



## **Health Care Innovation Awards Round Two – Overview Webinar Transcript**

Good afternoon, my name is Laurel and I will be the conference operator today. I would like to welcome everybody to the Health Care Innovation Awards introduction to Round 2 conference call. All lines have been placed on mute to prevent background noise. If you should need assistance, please press star then zero and an operator will come back and assist you. Thank you, I will now turn the call over to Andrew Rushton. Please go ahead, sir.

Good afternoon and thank you all for joining. This is Andrew, and I'm with the CMS Innovation Center, and thank you all for joining us today on this important webinar to discuss the Health Care Innovation Awards Round 2. A couple of weeks ago, the CMS Innovation Center announced a second round of the Health Care Innovation awards, a nearly \$1 billion initiative to test new payments and service delivery models that will deliver better care and lower costs for Medicare, Medicaid and or Children's Health Insurance Programs or CHIP enrollees. This webinar is intended for anyone interested in applying for Round 2 of the Health Care Innovation Awards in order to prepare and plan their application. We thank you again for joining us on this call. There are just a few housekeeping tips that I would like to go over up front. This webinar is being recorded and will be posted on the Innovation Center's website within a week. The transcript and slides from today's webinar will also be posted within a week.

If you are a member of the press, this webinar is off the record, and if you have a question, we encourage you to please e-mail [press@cms.hhs.gov](mailto:press@cms.hhs.gov) or call 202-690-6145. And finally, just a couple of points. The comments made on this call are offered only for general informational and educational purposes. CMS Innovation Center comments are not offered and do not constitute legal advice or legal opinions. No statements made on this call will preclude the agency and/or its law enforcement partners from enforcing any and all applicable 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. Furthermore, 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 individual -- group advice. The main purpose of today's webinar is to provide an Overview of Round 2 of the Health Care Innovation Awards, which will include covering the objectives of the initiative, and discussing the application process. We have a very packed agenda for you today, and let me take the opportunity to quickly review that for everyone on the call.

After I conclude my opening remarks, Rick Gilfillan, director of the CMS Innovation Center will provide introductory remarks, then, Sheila Hanley, Director of the Policy and Programs Group in the Innovation

Center will cover the objectives. Christy Meyer, the team lead for the Health Care Innovation Awards initiative will provide an overview. Aparna Saha, Senior Adviser to Policy and Programs Group at the CMS Innovation Center, and Mary Beth Greene, from the CMS Office of Acquisition and Grants management will discuss the application and review process. During the question and answer session, where you will be able to ask questions through our online interface, the CMS Innovation Center staff and CMS OAGM staff will help to verbally respond to all questions that come in. During the question and answer session, we will only be answering questions that have been submitted through the chatbox feature on your computer screen. We will not be answering questions over the phone.

If you do have questions that we are not able to get to during the allotted time for this webinar, you can always e-mail us, our e-mail address is [innovationawards@cms.hhs.gov](mailto:innovationawards@cms.hhs.gov). Due to the high interest and competitive nature of this initiative, questions will be provided as FAQs posted on the CMS Innovation Center website. In addition, information on the Health Care Innovation Awards Round 2 initiatives can be found on the Innovation Center website at [innovation.cms.gov](http://innovation.cms.gov). Lastly, CMS will be doing further webinars on Healthcare Innovation Awards round 2. More information will be forthcoming on how to register for these webinars through the CMS Innovation Center website and the Innovation Center listserv. And with that, I will turn it over to Rick Gilfillan. Rick?

Thank you very much, Andrew, and good afternoon. Thank you to you all for being here today to discuss the latest steps that are being taken for innovation in our healthcare system by supporting some of the most promising ideas from around the country from lowering costs by improving the quality of care. The affordable care -- Affordable Care Act was explicit in defining. They gave us payment and delivery models that reduced expenditures for Medicare, Medicaid and CHIP beneficiaries while preserving or enhancing quality of care. What this means to us is that every model, whether it be a payment model or service delivery model, we evaluate by looking at its ability to improve the health of populations served by improving the care experience of populations, and, by decreasing the cost of care for those populations.

Now, people wonder, what are service delivery models? This is a list of the models that we have created so far. Recently, the idea of a service delivery model is a new way of providing care to a particular population, a set of individuals, typically with specific needs. It could be a very broad set of individuals, as with our ACO model or a specific or narrow set, as with our Strong Start, intended to improve outcomes of pregnancy. So, the idea is, service delivery models are new ways to deliver care that will improve outcomes and reduce costs. Payment models are usually associated with each of those models. So that we know going forward we have the ability to sustain promising service delivery models that actually achieve the desired results. So typically, with our model tests, we are looking for a service delivery model that improves care and a new payment model that will support that service delivery model.

