

2012 FUNDING OPPORTUNITY
ANNOUNCEMENT FOR ROUND
1 SIM TEST GRANT

Today's Presentation

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- We will be applying for Round 2 SIM Test Grant
- Funding Opportunity Announcement for Round 2 has not been released
- We expect Round 2 to be substantially similar to Round 1
- A review of the Round 1 opportunity will inform our preliminary application strategy

PURPOSE

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- To test whether new service delivery and payment models will produce superior results when implemented in the context of a state-sponsored State Healthcare Innovation Plan (SHIP)
- Has potential to lower costs for Medicare, Medicaid, and the Children's Health Insurance Program (CHIP), while maintaining or improving quality of care
- Should raise community health status and reduce long term health risks for beneficiaries of Medicare, Medicaid, and CHIP
- **Payment and service delivery models**= “specific models, such as accountable care organizations, integrated care models, or medical homes that are supported by new payment methodologies that drive and reward better health, better care, and lower costs through improvement.”

PROGRAM REQUIREMENTS

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- **Model Testing** awards will provide funds for the state to implement the State Health Care Innovation Plan and to test and evaluate the proposed service delivery and payment models
- States were provided 6 months to complete their implementation work to start their Model Test
- The Model Testing period is 3 years
- CMS projected the total for each Model Testing award would range from **\$20 to 60** million per state for the implementation and testing period.
- Actual awards ranged from \$35 to \$45 million per state.

MODEL TESTING PROPOSAL REQUIREMENTS

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- Demonstrate how specific payment and service delivery models, coupled with other state levers, will transition most providers, including publicly supported healthcare providers to a value-based clinical and business model
- Show how the State Health Care Innovation Plan integrates community health and prevention into its multi-payer delivery system and payment models
- Must coordinate with and build upon other CMS, HHS, and Federal initiatives taking place within the state
- Describe how broad-based accountability for outcomes, including total cost of care for Medicare, Medicaid, and CHIP beneficiaries, is created
- Procedures for performance monitoring, data collection, and model progress tracking and reporting

APPLICATION PACKAGE

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| Content | Page Limits |
|--|-------------------|
| Governor's Letter of Endorsement | 2 pages |
| Project Abstract | 1 page |
| State Health Care Innovation Plan | As much as needed |
| Project Narrative | 43 pages |
| Budget Narrative and Operational Expenditure Plan | 10 pages |
| Project Plan for Performance Reporting, Continuous Improvement, and Evaluation Support | 5 pages |
| Project Plan and Timeline with milestones | 4 pages |
| <i>Maximum number of pages</i> | <i>65 pages</i> |
| Financial Analysis | Template |
| Letters of Support | As much as needed |

SCORING

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| Content | Points |
|---|------------|
| Model Testing Strategy | 25 points |
| Evidence and Scope of Provider Engagement | 15 points |
| Participation of Other Payers | 15 points |
| Organizational Capacity, Project Plan and Timeline | 5 points |
| Multi-Stakeholder Commitment | 5 points |
| Model Testing Operational Budget Financial Analysis and Model Sustainability | 25 points |
| Performance Reporting and Continuous Improvement and Evaluation Support | 10 points |
| Total | 100 points |

PROJECT NARRATIVE (1 / 2)

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- Specific, measurable, operationally feasible and cost-effective
- Shows the state is using its unique policy and regulatory authorities to create a context that will accelerate delivery system transformation, address health care workforce gaps, and develop innovative approaches to leveraging community health resources including long-term services and support
- Provides evidence basis and theory of action
- Plan for sustainability after testing phase
- Potential to replicate model in other states
- Likelihood of success and risk factors

PROJECT NARRATIVE (2/2)

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- Current quality and experience outcomes and specific improvement targets
- Current population health status and target outcomes expected
- Expected transformation of the major provider entities
- Linkage to state's SHIP
- Coordinating efforts to align with the state's Healthy People 2020 plan and the National Prevention Strategy and National Quality Strategy
- Uses and complements other CMS initiatives and programs
- Includes documentation requesting needed waivers or amendments to the Medicaid State plan, if necessary

