

your model test. This should include both explanations and breakdowns of all appropriate expenditures as noted in the funding opportunity announcement, and here on the slide.

It should also include both an organizational chart, and a detailed staffing plan. In other words, show us how your organization is structured, and lay out a plan for providing, training, and supervising staff necessary to implement the model effectively over the three-year period performance. Note that you can and should augment and support the budget narrative with supporting financial information in spreadsheets, uploaded as part of the supplementary materials.

These supporting materials count against the 50-page limit for supplementary materials, and not against your 50-page limit for the Project Narrative. Again, this saves you space for better describing and explaining your care and payment design. With that, thank you for your attention, and I'd like to hand you over to our moderator, Andrew, for the next part of the webinar.

ANDREW RUSHTON: Great. Thank you, Nevin. And now we're going to introduce a new feature for this webinar that is going to be a new series that we like to call Instapolls. So to provide further details, I'm going to turn to my colleague, Christy, who will give us a little more info. So, Christy, it's all yours.

CHRISTY MEYER: Thank you, Andrew. Since this is our 7th webinar in our series, we thought we'd take a quick pause to check the temperature of our potential applicants. And we know that there's a heat wave across the country, so our first sample poll is, will it hit 95 degrees or higher in your location today? And I know we have a lot of scientists on the phone, so I just want to clarify that that's Fahrenheit and not Celsius.

So let's pause for a brief second to check the answer. Wow, a whopping 70% of our potential applicants report that it will be 95 degrees or warmer today. So we appreciate all the hard work that folks are doing to prepare their applications despite the heat.

Our next question-- what is the total number of allowable pages in the full application package? Is it a, 25; b, 50; c, 100; or D, there is no limit on the number of pages that can be submitted? Please submit your answer, and we'll check the results.

Wonderful. The majority, over 72%, reported the correct answer of 100 pages. So the full application package includes 50 pages for the cover page and narrative components, and then another 50 pages for the supplemental materials. Please note that if you're running up against this 100-page limit, that you do have options to reduce some content, such as the number of letters of support, for instance. So we do ask you to be mindful of the page limit, but we're happy to know that so many of you got the correct answer.

And our final question of our Instapoll-- when should you plan to submit your application? a, well in advance of the August 15th, 3:00 PM Eastern deadline; b, August 15th at 2:59 PM Eastern; or c, August 15th at 3:01 PM? Please submit your answer, and we'll check results.

Wonderful, wonderful. So most people correctly answered a, well in advance of August 15th, 3:00 PM deadline. And that's a very, very important point that we have to stress to everyone, that the application is not fully considered accepted until it's gone through the full upload, and then validation process by grants.gov. That process can take several hours, especially during high volume periods that we expect for the application period for the Innovation Award. And you have to wait to get a validation email that your application has fully gone through that validation process, and you won't know if you have any problems in that process if you submit too late, because you may get that notification too late.

So the deadline of August 15th is really for a fully validated application, and to make sure that you have a successful application. Please be sure to apply many, many days in advance so that you don't have any problems. We thank you very much for everyone's participation in that poll.

We're going to move ahead in our presentation today, and just recap the documents that have to be uploaded as part of the full application in grants.gov. These include the standard forms, letters of support, cover letter, project abstract, project narrative, budget and budget narrative, and then the four supplemental materials-- financial plan, operational plan, actuary review, and executive overview. It's very important to have all of these aspects covered, or you may face ineligibility. So please be sure to read the funding opportunity announcement carefully, and take note of our webinar instructions to have a successful application process.

We will hear more about the grants.gov submission process in our webinar next week. However, as a preview, please note that the supplemental materials are uploaded into grants.gov in two different locations. The first is noted, Add Mandatory Other Attachment, and the other is, Add Optional Other Attachment. You will need to select one document to be the mandatory other attachment. It doesn't matter which one is the first mandatory attachment. And then, the others will be loaded in the other category.

