

Center for Medicare and Medicaid Innovation
The Health Care Innovation Challenge
November 17, 2011
2:00 p.m. ET

OPERATOR: Good day, ladies and gentlemen and welcome to today's Health Care Innovation Challenge webcast. To submit a question or comment any time during the webcast please click on the "ask a question" button at the bottom of your screen. Type your message into the box and click on the "submit" button. At this time it is my pleasure to turn the floor over to Andy Shin, sir the floor is yours.

ANDY SHIN: Thank you, Patrick, hello and thank you everyone for joining us today. My name is Andy Shin, I'm with the Take Holder Engagement Group here at the CMS Innovation Center. I'm also pleased to be joined by Tom Reilly, acting Deputy Director and Dorothy Peter, Senior Advisor for the policy and programs group. Here at the Innovation Center we are helping to lead the health care innovation challenge.

We're also joined in the room by staff from the health care innovation challenge program team to help answer questions following the power point presentation by Dorothy Peter. Today's webinar will be the first of likely three webinars to be held on the health care innovation challenge. Future webinars will be announced on the Innovation Center website and will go into more detail about the innovation challenge for today we're hoping to provide a general overview and help answer questions.

I'm especially excited to discuss this new Innovation Center initiative today. During the month we are celebrating our one year anniversary. As background the Innovation Center here at CMS was established by the Affordable Care Act as the new engine for revitalizing and sustaining Medicare, Medicaid, and the Children's Health Insurance Program also known as CHIP.

Our aim is to partner with public and private leaders to improve the health care system for all Americans. Our unique capabilities allow us the resources and flexibility to rapidly test innovative care and payment models and encourage wide spread option of practices that provide better health care at lower cost.

To learn more about us and to see the kinds of partnerships we have and are forming with doctors, nurses, hospitals, schools and churches in communities all across our nation, I would like to encourage you to visit our website at <http://innovations.cms.gov>. There you can learn more about our partnership to strengthen primary care to reduce infections and harm in hospitals, and to give doctors and nurses the tools to better coordinate their care across the care continuum.

At this point I would like to go over just a few of our agenda items before I turn it over to Dorothy Peter. Dorothy will be presenting an approximately 20 to 25 minute slide show

on health care innovation challenge and for those just listening on the phone we will be posting the slides from this presentation within a few business days on our website.

Further if you'd like to ask a question as Patrick mentioned the CMS division staff here will take your questions via the chat box feature on the webinar. If you're just listening and you want to ask a question please sign on to the webinar site which can be found on our Innovation Center website, please click on <http://innovations.cms.gov> and click on the upcoming events on the right hand side of the home page.

After Dorothy's finished we will try to answer as many of the questions that come to us through the chat box and others that have come to us through the innovation challenge resource inbox, which is innovationchallenge@cms.hhs.gov. One more time, that's one word innovationchallenge@cms.hhs.gov. We will conclude this webinar by 3:30 p.m. Eastern Time and a recording and transcript will be available on our website in a few business days, and with that I'm going to turn it over to Dorothy Peter. Dorothy.

DOROTHY PETER: Thank you, Andy, and thanks to all of you for joining us today. We are truly excited to be here today to talk about a new innovation center challenge initiative. It is an initiative we believe will provide opportunities for innovators throughout the nation, to contribute to the ongoing transformation of our healthcare system.

The healthcare innovation challenge is an exciting step towards creating a high quality and sustainable system for the future. As we all know healthcare is linked tightly to the economic vitality of this country. Right now health costs are putting enormous pressure on budgets at the Federal, State and local levels, and they are also putting enormous pressure on businesses and American families as well.

We also recognize that there are many visionary pioneering organizations in our nation that are innovating their way into a better future. Examples of these innovations are found throughout the country. With this challenge we are looking for the most compelling new ideas that originate in this field to deliver better health, better care and lower costs through improvements for Medicare, Medicaid, and CHIP beneficiaries, particularly with those with the highest healthcare needs.