Over the first couple of years, working together here at the Innovation Center and across CMS, we developed this portfolio of different service and payment delivery models, that are available now for folks around the country to participate in and to change the way care is delivered. We have, as you all probably know, one round of Health Care Innovation Awards, where we provided funding for approximately 107 new service delivery models. This initiative is trying to do that again, to identify the best models that you all can offer to us, but this time, we are also emphasizing very directly the importance of the payment model. So, we are asking you to provide a description of both the service delivery model and the payment model.

We all know that bringing down health care costs is a top priority, and we know that the best way to do it is the same way that many organizations around the country have already shown is possible, by making care better, and more efficient. These healthcare innovation awards in Round 2 will be given to organizations whose creative solutions to our most pressing health care challenges have the potential to serve as blueprints for improving care and lowering cost around the country. We are providing nearly \$1 billion to support this initiative, to support you all, or at least those of you who can propose the most attractive, the most impressive, and we hope the most effective new care and payment models. Thank you again for joining us today, and I'll now turn it over to Sheila Hanley, the group director of the policy and programs team to provide further information on the second round of the Health Care Innovation Challenge Awards. Sheila?

Hello, everyone. I am Sheila Hanley with the Health Care Innovation Awards team, and we are excited to tell you about the objective of this initiative. The Health Care Innovation Awards recognizes that there is extraordinary innovation coming from every corner of the country. This initiative is designed as a partnership with those innovators in the field, to test new payment and service delivery models that hold promise for delivering better care and lower cost for Medicare, Medicaid and the Children's Health insurance program.

In November of 2011, we announced our first round of funding to the Health Care Innovation Awards, and we invited a wide variety of innovators to submit their proposals for how we can deliver better, smarter and more efficient care. And, we received a gratifying response with close to 3000 applications coming from the broadest cross-section of healthcare and healthcare stakeholders, including physician groups, payers, research organizations, private industries, community organizations, integrated healthcare systems, local governments, schools, faith-based organizations and labor. Ultimately, as was mentioned, we selected 107 projects with greatest chance of delivering Medicare -- better care at lower cost in creating larger scale sustainable results.

These innovations include a project to enhance primary care, better coordinate care, training and deploying new types of healthcare workers, train patients and providers to make better decisions, and test new ways of delivering service. These interventions are currently impacting care and cost across a broad section of services within diverse communities in urban and rural areas in all 50 states, the District of Columbia and Puerto Rico.

For Round 2 of the Health Care Innovation Awards, we have three broad goals. First, building on Round One, Round 2 seeks to expand partnership with innovators in the field. We are looking to again, engage the broadest cross-section of our stakeholders, including hospital systems, integrated systems with hospital physicians and others, including multi-specialty medical groups, large or small, post acute providers of all types, nursing homes, rehab facilities, home health, etc., and many other types of providers, in addition to the states, business communities, academic and research organizations, labor and others. Together, we want to identify new payment and service delivery models that result in better care and lower cost for Medicare, Medicaid and CHIP enrollees. Specifically, in Round Two, we will test models in four innovation categories, each with designated priority areas. And there, we are seeking to have these service delivery models lead to a clear pathway to new Medicare, Medicaid and CHIP payment models. These categories were identified as areas of need that complement the current innovation portfolio, particularly where we are seeking to develop usable models for changes in Medicare, Medicaid and CHIP payment methods. I would like to touch, for a moment, on some of the key differences between Round One and Round Two. Both Rounds are focused on payment and delivery models that have a high likelihood of delivering better care and lower cost on a national scale.

But, Round One was a broad solicitation and in Round Two, we are focused on four innovation categories. First, proposals that reduce Medicare, Medicaid and or CHIP expenditures in outpatient and/or post-acute settings. Second, models that improve care for populations with specialized needs. Third, models that transform the financial and clinical models of specific types of providers and suppliers, and fourth, models that improve the health of populations.

Round One invited proposals across all settings. But in Round Two, we are excluding models that are primarily focused on acute inpatient care. Inpatient facilities are welcome to apply, but we are not seeking models with an inpatient focus. A very important difference that Rick Gilfillan alluded to just a moment ago, in Round Two, the focus is on payment models. Payment models are a key consideration in Round two. A payment model design is required for the application in Round Two, along with the service delivery model. In addition to innovation and service delivery, we are asking applicants to think carefully about a payment or business model that will lead to sustainability, apart from grant funding. In Round Two, the payment model is critical. We know that there is an increasing desire in the field to rapidly move to alternate payment models that have the potential to improve care and lower costs. And, that is why the second round of Healthcare Innovation Awards focuses on testing new payment models to support the service delivery model funded by this initiative. I would now like to introduce Christy Meyer, the lead for the Health Care Innovation Awards, who will provide an overview of the funding opportunities.

