High Level Overview: Round 2 of the State Innovation Model (SIM) Initiative

Dr. Karen Murphy
Director, State Innovation Group
Center for Medicare & Medicaid Innovation
The CMS Innovation Center

- Background: The Center for Medicare and Medicaid Innovation
- Introduction to Round 2 of the State Innovation Models Initiative
- A Vision for the Future: State Health Care Innovation Plans
- Award Information
- Who Can Apply
- Proposal Requirements
- Application Review Process Information
- Award Timeline and Next Steps
The CMS Innovation Center

Identify, Test, Evaluate, Scale

The purpose of the [Center] is to test innovative payment and service delivery models to reduce program expenditures…while preserving or enhancing the quality of care furnished to individuals under such titles.

- The Affordable Care Act
What is SIM?

• Testing the ability of state government to use their regulatory and policy levers to accelerate health transformation
  – Improve population health
  – Transform healthcare payment & delivery systems
  – Decrease total per capita health care spending
• Public and private collaboration with multi-payer and multi-stakeholder engagement
• Cooperative agreement between awardee and the Innovation Center
• Provides technical and financial assistance to provide better care and better health at lower cost through quality improvement to the entire state population
Our health care system is in transition

Current System

- Provides the best acute care in the world

But, our system is:

- **Uncoordinated** – Fragmented delivery systems with highly variable quality
- **Unsupportive** of patients and physicians
- **Unsustainable** – Costs rising at twice the inflation rate

Future System

- Affordable
- Accessible - to care and to information
- Seamless and Coordinated
- High Quality - timely, equitable, safe
- Person and Family-Centered
- Supportive of Clinicians in serving their patient's needs
• Innovation Center will award up to 12 Model test awards, $20-100 million per state totaling $700 million over a four year period.
  – Award based size of state’s population & scope of proposal

• Innovation Center will award up to 15 Model design states.
  – Range from $1-3 million over a one-year project period.
  – To the extent feasible, Round 2 Model Design awardees will be required to implement and test the plans they develop
Eligible Applicants: States & Territories

• The Governor’s Offices of the U.S. States and territories, and the Mayor’s Office of the District of Columbia
  – States that are actively engaged in a Model Test award cannot apply
  – States that applied and were not selected for funding under the first round of Model Test awards can apply
  – Application must originate from Governors’ Offices (or Mayor of D.C.)
Eligible Applicants: Outside Organizations

• Outside organizations focused on quality and state delivery system transformation may apply, such as:
  • A public private partnership supported by the Governor’s Office, or
  • A non-profit affiliated with the State Department of Health

• A Governor must support non-state applicants by submitting requests in writing to CMS with its Letter of Intent.
  – A Governor’s request must include a justification for the request and attestation that the state will actively participate in all activities describes in its proposal.

  • See Q&A document posted on SIM’s website for more detail: innovation.cms.gov/initiatives/state-innovations
Proposal Requirements

• All applicants, regardless of type, must submit a Letter of Intent to apply, due June 6, 2014.
  • See Q&A document posted on SIM’s website for more detail: innovation.cms.gov/initiatives/state-innovations

• All applicants, regardless of type of applicant or award sought, must submit:
  – Standard forms
  – Governor’s Letter of Endorsement
  – Project Abstract
  – Project Narrative
  – Budget Narrative
  – Financial Analysis
  – Operational Plan

• Detailed Webinar on how to submit an application using Grants.gov will be held in the future. See website for date & time.
Review of Applications

- Separate review processes for Model Test and Model Design applications.

**Model Test Applications:**
- Expert Review Panel
- In-person/virtual presentation to HHS Leadership Panel in the Baltimore/Washington Metropolitan area based on scores from the Expert Panel Review

**Model Design Applications:**
- Applications will be reviewed & scored based on the quality of the proposal.
- No presentations required.

If a Model Test applicant is not selected for a Model Test award, CMS may select the state/entity for a Model Design award if (1) after all possible states/entities which applied for Model Design awards are selected and funding is still available to issue additional Model Design awards (not to exceed overall maximum of 15 Model Design awards); and (2) CMS determines the state/entity is not ready for a Model Test award and would benefit from Model Design funding.
**Award Timeline: Model Test Applicants**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOA Announcement</td>
<td>Thursday, May 22, 2014</td>
</tr>
<tr>
<td>LOIs due</td>
<td>Friday, June 6, 2014</td>
</tr>
<tr>
<td>Applications Due</td>
<td>Monday, July 21, 2014</td>
</tr>
<tr>
<td>HHS Leadership Presentations</td>
<td>August 2014</td>
</tr>
<tr>
<td>Anticipated Award Date</td>
<td>Fall 2014</td>
</tr>
<tr>
<td>Anticipated Period of Performance</td>
<td>January 1, 2015- December 31, 2018</td>
</tr>
</tbody>
</table>
**Award Timeline: Model Design Applicants**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOA Announcement</td>
<td>Thursday, May 22, 2014</td>
</tr>
<tr>
<td>LOIs due</td>
<td>Friday, June 6, 2014</td>
</tr>
<tr>
<td>Applications Due</td>
<td>Monday, July 21, 2014</td>
</tr>
<tr>
<td>Anticipated Award Date</td>
<td>Fall 2014</td>
</tr>
<tr>
<td>Anticipated Period of Performance</td>
<td>January 1, 2015- December 31, 2015</td>
</tr>
</tbody>
</table>
Next Steps

• Upcoming Webinars (see website for details):
  – Model Test Application and Proposal Requirements
  – Model Design Application and Proposal Requirements
  – How to Apply using Grants.gov

• Submit questions to StatelInnovations@cms.hhs.gov

• FAQs will be updated and posted to the Innovation Center website at innovation.cms.gov

• Additional information is available on our website: innovation.cms.gov/initiatives/state-innovations