We do specify in the funding opportunity announcement and in the application user guide that these supplemental materials should be uploaded in their native format as it was posted on the Innovation Center website and grants.gov. For instance, the financial plan is an Excel template, and should be uploaded as an Excel template, and the executive overview should be uploaded as a Word document. So please be mindful of these template types when you upload these documents.

While we've covered the content information on supplemental materials in previous webinars, we did want today to highlight the executive overview. This template provides CMS with a snapshot of specific information that we need to know about your application. Specifically, these domains reflect important aspects of your project, such as key contact information, specific summaries on key areas in your project, payment model information, your target

population, key partners, data needs and capabilities, as well as other federal grant information that we need to have.

The executive overview is a dynamic Word template. It has an interactive feature that requires fields in gray as listed. You'll note that several of these fields have embedded drop-downs, where if you select a field, especially those noted as Select or Choose an Item, that a list of options will appear for you to select from. And as a reminder, when you complete this form, it should be saved with the same file name in Word format, and uploaded to grants.gov in that word format.

As you prioritize the completion of your application package, we want to make sure you're fully aware of the criteria that will be used by our outside panel of experts to review your application-- 25 points are assigned to the design of the project, another 25 to organizational capacity and management, 20 points for your return on investment narrative and associated documents, 20 points for the budget, budget narrative, and model sustainability, and 10 points for monitoring and reporting. So as you build your application package, please keep in mind this structure of the criteria. Other considerations will be taken into account by the CMS approving official, who will use the results of our external objective review to make final award decisions.

Some of those factors include reasonableness of the estimated cost to the government, inclusion of Medicaid and CHIP populations, result of actuarial reviews, and the extent of participation by multiple payers. We want to make sure that you reviewed the funding opportunity announcement for the full list of selection criteria. I'll now transition to Lisa to go over some helpful hints in the application process.

LISA KINARD: Thank you, Christy. We would like to provide you with some helpful hints for your application. First, please review the key dates and deadlines. Next, closely review with the funding opportunity announcement, and use consistency in messages and submission of data. Applications that are received late, or that fail to meet the eligibility requirements, or do not include the required forms, will not be reviewed. In order to be fair to all applicants, the application must be submitted by the deadline of August 15th, 3:00 PM Eastern Standard Time.

We want now to highlight some areas that can get your application excluded, but please note that this is not a comprehensive list. Consult the funding opportunity announcement, and the grants.gov website for a complete list of items that will cause your application to be rejected. But here are some common errors-- omitting a cover letter with the application, exceeding the 50-page limit for the application, exceeding the 50-page limit for the supplementary material, forgetting to register with the system for award management, omitting a required form.

As you complete your application, please be sure that you understand what documents count against the 50-page limit. For example, letters of support count against the limits. And remember that the standard forms do not count against the 50-page limit. The application narrative can be no more than 50 pages, and the supplementary materials have a 50-page limit.

Again, the application narrative consists of the cover letter, the project abstract, the project narrative, and the budget narrative. The supplementary materials consist of the financial plan, the operational plan, the executive overview, and the actuarial review. Other tips for your application include-- all applicants must register for a Dun and Bradstreet Data Universal Number System number. The authorized organization representative must register with grants.gov for a username and password. And if any of the forms are missing, the application will be disqualified.

Next week, on July 24th, the Office of Grants and Acquisition Management and grants.gov will be hosting a webinar on the technical aspects of the application process. To sign up for this webinar, visit innovation.cms.gov. And now, I will turn it over to my colleague, Andrew.

ANDREW RUSHTON: Great. Thank you, Lisa. It's time again for another against Instapoll. I'm going to hand the reins over to Christy for delivering this polling question. Christy?

CHRISTY MEYER: All right, it's our final question of the day on the application. What is a common reason that applications may be deemed ineligible for review? A, applications did not have letters of support; B, the application was submitted just a few minutes after the deadline; C, the application contained an incorrect Duns number; or D, the application was single-spaced. There's also a multiple choice option of, B, C, and D all apply as ineligible reasons. So we'll wait to hear the polling results.