Thank you, Sheila. As Sheila mentioned, we will build upon the first round of Innovation Awards by focusing on supporting new innovative models in four areas. The four categories include rapidly reducing cost for Medicare and Medicaid beneficiaries in outpatient or post-acute settings, improving care for populations with specialized needs, such as children in foster care or people living with HIV. We are also looking for models that focus on transforming the financial and clinical models for specific types of providers, including oncologists and cardiologists. And finally, linking clinical care delivery to preventative health.

In the first Innovation category, we are seeking to test models that are designed to rapidly reduce Medicare, Medicaid and or CHIP costs, in outpatient and/or post -acute care settings. We are interested in models, in this category, that focus on diagnostic services, Outpatient radiology, high-cost physician administered drugs, home-based services, and therapeutic and post-acute services.

In the second category, we are seeking models that improve care for populations with specialized needs. We are specifically interested in models for children that affect high-cost pediatric populations. Children in foster care, children at high risk for dental disease, and adolescents in crisis. This category also seeks models for specialized populations, like those living with Alzheimer's disease, and beneficiaries requiring long-term support and services or who have serious behavioral health needs. In the third category, we are interested in testing approaches that can quickly transform financial and clinical models for certain providers, including physicians and specialties, such as oncology, cardiology and pediatric providers who provide services for complex medical issues. It is important to note that the opportunities for specific models don't have to be for all services for that specialty, nor do they need to be limited to only one specialty. As an example, a proposal for back pain may be appropriate for several specialties, including orthopedic surgeons or neurosurgeons.

Finally, in the last category, we are testing models that improve the health of populations. By linking clinical care delivery to preventative health, including models that lead to better prevention and control of conditions , such as cardiovascular disease, hypertension, diabetes and asthma. As we

mentioned earlier, one of the key differences in the second round of innovation awards is that we are asking applicants to submit a payment model design with applications. A payment model design should describe how payments would flow, the types of incentives that may be created, and a positive return on investment expected for CMS programs. Applicants should also provide information on the potential risks to implementing their model, and ways that the model could become sustainable over time.

In addition to the standard SF424A forms, applicants will need to submit a financial plan that demonstrates expected return of investment for the model. There will be a financial plan template provided as part of the application supplemental materials, which will be available on or about June 14 on our website. A template will also be provided for the various attestations required on the financial plans. The chief financial officer of the applicant organization must review and approve the financial plan. In addition, an external actuarial review for applicants requesting over \$10 million is required. Applicants requesting less than \$10 million are encouraged, but not required, to obtain this review. CMS may be conducting an independent evaluation of the award.

Awardees will be responsible for their own self-monitoring for performance improvement, reporting quarterly metrics on the progress of their model, and also providing patient identifiable information to support the independent evaluation contractor. CMS will work closely with awardees to refine their measures and may make claims data available under certain conditions. More information on self-monitoring and evaluation will be available in the future webinar. The Innovation Awards are a cooperative agreement that by definition requires substantial involvement by CMS during the award period. Awardees can expect that CMS will provide ongoing guidance on their measurement strategies and conduct routine monitoring of milestones, patient recruitment and payment model development. Awardees should also expect to participate in learning and diffusion activities such as shared learning projects and webinars. I will now turn our webinar to Aparna Saha, our Senior Advisor in Policy and Programs to review the application process.

Thank you, Christy. CMS is excited to engage with a wide variety of innovators to transform the health care system. We encourage all parties to apply that meet the eligibility requirements, have interventions that will provide better care at lower cost and can create a path to better alternate payment models including the entities listed below. Now, in addition to the parties listed on the previous page, entities that meet the following criteria are also eligible to apply, including conveners to coordinate a group of participants and take on a direct risk for the awards. Technology developers who propose actual use of a product in a broader delivery and payment model, applicants that meet the eligibility criteria, and Round One awardees, if they meet the criteria and have proposals that are currently not being funded under Round One. Participants in existing CMS Innovation Center initiatives are eligible to apply as long as they do not duplicate any other models that CMS or other HHS entities are currently testing.

Listed below are a few key dates. Please note that the letter of intent, which is a web-based form, will be available online on June 1. These non-binding LOIs are due by 3 PM on June 28 and final applications are due by 3 PM on August 15. CMS recognizes that the model designs may change from the time you submit the LOI to the actual application. You can submit an application that differs from the LOI without any penalty.