We are looking for projects that engage a broad base of partners who can design and deliver new care delivery and payment models. Every project funded by this challenge, just like every other initiative funded by the innovation center will have to demonstrate how they are lowering costs while improving care. The innovation center believes that the sustainable path to lower healthcare costs is through healthcare improvement.

It will create better health, better care, and lower costs for American families and businesses and will also create a more sustainable health system. So with that in mind we've put together the following series of slides that describe the key elements of the

healthcare innovation challenge. And following this slide show as Andy indicated we will be answering as many questions as we can during the time we have left.

OK, so the health care innovation challenge that we're going to be talking about is really, I think as Andy said, fitting to being presented during the month of November which is the year anniversary of the Innovation Center. The mission statement that we like to open all of these webinars and presentations with is; I'm going to read it to you because you're going to see the themes of this mission statement throughout this presentation.

The mission statement that was created a year ago was to be a constructive and trustworthy partner in identifying, testing, and spreading new models of care and payment that continue to improve health and health care for all Americans. I want to emphasize the word partner—trustworthy partner and also those three verbs identifying, testing and spreading new models of care. We're very interested in that with the Innovation Center and you will see throughout this presentation this innovation challenge is addressing all three of those aims.

So the future system that all of us are familiar with that we are all aiming towards is one that's affordable for patients and or those who purchase health care that's accessible in terms of care and for information to make good decisions about one's own health and health care, it's seamless and coordinated, but is of high quality so the care that's delivered is timely, equitable and safe, that it's person and family centered, that it's not only supportive of the patients but also clinicians that are serving their patient, and that more and more it's engaged with the community and understanding and fulfilling populations unique needs.

The constant structure goals for all of CMS and Innovation Center initiatives we describe with the use of the three part aim. The first aim is better health care to improve individual patient experiences of care along those six domains that IOM has identified for quality; safety, effectiveness, patient centered, timeliness, efficiency, and equity.

Secondly, better health, we want to be able to focus on the overall health outcomes of the populations that are being served by our health care system. And thirdly, lowering the cost of care for Medicare, Medicaid, and CHIP beneficiaries through the pathway of improving the quality of care and patient experience.

The Innovation Center that as Andy pointed out in his earlier remarks has really created over the last year a menu of options for innovators throughout the country to participate in with the Innovation Center. As you can see from this diagram it's a transformative process on a continuum and through these innovative initiatives, that are captured on this slide, we are beginning that path of transformation, however we know that there are even more opportunities available to us.

The Innovation Center initiatives that support care transformation are numerous you can see several that are addressing primary care programs you can see some on here, on this

list like the partnership for patients that's addressing patients safety. We have bundled payments opportunity, to really look at payment mechanisms, for payment reform, we have some (INAUDIBLE) care initiatives. However, we know that in addition that even with all these initiatives we have others that we want to pursue. So innovators across the country we know have developed other effective care deliveries and payment models. These innovations that we are talking about today offer us pathways to building a future health system that is more effective than the current system at improving health care, health, and lowering costs.

So if you hang on a minute we are going to see if we can catch our slide show up to what I am saying. Hold on one more minute to see if we can address this technical difficulty here. OK. So as I was just saying that even with all those initiatives that the innovation center has partnered with innovators across the country with over the last year. We know that we have innovators across the country that also have their own ideas that are in addition to those perhaps more prescriptive ones (INAUDIBLE) out so far from the innovation center. And these innovations that we are looking for now are for even further pathways for building a future system that is more effective than the current one at improving care, health and lowering costs. So with that in mind the innovation center created the health care innovation challenge. Specifically focused on (INAUDIBLE) and support (INAUDIBLE) innovators. So let's take a look at specific, a little more background about this. We know that the innovation center has received over 500 suggestions for achieving the three part aim in the last year. We have been on listening tours, we have heard about these ideas and so this initiative provides us at the innovation center the opportunity to provide an open solicitation to innovators across the country. To identify an innovative service delivery and payment models. Including the infrastructure support that is necessary to transform our health system. This challenge we believe will strengthen the current model portfolio, and will go along way to addressing unique customized needs for communities and populations across the country.

