

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



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# The CMS Innovation Center

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# 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

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- 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

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- 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



# Award Information

- 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](https://innovation.cms.gov/initiatives/state-innovations)



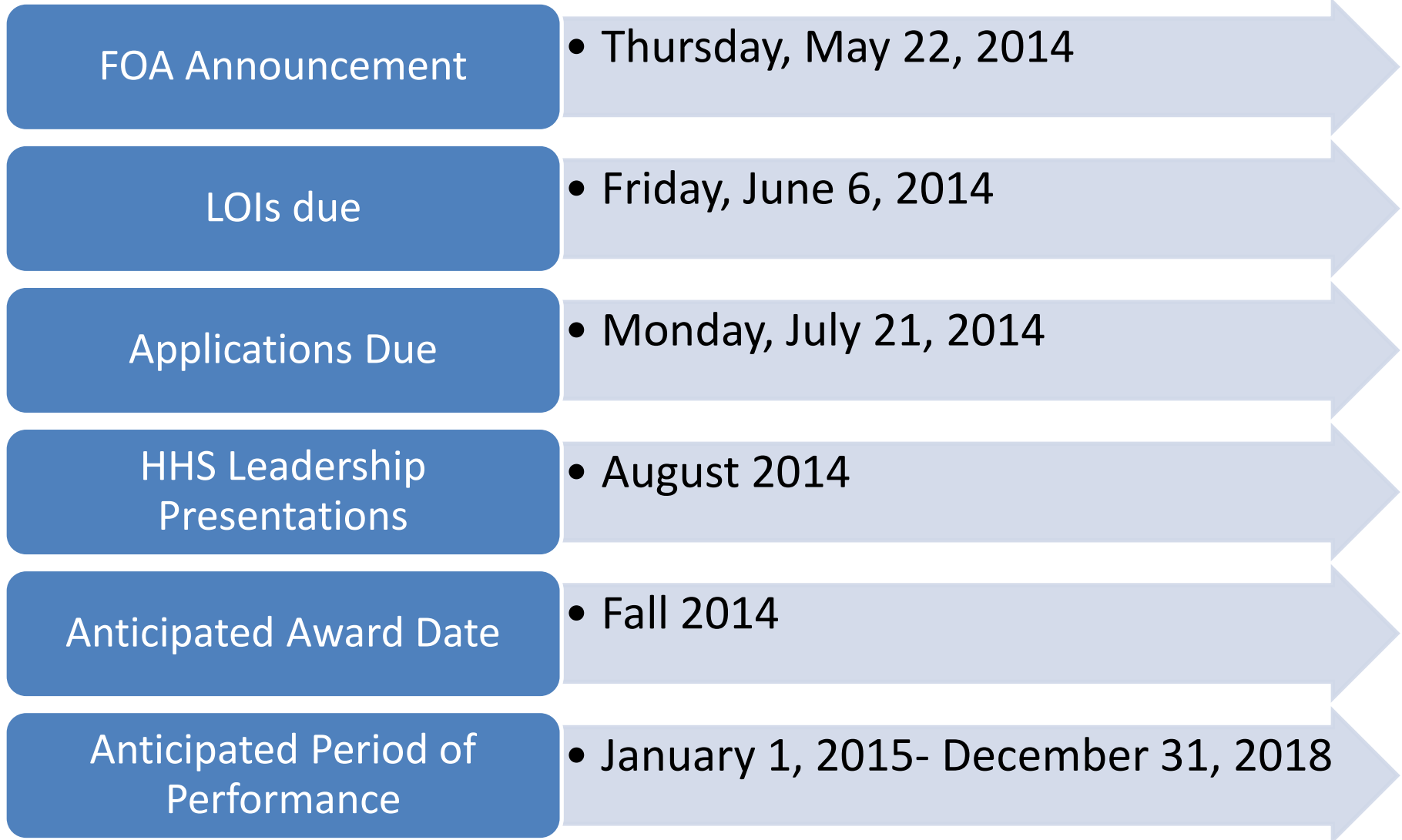
# Proposal Requirements

- 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](http://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



# Award Timeline: Model Design Applicants

FOA Announcement

- Thursday, May 22, 2014

LOIs due

- Friday, June 6, 2014

Applications Due

- Monday, July 21, 2014

Anticipated Award  
Date

- Fall 2014

Anticipated Period of  
Performance

- January 1, 2015- December 31, 2015

# 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 [StateInnovations@cms.hhs.gov](mailto:StateInnovations@cms.hhs.gov)
- FAQs will be updated and posted to the Innovation Center website at [innovation.cms.gov](http://innovation.cms.gov)
- Additional information is available on our website: [innovation.cms.gov/initiatives/state-innovations](http://innovation.cms.gov/initiatives/state-innovations)