Once the application is received and passes the eligibility screen, HHS staff external to the CMS Innovation Center along with other experts will review the applications. These applications will be

scored on five domains including designs of the project, organization capacity and management plan, return on investment, budget, budget narrative standard model sustainability, and monitoring and reporting. We encourage you to review pages 32 to 34 in the FOA for further details on these criteria. Once the review panel finishes the assessment, the CMS approving officials will use the results from the objective review to make final award decisions, taking multiple other factors into account, including but not limited to the reasonableness of the estimated cost to the government and anticipated results, inclusion of Medicaid and CHIP populations, results from an actuarial review, the extent of participation by multiple payers during the performance period. Also, whether the proposals promote interoperability and exchanging secure health information across multiple health organizations, whether the proposals are in alignment with meaningful use requirements and also whether the payment models, a key consideration, can be implemented during the performance period. CMS will provide more information on this in upcoming webinars.

These are just a few among other considerations and we encourage you to see page 35 in the FOA for a full list. I will now turn it over to my colleague, Mary Beth Greene.

Hello, thank you. This is Mary Beth Greene, the Division Director of the Division of Grants management at CMS. We are primarily responsible for compliance, budget and administrative issues for your application and awards. Thank you very much. I would like to highlight a few things in terms of the application logistics that you will be responsible for as an applicant. First and foremost, I want you to remember that all of your applications must be submitted to grants.gov. That is the electronic system that receives applications for all of HHS and is the only acceptable method of submitting applications for this funding opportunity announcement. In order to submit an application, you must have a DUNS number or a data Universal numbering system number. Some of you may already have that, which is good. If you don't, please make sure that you start now in getting that number. Applicants must register in the system for award management or SAM; this is a new system which replaced the old CFR system. Again, start now. Please look in SAM and see if you are registered in the system. Each application must also be submitted by the authorized organizational representative in your organization.

If you have previously submitted an application to grants.gov, you likely have an Authorizing Official. If you do, please find out who this person is in your organization, as grants.gov is looking for that individual to submit your application. If you don't have to or do not know who it is, please contact grants.gov now to ensure that you have taken care of ensuring that you haven't authorized organizational representative. Also very important to ensure that your file attachments with your application comply with the grants.gov requirements. The FOA include a listing of those types of attachments which are approved, and you can submit to grants.gov. Also, you can consult grants.gov FAQs. There is a lot of information that will tell you about file attachments which will be helpful in your submission. Careful with Excel spreadsheets. As you know, depending on how they are configured, they could look like one page but could be converted into two pages in a conversion process. Those types of things, I want you to be careful when developing any type of spreadsheet to ensure that it is what you believe it is in terms of page limitations. Again, if you have not started these processes, please start them immediately.

Remember that when you submit to grants.gov, grants.gov will provide you with an acknowledgment of receipt. However, that acknowledgment of receipt is not an acceptance to grants.gov as it has some tests that it does to ensure that your application will be submitted and approved by them or submitted to them and acceptable to them. Sometimes this takes 48 hours. So, once it is accepted,

your received documentation for the acceptance. Again, once you receive that, however, you may also find out that it was not accepted for one reason or another. You want to ensure that you allow yourself significant time to fix whatever is wrong and be able to resubmit that. So, please again start all of these processes immediately and consider submitting your application more than 48 hours before the deadline.

This FOA is also going to include some other templates that are going to be available on or about June 14. These include some supplemental materials including an operational plan, financial plan, actuarial review and an executive overview. Again, those will be available on [innovations.cms.gov](http://innovations.cms.gov) on or about June 14. Some additional resources will also be available on the website. There will be posted frequently asked questions. There will be likely to get a lot of questions into that mailbox, so what we try to do is group them into certain types of groupings that make sense and provide you those on the website. There will also be some links to payment model descriptions which will be helpful in developing your application.

Also, to apply for [grants.gov](http://grants.gov), you need a federal IRS number. If you don't already have that, please start immediately to get that number. If your organization name has changed, you may need a new number. So again, make sure that you contact the IRS to make sure that you do have a number that you can utilize for your [grants.gov](http://grants.gov) submission. There are also some application requirements in section 4 of the FOA which we would like you to pay very close attention to including the process for sending the application electronically. Remember, they must be on time. Aparna just gave you the time elements. These make sure that you keep to those times. We will not accept late applications. They will not be reviewed. In terms of formatting, again, I would like to warn you about things like Excel spreadsheets, just to make sure that you got the format correct for those. There are certain requirements listed in the FOA, such as double spacing the narrative. There are page margins and font sizes. These are all very important requirements for the reviewers, so we will stick to those formatting and make sure that whatever you send in is applicable to those specific formatting requirements.