So the objective for the healthcare innovation challenge are three key main objectives the first is to engage a broad set of innovation partners to identify and test new healthcare delivery and payment models that originate in the field in that emphasizes is on innovative partners, and the origination in the field. That have these ideas that can achieve the three part aim. The second is to support innovators that can rapidly deploy care improvement within six months of award, through new ventures or expansion of existing efforts.

You are going to hear me talk more about this rapid deployment concept throughout the rest of this webinar. The third and equally important is to identify new models of work force development and deployment that support these new models either directly or through new infrastructure activity.

So the innovation center has up to \$1 billion to fund these innovative service delivery and payment models. I want to talk a little bit about what we are thinking about for these

models. We are very interested in models that really match the needs of specific populations.

So, for example, if you have a population that had multiple chronic diseases, or a population that would have mental health or substance abuse problems. We are looking for the models to specifically address the health behaviors and the health seeking activities of those populations so we can innovate in terms of getting the right care to the right person at the right time.

Successful proposals will define and test a clear pathway to sustainability, will demonstrate care improvement within six months of award. Support care transformation with enhanced infrastructure activity, and rapidly develop and deploy a healthcare workforce. And again proposals are encouraged to focus on high cost and high risk populations. Including those with multiple chronic conditions mental health or substance abuse issues, or poor health status due to economic or environmental factors, or another example might be the frail elderly.

The new types of infrastructure that we are looking for we believe will enable others to learn from and support more effective and efficient system wide functions. We know that as we create these new models and extend into a more specific or customized approach for a very different population.

We need infrastructure enhancing activities, to fully achieve the three part outcome for those populations. So from examples, of course these are examples only, they are not an inclusive set would be the implementation of registries. A registry for tracking children's immunizations for example, a registry for tracking the care of the diabetic population or a registry for tracking the service for a patient that has depression might have, or the registry for that population.

Medication reconciliation systems another place where in some populations there are numerous gaps and or duplications in tracking and prescribing medications for populations. That would be another example of infrastructure that would support our clinical teams in making healthcare of high quality.

Shared decision making systems, again so we can match the right care with the right patient at the right time, and that they can be more active partners with their providers. Another type of infrastructure that we will also be entertaining and (INAUDIBLE) solicitation is our improvement network, so for example an organization or partnership came together saying we want to be a partner with the innovation center to create improvement networks to rapidly disseminate best practices across key ideas or key system attributes.

We would be very interested in entertaining and understanding those proposals as well. Community collaboratives are another example of infrastructure that we know are

currently very prevalent and effective in disseminating rapidly diffusing through partnering.

Work force impact, as with the infrastructure examples as we create these new models we also know that it is going to be vitally important to transform our healthcare workforce. That we are going to identify and test new ways to create the work force of the future that will deliver and support these new care models. So examples here might be new roles and skills for existing health professionals.

New types of workers, like community health workers, dental aids, health information technology workers, that can support the care transformation that we're looking for. Another example might be team based models that are utilized, a mix of health providers that are more effective in matching the needs of a particular population.

OK, so speed, I mentioned speed earlier speed to implementation is also a very important attribute that we're looking for. We don't have a lot of time to waste in terms of the transformation of our health system. So proposed models we are looking for should be either operational and capable of rapid expansion, or sufficiently developed that they would be able to be rapidly deployed.

We are expecting proposals to start improving care as rapidly as possible, and within six months of award. And training programs are eligible for funding but should be intensive brief programs connected to the model being tested.

Again pathway to sustainability extremely important, proposed models are expected to define and test a clear pathway to ongoing sustainability. This is important because it will reform future benefit design and your payment approaches for CMS consideration. Also provide recommendations for the scaling and diffusion of successful models. Here again preference will be given to proposals that can achieve sustainability as soon as possible within the three years.

So we will be looking for applicants to describe that pathway to sustainability, and how quickly they think they can get on that road. Sustainability examples or approaches would include public, private partnerships, multi payer approaches proposed service delivery agreements with entities such as accountable care organizations, or advance primary care models or the difference between a health system and a mental health system.