OK, the results show that over 90% got the correct answer, that all three-- B, C and D-- can cause ineligibility of the application. So you'll want to make sure that you do submit well in advance of the deadline. We recommend several days in advance.

You have to have a correct Duns number, as we highlighted earlier. And the application narrative does have to be double-spaced, so single-spaced submissions could exclude you from the process. We want to make sure that for on-time submissions that you have an error-free process, and submit well in advance of the 3:00 PM deadline on August 15th. Please, please submit early to make sure that you can work through any unforeseen issues in your application.

For questions, please contact our Innovation email box, or visit our website, innovation.cms.gov. A few resources that will be helpful to you are our application user guide, which has a detailed walk-through of the various supplemental forms and some helpful hints, as well as our frequently asked questions document, as well as our previous webinar content posted on the website. With that, I'll turn it back over to Andrew to wrap up.

ANDREW RUSHTON: Thank you, Christy. Now we will transition to the question and answer segment of the webinar. As a friendly reminder, please enter your questions in the box titled Submit Your Question that is located in the lower left of the webinar portal appearing on your screen. Before we get to our first question, we want to remind everyone that the CMS Innovation Center Staff is unable to provide you or your organization with feedback regarding proposals or ideas during this procurement sensitive time period.

We are also unable to meet with any applicants during this time period. This is to ensure the integrity and equity of this competitive funding opportunity. If you meet with CMS Innovation Center staff during this time period, you may be deemed ineligible for funding in Health Care Innovation Awards, Round Two.

And with that, we are now ready to begin with our first question. OK, first question reads-- can you please confirm or clarify that both a financial plan narrative and a budget narrative are required as part of the project narrative. Christy?

CHRISTY MEYER: Yes, the financial plan narrative and a budget narrative are both required as part of the project narrative. In the funding opportunity announcement, these are listed in section three and section five, respectively.

ANDREW RUSHTON: Great. Christy, I have another one for you. This question reads-- is this my final operational plan for the life of the award?

CHRISTY MEYER: No, the operational plan at this point is designed to capture the first six months of the award. Operational plans will be revised further to reflect any changes resulting from post-application negotiations and final contracting. And further changes will be required, and the operational plan would have to be maintained if the application is awarded.

ANDREW RUSHTON: Great. Thank you, Christy. OK, moving along, the next question reads-- is use of the financial plan template required? Can we submit a financial plan using our own format? I'm going to turn to my colleague Jim Gerber for this one. Jim?

JIM GERBER: Yes, the use of the financial plan template is required. However, applicants also are required to provide detailed backup on their financial models, explaining the logic driving their forecasted cost of care savings.

ANDREW RUSHTON: Great. OK, our next question-- if a project involves multiple state agency partners, and the total grant amounts to more than $10 million, but the individual state requests are less than $10 million, are each of the states required to do an actuarial analysis? Or, is an analysis of the overall financial document package sufficient? Jim?

JIM GERBER: The actuarial review requirement for applicants requesting $10 million or more applies to each application that is submitted. In other words, we are looking at the total amount of funding requested in an application.

ANDREW RUSHTON: Thank you, Jim. Moving along, next question-- do I have to adhere to the margins and spacing requested for the application narrative in the supplemental forms? Going to hand this over to my colleague, Nevin. Nevin?

NEVIN: The answer's no. Please use the template as is with their existing margins and page spacing. Please be mindful of page restrictions for the supplemental materials, but please do follow the FOA rules for spacing and margins for the application materials.

ANDREW RUSHTON: Thank you, Nevin. OK, moving along. This question reads as follows-- let me see here. It is my understanding that the applicant should have a thorough evaluation plan in place that monitors goals, and evaluates their progress independent of the CMS evaluator. Is that correct? Christy? I'm going turn this to you.