Also very important are page limitations. If you go over what the FOA allows in terms of pages, it will not be reviewed. If you submit something in duplicate, for instance if you submit a budget narrative in with the project narrative, we do not know that and cannot look to every single one to determine eligibility. Don't do that. Don't submit duplicates. Submit it one time and it will count towards the page requirements. Again, remember that failure to meet the criteria, applications will be rejected. We spoke about [grants.gov](http://grants.gov). We will let you know when your application is accepted by them. After an application is accepted by [grants.gov](http://grants.gov), it is also determined to be eligible by HHS. What that means is we look for the page limitations, we look for the formatting, we make sure all of the deadlines were reached and all of the other requirements listed in the FOA.

So there may be, through the HHS eligibility determinations, some applications that are determine to be ineligible. Again, look at the criteria and make sure your complete in terms of what the FOA requires and submit on time. Okay, and I will take it back to Aparna now.

Thank you, Mary Beth. CMS will be providing all potential applicants with resources to help the application process, including a series of webinars throughout June and July that describe the four health innovation categories, payment models, financial plans and calculating the total cost of care. Information will also be provided on application narratives, and technical assistance to submit these applications. We encourage you to reach out to your partners early, and make sure that you all sign up to receive e-mail updates on our website at [innovations.cms.gov](http://innovations.cms.gov). Please note that Letters of Intent are

due June 28. These non-binding web based forms will be available online on June 1. We will provide technical assistance and answer questions you may have on submitting the LOIs on an upcoming webinar. As we mentioned, we will make additional resources available to you and your partners at [innovations.cms.gov](http://innovations.cms.gov), including dates for the webinars and frequently asked questions. Please check back often. If you have any questions, please e-mail us at [innovationawards@cms.hhs.gov](mailto:innovationawards@cms.hhs.gov). I will now turn it over to Andrew Rushton and we will begin our Question and Answer portion of the webinar. As a reminder, if you'd like to submit a question, you will need to type the question into the submit your question box located on the webinar portal appearing on your screen. Please note that no questions will be accepted by phone. Questions will only be accepted by submitting them through the webinar. Before we get to our first question, there is another important bit of information to emphasize.

We are 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 timeframe. 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 for the Healthcare Innovations Award Round Two. We are now ready to begin with our first submitted question.

And it reads, is a list of Round One awardees available?

Yes, they are. They are available on the Innovation Center website at [innovation.cms.gov](http://innovation.cms.gov). On the website, if you search for Health Care Innovation Awards, you'll be able to find information about the models that were funded in the first round.

Question number two. I'm going to turn this over to my colleague Jim Gerber to answer this one. Jim? >> [Pause] >> The question is, can proposals funded in the first round submit in the second round? While previous awardees may apply under this funding opportunity announcement, organizations that received funding from CMS under Round One of the Health Care Innovation Awards may not receive additional funding to support models funded under Round One.

Thank you, Jim. Our next question. Can we ask for data to help us with our applications? I'm going to turn this over to Christy to answer this one.

Thanks, Andrew. During the application process, we cannot make individual claim level data available; however we will be pointing applicants to various publicly available sources online where cost estimates may be obtained. Once awarded, there will be an opportunity to receive Medicare fee-for-service data through the program, however, it is important to note that our claims data feeds have limitations, and applicants should be prepared to have an alternative or backup plan for that data if it is not obtainable.

Great. I have another one for you. What information should applicants include in their letter of intent?

The letter of intent will be a web-based form that is available on or about June 1 on our website. You will need to provide your contact information, an overview of your project, the innovation category that you best fit into, and some information about the population that you'll be serving as part of the project. We understand that things will change between the letter of intent, submission and application. However, it is important to retain your letter of intent number because it will be used later in the application process.

Great. Next question comes from Mark Snyder of Cherokee Health Systems. How much flexibility do we have if we need to make changes from the letter of intent submission?

Sure. Well, there are two points on making changes to the letter of intent. So, if you have submitted a letter of intent and you think that something is an error or something major is going to change, we do encourage you to submit a new letter of intent, receive a new number, and that will be tied to your eventual application. Due to the number of letters that we expect, we won't be able to individually edit those records for you, but you may resubmit a new letter of intent as needed. However, we understand that there will be some basic changes that occurs between letter of intent and applications.

Thank you. Moving on to our next question. Are models that incorporate and rely on the assistance of trained and monitored volunteers to deliver some healthcare services eligible and or appropriate for the innovation awards?

Answer: They are. The use of volunteers would not disqualify an applicant; however, the external review panels will be looking for an explanation of the sustainability of this approach.

We will move on to our next question Is the DUNS number required? Mary Beth, do you want to take this one? And the answer is, no it is not.

Next question. Are the funding limits for actuarial certification based on the yearly award or total award? I am going to hand this to Mary Beth to answer this one.