BUDGET & FINANCIAL ANALYSIS

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- Leveraging funding resources aside from Federal monies
- Address total cost of care for target populations
- Three-year model testing budget and expenditure plan + 6 month implementation funding
- Personnel, contract and vendor services, other grants, revenues or in-kind services
- Budget to collect data (including Medicaid/CHIP claims and cost data) and perform continuous quality improvement (monitoring and rapid cycle evaluation)

EVALUATION

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- Anticipated data needs
- Well-designed data collection, performance reporting plan for identifying and acquiring necessary data to evaluate model
- Processes for continuous learning, state continuous improvement and adoption of best practices
- How the effects of the model can be measured with reference to a comparison or control group.

STAKEHOLDERS

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- Major healthcare providers actively involved
- Commitment from array of institutions receiving state funds such as hospitals and universities
- Financial and participation commitment from state and community stakeholders (e.g., employers and other payers)
- Alignment among all payers on payment methodologies and delivery system

STAKEHOLDERS

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- Other payers providing joint funding for models
- From Medicaid/CHIP officials, other public agencies like public health, behavioral health, including mental and substance abuse developmental disabilities, aging, local health
- Consumer organizations, physicians, hospitals, health plans, specialty providers, health centers, employers, community-based organizations, safety-net providers, foundations, Area Agencies on Aging, developmental disability providers, pharmacies, laboratories

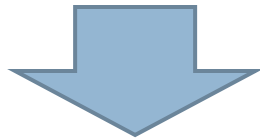
Test Grant Strategy

Practice transformation

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□ Advanced Medical Home initiative

Practice transformation support



Primary care practices
(small to mid-size)
(non-adopters)

Approximately 1 200 physicians

- Expands primary care advancement to 80+%
- Engages and accelerates
- Benefits achieved over five years

- Multi-payer recognition
- Economic signal
- Glide path with easy entry
- Possible advanced payments
- Performance payments

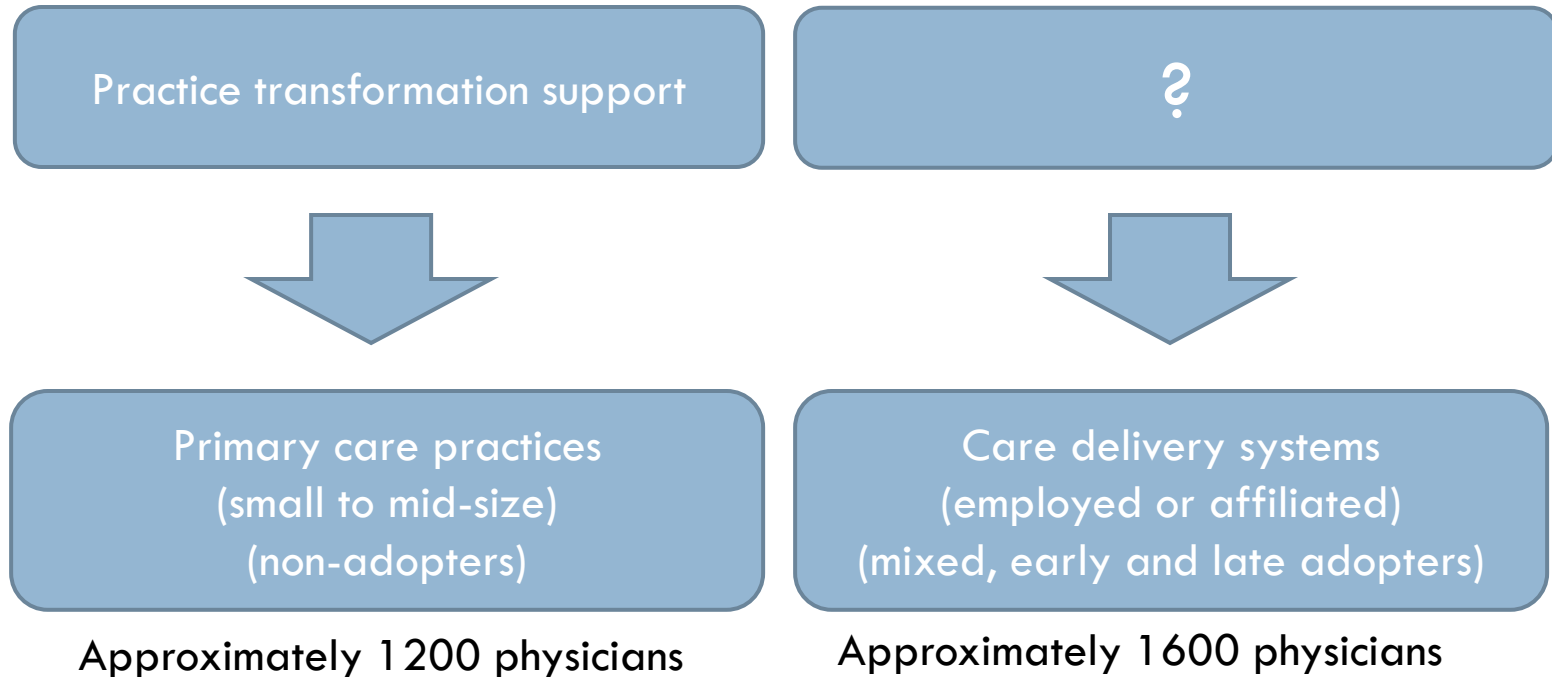
Does not include OB/GYNs or most specialists who function as PCPs