CHRISTY MEYER: Sure. And this is a great question. We do ask applicants to include a discussion of your own self-monitoring plans, and making sure that you have resources to collect data, and provide that information on your self-monitoring to CMS. We are not seeking extensive publication plans, or extensive research that would overlap with our own independent evaluation, which we'll be funding separately. But we do expect each applicant to have a very robust self-monitoring plan, and data collection capability to present to CMS. In the self-monitoring plan, typically we're looking for repeated measures of key quality indicators over time.

ANDREW RUSHTON: Great. Thank you, Christy. Our next question is a little bit of a long one. And I'm going to turn to my colleague Holly, from the Office of Acquisitions and Grants Management. The question reads as follows-- one page of the main application is for disclosing lobbying activities, the SF-LLL. However, there is no place on that form to state that an applicant has made no lobbying effort at all.

Moreover, the form asks for a lobbying registrant and individual performing service, but we have neither of these. If an applicant has never made any lobbying efforts, must we still complete an SF LLL form? If so, what would we put in place of the registrant and the individual performing services? Holly?

HOLLY: OK. As required by 45 CFR Section 93 110 Section A1, each entity shall file a certification and a disclosure form, if required, with each submissions that initiates agency consideration for such person for, one, an award of a federal contract, grant, or cooperative agreement exceeding $100,000. Therefore, it is a requirement for each applicant to complete and sign an SF-LLL form.   In accordance with 45CFR Appendix A Part 93, the undersigned certifies to the best of his or her knowledge and beliefs that, no federal appropriated has or will be paid by, on, or behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, or an employee of member of Congress in connection with the awarding of a federal contract, the making of and federal grant, or the making of any federal loan, the entering of any cooperative agreement, and an extension, continuation, renewal, amendment, or modification of any federal contract grant, loan, or cooperative agreement. So therefore, if no lobbying activities were performed, please indicate NA as non-applicable in the comments section of the disclosure form.

ANDREW RUSHTON: Great. Thank you, Holly. That was a long one. OK, more questions are coming in. Next question reads as follows-- I was not able to provide all the letters of support that I wanted, and still meet the page limit. Can I send the letters of support separately? Going to turn to my colleague, Lisa, for this one. Lisa?

LISA KINARD: Thank you, Andrew. No, we request that you do not send the letters of support separately. Please prioritize your letters of support, and incorporate only the letters that you feel are most likely to convey the successful implementation of your project. To save space, but still convey the breadth of support you can deliver, you might want to consider just listing, but not including the actual letters-- just listing any additional partners and payers who have indicated their support.

ANDREW RUSHTON: Great. Thank you, Lisa. OK, our next question reads-- one of our potential partners in the Health Innovation Award, Round Two proposal is also submitting a proposal for a different model. Is this allowed? We realize there are competitive risks, but would one or the other of the proposals be disqualified because of the partners involved in both projects. Jim?

JIM GERBER: Applicants or partners may submit multiple applications, provided that they are for different, non-duplicative proposals.

ANDREW RUSHTON: OK, great. And one more for you, Jim. This question reads-- does the actuarial review have to be conducted by an external firm? I heard, or was under the impression, but wanted to confirm if internal or external review is acceptable?

JIM GERBER: The actuarial review must be prepared by an external firm.

ANDREW RUSHTON: OK. There you go. OK, our next question-- are we allowed to spend funds on the purchase or acquisition of buildings? Is there a cap? Holly, do you want to take this one?

HOLLY: No, building acquisition is not allowable, unless acquisition or construction is specifically authorized by program legislation, which this federal opportunity announcement does not.

ANDREW RUSHTON: Thank you, Holly. And now one more to follow up on that-- are we allowed to spend funds on the expansion of building stories, or is there a cap-- we already covered that one. Next question-- I'm planning to apply for an Innovation Center Award with direct costs less than $10 million, but my FNA will bring the total cost to more than $10 million. Is an external actuarial report required in this instance? Holly?