Thank you very much. And that would be the total award amount is what we are looking at in terms of the actuarial certification.

Great. Our next question. Is there a minimum return on investment required for the application? I will turn this over to my colleague Sean or Aparna.

Thanks, Andrew. No, there is no specified minimum. The Approving official will be looking for the models with the greatest and most achievable returns for Medicare, Medicaid or CHIP.

Great. Thank you. Moving along to our next question. When is the full application due?. Aparna, do you want to handle this one? The final applications will be due on August 15 by 3 PM.

Great. Our next question. Do we need to submit forms, like the SF 425?

The SF 425 is a financial status report. That is not submitted now. That is submitted when the applicant is awarded funds through this award, they will be required to submit the SF 425 as a progress report for the financial staff.

Okay, thank you. Will multi-applicant projects be permitted for healthcare innovation awards round two? Aparna? >> They will be permitted as long as there is a lead awardee that takes on the risk of the award.

Our next question. Can we propose innovations that reduce care and lower costs for Medicare part D? I will hand this over to my colleague Jim Gerber.

Yes, applications related to Medicare part D are eligible.

Okay, great. Next question. Our territories eligible to apply for healthcare innovation awards round two? Jim? >> Yes. Territories are eligible to apply. By territories, we need Guam, American Samoa, the US Virgin Islands and the Commonwealth of the Northern Mariana Islands.

And our next question is coming up. And it reads, does the certifying actuary need to be external to the applicant?

Christy, do you want to take this?

Yes, in the FOA, it references that an external actuarial certification is required for the application.

Okay. Our next question. Can an application cover more than one of the four target categories? I'm going to hand this over to my colleague Sheila Hanley to answer. >> Proposals should identify and focus on one primary Innovation Category, but can also address other Innovation Categories, insofar as this is justified by the design of the proposed model.

Moving on. Is the state's participation in healthcare exchange a requirement for this award?

No, there is no requirement that a state participates in an exchange in order to participate in round two.

Moving along. Will organizations who submit the LOI automatically be able to submit a full proposal? Or, will they receive notification of whether their LOI was accepted for full proposal? Christy, do you want to answer this one?

Sure. There won't be a separate notification process that your letter of intent was accepted. For a full proposal, you will get a confirmation e-mail that your letter of intent was submitted and information has been received. But, there is no further acceptance process, and so the next step would be for you to then submit a full proposal.

Great, thank you. Okay, next question. Would you be supportive of integrated care, including alternative or holistic approaches?

Proposals addressing integrated care, including alternative approaches, may be submitted, provided they meet the eligibility requirements and fall within one of the four innovation categories. We encourage you to make your best case on how your model leads to better care and lower cost and show why it falls within one of the four categories, and include a proposal with a design of a payment model to support your service delivery model.

Very good. Moving along. The next question reads, my company makes software that streamlines the claims process. Are eligible to apply? Aparna, do you want to answer this?

Sure. Award dollars may be used to fund specific technology, software, applications or other analytical tools, but only if they are being implemented and tested in the context of a healthcare service delivery model with a clear pathway to obtain a model.

Very good. Okay. Our next question. I have a program that would improve the care and lower costs for persons with Alzheimer's disease. Would I be eligible to submit a proposal? The short answer is yes. You would. And, my colleague Christy is going to answer this one.

Yes, models that lower costs for persons with Alzheimer's disease are definitely in scope for this round.

Great, thank you. Okay. Our next question. As a practical matter, if an application is within the four innovation categories, but not within an identified priority area, does it have a reasonable chance of being granted? Sheila?

We will refer you to the FOA for guidance, which states that a preference will be given to submissions within these areas, CMS will consider submissions in other areas within the category. We would again encourage you to make your best case why your proposal leads to better care and lower cost, and to include a payment reform model.

Thank you, Sheila. Okay, our next question - can a single applicant submit more than one application for different innovations? I'm going to hand this over to Christy to answer.

Yes, a single applicant can submit more than one application for different innovations and different models.

Terrific. Another question. Do you have to have a commitment from a payer to submit an application, or can you submit an application and then develop a relationship with the payer over the course of the demonstration? Christy?

Yes, in the funding announcement, it does say that preference will be given to applications that include participation by non-CMS payers at the outset of the model's implementation. However, you are not required to do so. If not, the application must describe the extent to which non-CMS payers are involved with the model within the period of performance.

Okay, thank you. Okay, moving along. Will there be subsequent webinars providing additional technical assistance regarding payment model requirements? Aparna?

Yes, we will be hosting an upcoming webinar that will speak to the payment model, payment model design and requirements.