Test Grant Strategy

Practice transformation – Key Questions

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- Advanced Medical Home initiative



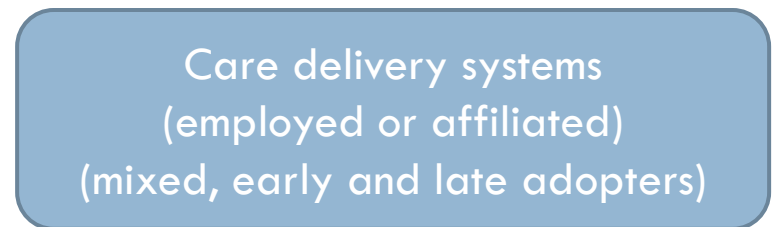
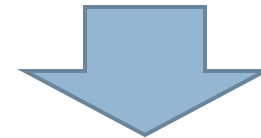
Does not include OB/GYNs or most specialists who function as PCPs

Test Grant Strategy

Practice transformation – Key Questions

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- Does the Advanced Medical Home designation apply to practices in organized systems? If so, how?
- AMH standards (structure & process) included in common scorecard?
- Self-attestation?
- Random validation surveys?
- Incentives/consequences?



Approximately 1600 physicians

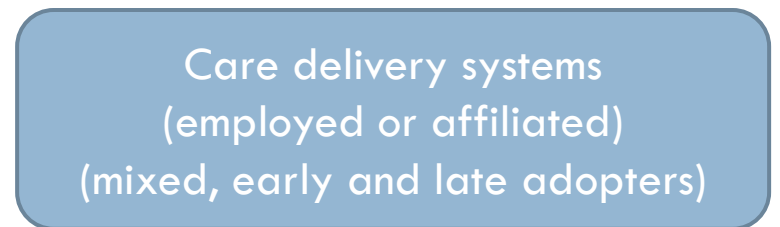
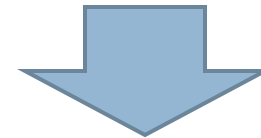
Test Grant Strategy

Practice transformation – Key Questions

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- Should practice transformation resources be made available to larger systems?

- E.g., Learning collaboratives
 - Shared decision making
 - Care coordination
 - Direct messaging



Approximately 1600 physicians

Discussion