HOLLY: Yes, if your facility and administrative costs-- which are FNA, are indirect costs-- it will bring the total cost of the grant to over $10 million, which you will need to obtain and submit an external actuary certification with your application.

ANDREW RUSHTON: Thank you, Holly. OK, moving along, our next question states-- today, it seemed that it was stated the letters of support are part of the narrative, but then on slide 22, shows them being part of the supplemental materials. Could you clarify which it is? I'm going to turn to my colleague, Lisa, for this one. Lisa? Or, Christy?

CHRISTY MEYER: I'll take that one, Andrew. Thank you. Letters of support are part of the supplemental materials. They should be provided in the supplemental materials. They are not part of the narrative in this grants project.

The supplemental materials, to clarify, in essence are five different components-- the letters of support, the financial plan template, operational plan template, executive overview, and the actuarial review. So those are the five pieces that should go into the supplemental materials. And we covered how to upload those to grants.gov, and I'm sure that will be covered again in our technical webinar next week. But just wanted to clarify that letters of support should go in the supplemental materials.

ANDREW RUSHTON: Thank you, Christy. That was an important clarification there. OK, our next question-- how should I name the file before uploading it to grants.gov? Going to turn to Nevin for this. Nevin?

NEVIN: Yeah, thank you, Andrew. Please save and submit the file using the existing file name.

ANDREW RUSHTON: Simple enough. OK, Nevin, one more for you. This question reads-- where can I get copies of the standard forms, SF 425, et cetera, from grants.gov?

NEVIN: These forms will be available on the grants.gov website.

ANDREW RUSHTON: OK, thank you, Nevin. OK, questions continue to come in. OK, our next question. The question reads-- will applicants who are selected to receive awards receive the full amount of their request? Or is it possible for that amount to be adjusted at the Innovation Center's discretion, based on scoring, priority area, funding allocations, et cetera. Going to turn to Holly for this one. Holly?

HOLLY: Thank you. CMS has the responsibility to review budget and negotiate awards. Therefore, there is no guarantee an applicant well receive the full amount they are requesting with their application.

ANDREW RUSHTON: OK. Thank you, Holly. OK, our next question-- let's see here. OK, question reads-- in order to demonstrate commercial payer acceptance, an adoption of a new service delivery, and payment model, can a small enrollment-- as an example, of less than 5%-- be non-Medicare, Medicaid, CHIP beneficiaries, and be included in the project? Jim?

JIM GERBER: There are no minimum thresholds required for non-CMS payer participation. CMS recognizes, however, that for providers to have meaningful incentives to change this service

and delivery models, they must engage multiple payers, including private insurers, state governments, and local governments. However, please note that CMS will not fund the provision of services to non-CMS beneficiaries.

ANDREW RUSHTON: Very good. Thank you, Jim. OK, next question-- can I include other relevant visuals in this document to further illustrate our plans? Christy?

CHRISTY MEYER: Yes, additional visuals that are relevant can be inserted as needed. Due to page length restrictions, you will have to consider where to place those, but they can be inserted as needed.

ANDREW RUSHTON: OK, our next question reads-- our proposal will need to go through the IRB process, but it is unlikely to be completed before August 15th. Does this make us ineligible to apply? Christy?

CHRISTY MEYER: If you are pursuing an IRB approval, please include that information in your application. If your application is considered for a final award, CMS will require an update on the status of the IRB approval at a later date. Please note that CMS at this time does not require IRB approval for the Innovation Awards Cooperative Agreements. However, awardees must follow the IRB requirements of their institution, or may choose to seek independent IRB review.

ANDREW RUSHTON: OK, our next question-- could you please clarify, is the abstract-- one-page, single-spaced-- counted towards the 50-page narrative limit, or is it not? Going to turn to Lisa for this. Lisa?