Okay. And we will be making those dates and further information available on our website and on our listserv. Our next question [Pause] -- the next question is, must a proposal include the state Medicaid program and enrollees in the program and the financial model it proposes?

There is no absolute requirement that a model under this FOA include Medicaid. However, as specified in the funding opportunity announcement, the awarding official will give preference to applications that include Medicaid enrollees. There is also language elsewhere in the FOA that specifies that having some measure of payer support will be encouraged and rewarded as well.

The next question is, will there be any funding for pregnancy in general maternal child health services? There is no funding specified specifically for any category including pregnancy and general maternal health child services. The criteria and the priority areas are as specified in the FOA.

The next question, what do we mean by duplication of models? How do we find out if models duplicate current models being tested by HHS?

First and foremost, all of the models being tested by the Center for Medicare and Medicaid Innovation are available on our website as discussed earlier. We will not be looking to replicate things already being done at CMS or across HHS, which are publicly available. And finally, we would say that we will consult with our sister agencies across HHS about models. For example, if there were a substance abuse model, we would talk to colleagues to make sure that is not something they are currently funding. I would encourage people to submit their best shot but as they are developing models, they should enquire within the appropriate agency to see if this is something they are already doing.

Great, thank you, Sean. One quick clarification to a question he answered about territories. Puerto Rico is eligible submit an application.

I'm having a lot of questions coming in right now, so we are waiting to get our next one lined up. >> The next question. Does an entity planning to submit more than one application need to submit an equal number of LOIs?

Each application should be associated with one unique letter of intent, so we will be looking for that. Each separate application that you intend to submit should have its own letter of intent.

Okay, thank you. Moving along. Can dually eligible enrollees be considered as participants? I'm going to hand this over to my colleague, Aparna.

Yes, dually eligible enrollees can be considered as participants in the model.

Okay. Moving along. Our next question. [Pause] >> Okay. Let's see, our next question. I'm going to hand this off to my colleague Jim Gerber. The question reads, Can international entities apply to the Health Care Innovation Awards round two?

No, they cannot apply. International entities are not eligible.

Okay. An important point. Thank you, Jim. >> [Pause] >> we are waiting for our next question to generate.

[Pause] >> Okay. Our next question. What is meant by a new payment model? A new payment model is a different way of paying for healthcare, different from a current manner in which care is compensated. Payment models for HCIA round two must include Medicare, Medicaid and or children's health insurance programs, and should ideally include other payers as well, and should include the following characteristics. A clear description of how funds will flow under the model, a description of the specific provider or beneficiary incentives the payment model would create, a description of the risk parameters, a description of how the payment model would deliver a positive return on investment for CMS, and a description of how the parameters of the payment model would progress over time.

Okay. Our next question. Is the innovation center planning subsequent rounds of funding? Aparna? >> Sure. At this time, no further rounds of funding have been announced.

Okay. Moving along. Next question. If we have several entities working together, does one entity need to be the lead for the project? I will hand it over to Aparna. >> Yes. We encourage several entities to be coordinating and collaborating, but we do need one entity to be the lead for the project.

Great. The next question is, why does this round exclude acute hospital inpatient care? As discussed earlier in this webinar, the priority areas for this round of HCIA were crafted to complement CMS's existing portfolio of payment and service delivery models. CMS, as you know, has multiple efforts in reducing preventable hospitalizations and preventable re-admissions. At this time, we are not looking specifically for additional models in that vein. However, I would make clear that acute care hospitals are certainly eligible to apply. It is –just that models geared specifically towards reducing acute hospitalizations that are not given priority here.

Next question. Can patients belong to a Medicare advantage program? I'm going to hand this over to Sean. And the answer is yes, they can. So, it is an affirmative. Patients can belong to a Medicare advantage program. Okay, next question. While innovation categories are clearly stated, is there a specific place where all priority areas are listed? Aparna?

Yes, we encourage you to refer back to the FOA. On pages 7 and 8, we have the four innovation categories listed, as well as priority areas within each category.

Thank you very much.

[Pause]

Okay, moving along. Our next question. What is the difference between models designed to serve patients with special needs and models designed to serve populations, including populations with special needs? For example, what is the difference between a model designed to serve people living with HIV as patients with special needs, and a model designed to serve a population of beneficiaries living with HIV?

The primary difference is that “models that improve care for patients with specialized needs” are expected to be primarily focused on clinical care, while “models that improve the health of populations” should be focused on engaging beneficiaries, prevention, wellness, and comprehensive care in ways “that extend beyond the clinical service delivery setting”.

Next question. When must proposals be operational by? I'm going to hand this over to Christy.

Proposed models should be capable of rapid implementation. Awardees will be expected to complete the infrastructure and capacity related activities within six months of the award and start improving care as rapidly as possible. Preference will be given to models that can implement their care improvement activities faster than at six months.

Okay, thank you, Christy. Our next question specifies, on page 15 of the FOA states, certain organizations -- organizations may apply as conveners. Please clarify certain organizations. I'm going to hand this over to Sheila.

There are no limitations in the FOA regarding which organizations may apply as conveners. Organizations that assemble and coordinate the efforts of a group of participants may apply as a convener.

Thank you, Sheila. Our next question. Can Pioneer ACOs apply to HCIA round two? Aparna?

Yes, participants in existing CMS initiatives can submit an application as long as the proposal outlines models that CMS or other HHS entities are not currently testing in other initiatives.

Okay, thank you, Aparna. Okay, our next question. Are applications expected to include a completely finished and fully explained payment model?

All applicants must submit, as part of their initial application, the design of a payment model that is consistent with the new service delivery model proposed, as explained on page 8 of the FOA. They should define a clear pathway to ongoing sustainability through the creation of a fully developed Medicare, Medicaid, and/or CHIP payment model. This fully developed payment model may be submitted at the option of applicants as part of the application, and if not so submitted, must be submitted by awardees either during or by the end of the cooperative agreement period.

Moving on to our next question. What type of reporting to CMS or other entities is currently expected by awardees during the award period? I am going to turn to my colleague Christy for this one.

In the terms of conditions that will come with the notice of award, it will outline in more detail the reporting requirements, both for our grants management office, as well for the program. You can expect generally, there will be at least a quarterly reporting requirement that will contain information about your progress and milestones.

Okay, thank you, Christy. I am just gathering our next question. Okay. Our next question. Are small projects accepted for healthcare innovation awards Round Two? Aparna, do you want to take this?

I think it depends on how small projects are defined. If the applicant meets the eligibility criteria and the proposed model meets criteria of what we are looking for in terms of focusing on the four innovation categories and the applicant can submit a payment model that is designed around the service delivery model for CMS beneficiaries, then yes, small projects are eligible to apply. >> Great. Thank you, Aparna.

[Pause] >> Okay, our next question. How do you define long-term care or support as in persons requiring long-term support? Sheila?

Long-term care and support is intended to cover both community and -- institutional or facility-based care as well as long-term care.

Okay, thank you, Sheila.

[Pause] >> Okay. Let's see. CMS expresses a preference for greater involvement of the payer community in the development and testing of new payment models. Are there protections relating to antitrust that can be provided as payers come together around you models? -- Around you models? Applicants continue to be subject to all applicable laws and regulations and should consult their legal counsel in that regard. >> Okay, our next question. Do Round One awardees have any advantage for the second round? I'm going to hand this off to Aparna.

Round One awardees do not have any advantage for the second round. All applications will go through a similar eligibility screening criteria, as well as go through our independent review panel before it is handed to the CMS awarding official.

Okay, next question. Will the slides for this presentation be available after the webinar?

Yes. We plan on making the slides available and will post it on to our website.

Great. Okay.

[Thank you. >> Okay. Our next question. Are nonprofit organizations eligible to apply? >> Yes, nonprofit organizations are eligible to apply.

Great.

[Pause] >> Okay. And, it looks like we are winding down. So, we are going to take this as our final question. And the final question reads what or why was the focus of the healthcare innovation award funding opportunity changed for round two? Okay, I am going to hand this off to Sheila. Sheila? >> In round two, we are interested in addressing gaps in our healthcare portfolio, and particularly high opportunity areas for better care and lower cost. We also wanted to encourage a strong focus on Medicaid and the children's health insurance populations as expansion in these populations occurs. We are also interested in addressing a number of important aspects of healthcare payment and delivery that could result in potentially usable models for change in Medicare, Medicaid and CHIP. We also want to encourage more innovation from the healthcare systems in regard to payment models and to build on the good work already occurring in the field in this regard. We are also very interested in improving care delivery and quality for high risk beneficiaries and specific populations, while at the same time reducing the cost of their care. We also want to take full advantage of the wide range of innovative ideas being generated by the healthcare industry and the community at large.

We also want to provide support for innovations in healthcare delivery and payment that might not otherwise be implemented, and we believe that through round two, we will be able to speed the innovation and testing of innovations and healthcare delivery payment and the healthcare system out large, so that improvements in care and payment can be spread more quickly and more efficiently. And, I guess I would just close by saying that we know that extraordinary innovation is happening around every corner of the industry, and we look forward to partnering with you in these endeavors. Thank you so much for attending today.

Thank you, everyone. Goodbye. >> This concludes today's conference call. You may now disconnect. >> [Event Concluded]