LISA KINARD: Thank you, Andrew. The project abstract should be one page, single-spaced. (updated response) The project abstract summary standard form is a required standard form that does not count against the page limit As listed in the FOA an abstract may be provided in the narrative which would count towards the 50-page narrative limit. Applications will not be disqualified for an abstract in the narrative if provided

ANDREW RUSHTON: Great. Thank you, Lisa. OK, moving along. Our next question reads-- the financial plan template on the Innovation Center's website lists the baseline year as April 1st, 2013, through March 31st, 2014. This would be the year for the cost comparison. The application, as we understand it, requires a baseline cost computation to compare with the three years of the award, the application of the innovation. As this baseline year is in the future, are we to use a different baseline year than the one on the financial form for purposes of the application? That was a mouthful. Christy, I'm going hand this one to you.

CHRISTY MEYER: The financial plan pivots around the starter performance period, which is April 1st, 2014. The baseline at that time would be April 1st, 2013, to the end of March 2014. So we ask you to estimate cost for that period, even though some portion of that is in the future. And hopefully, you can use historical information of current period to do that.

ANDREW RUSHTON: Great. Thank you, Christy. OK, we're starting to run short on time, so just a couple more questions we're going to get to. This next question reads-- if we secure space for program implementation from an outside entity, would lease expenses be an eligible budget item? Holly?

HOLLY: Yes, rental and leasing facilities are allowable. However, it is subject to limitations. Rental costs are allowed to the extent that the rates are reasonable at the time of the decision to lease in light of such factors as rental costs of comparable property, if any; market conditions in the area; the type of life expectancy; condition; the value of the property lease; and a valuable alternative. Because of the complexity involved in determining the allowable amount under certain types of leases, recipients are encouraged to consult with the grant management officer before entering into leases that will result to direct charges to an award. In general, the rental costs for facilities and equipment applicable to each budget period should be charged for that period.

ANDREW RUSHTON: OK. And more questions for you, Holly. If an organization does not have an indirect great agreement, may this organization use the capped rate of 20%, and submit an application in the interim?

HOLLY: In the absence of a negotiated indirect cost rate agreement, most funding sources will offer a provisional rate as a placeholder until a rate can be obtained. The rate will be decided by the funding source. The division of cost allocation will not accept applications for indirect cost rates until a grantee can provide notice of a grant award, showing that the organization is a prime recipient of a federal grant or contract.

ANDREW RUSHTON: OK. And thank you, Holly. Our closing question looks like I'm going to turn to my colleague, Christy. And it reads-- are there step-by-step instructions to fill the application form, including definitions of each field on the form? Christy?

CHRISTY MEYER: Thanks, Andrew. I'm going to point potential applicants to several resources. First, our webinar next Wednesday, July 24th, will go over details of the application submission system. They will present potential user materials that can be referenced. And that will walk you through the various application forms, especially the standard forms that are required, as well as the upload process. In addition, we have an application user guide on our website that covers the supplemental forms, and how to complete those with specific definitions of the materials in those forms. And then finally, we also have resources regarding measures and driver diagrams, which can also be a referenced from our website.

ANDREW RUSHTON: Thank you, Christy. If there were any questions that we did not get to during this webinar, as we are running out of time, we strongly encourage you to email us at innovationawards@cms.hhs.gov. Again, that's innovationawards@cms.hhs.gov. As a closing reminder, the CMS Innovation Center will be hosting the final webinar in a series on the Health Innovation Awards, Round Two application process next Wednesday, July 24, from 1:00 to 2:00 PM.

Also, we encourage attendees today to please fill out the attendee survey, which should be on your webinar portal right now, because we do appreciate receiving your feedback during this webinar series. We hope that all attendees today will be able to join us, like I said, for our webinar next Wednesday, and that will conclude the webinar series. We encourage all potential applicants to sign up for the Innovation Center LISTSERV on our website to stay abreast of webinar details. We thank you all for attending this afternoon, and have a good rest of the day. Good-bye.