So selection criteria, again this is all in the solicitation document but we wanted to go over this, with all of you together. Awardees will be selected based on the following criteria with the following weight based on 100 points. The model design is worth 30 points overall, so this design has to describe what the approach is to achieve the 3 part aim. And innovation is important as is the ability to effectively describe how operationally people will be able to achieve that aim. So it has to be innovative but also has to display and effectiveness.

OK, the second one in terms of organizational capacity is worth 25 points and here we are looking for applicants that can demonstrate a history of operational success, and realistic plans for implementation. We will be reading applications very carefully. To ensure that what is being proposed has a ring of practicality that we think operationally somebody could actually implement this idea within that six months. And while we are looking for history of operational success for those folks that maybe don't have a long history of success, partnership with those who do would also be considered a valuable concept.

Again we talked about workforce the ability to demonstrate a significant workforce. Impact is going to be very important 15 points for that. Sustainability and finances, again we talked about that pathway to sustainability, and evidence of this time of this project that costs are being decreased as we go. As you go, in terms of each application. And evaluation, I am going to spend a little more time on that in just a minute.

The evaluation has two parts. One is what we are calling self-evaluation, but really what that is the evidence of whoever the applicants are display the ability to routinely, very routine, weekly monthly, quarterly basis be tracking their performance improvement. And that they can demonstrate how they are going to do that. In addition we will have a formal CMS evaluator evaluating all of these—across all applicants in a much more formal way.

SHIN: Hi, this is Andy Shin again from the Innovation Center and we do want to apologize for those who are seeing the slides a little bit late. We are currently on a slide at the bottom of your screen—on the bottom right corner where it says slide 14 we're moving to slide 15 and again these slides will be available after the presentation in a few business days. So please bear with us while we try to get those slide you as we try to as close to real time as possible. Dorothy.

PETER: Thank you, maybe I can just talk really slow and that will catch it up. OK, the evaluation plan, performance as I just mentioned will be accessed through both by applicants regularly and routinely. Our monitoring on their own and these domains, which I will touch base on in just a minute and by the CMS evaluation contractor as well, after this slide show we are going to talk a little bit about one additional element of monitoring that we'll be doing. Each program that is awarded a funding will be assigned a program monitor that will be working regularly with each awardee to insure that not only things are going as hoped, but also provide support to the awardees to make sure that they have successful projects.

Those four domains again better care and better health than you can see the elements that we are looking for under that domain of satisfaction or patient experience, utilization, clinical quality, access to services, and improving the overall health of a target population. Lower costs, again we're looking for savings for the total cost of care for the target populations. Operational performance the speed and effectiveness with which the model is being implemented and the building and enhancing of the necessary

infrastructure, work force and the acquisition of training and the impact of the workforce enhancement on the three part theme.

OK, those of you that are familiar with the Innovation Center know that we believe very deeply in the concept of learning and diffusion and so the Innovation Center will be identifying and choosing successful practices that achieve better health, better health care, and lower costs. We are expecting awardees to engage in these shared learning activities that are designed to both bring organizations together to actively being measuring success and also to be sharing break through ideas to accelerate progress.

So we're not going to wait until three years are up and say, "Oh what happened?" We'll be having a very dynamic set of learning and diffusion throughout this and we will be expecting and welcoming all awardees into that process with us.

OK, eligible applicants, CMS wants to engage as we've been saying throughout this presentation on the diverse group of innovators. Eligible applicants will include provider groups, health systems, payers, community collaboratives, for profit organizations, community based organizations, local governments, public private partnerships, private sector organizations, and faith based organizations. There is a note in our solicitation that certain organizations can be eligible to apply as conveners, the concept here is that if someone, professional association or some other organization wants to convene a group from across the country that are all simultaneously testing the same thing we will consider that rule as an important one and will consider that for funding as well.

The final note on this slide is that the Innovation Center has been doing a lot with states and we'll continue to work a lot with states as we go forward in this case states are not eligible to apply as awardees. Funding restrictions these are also outlined in the solicitation but there are some prohibitive uses of cooperative agreement funds.

One, they cannot be used to match any other federal funds. They cannot be used to provide services, equipment or support that is the legal responsibility of another party under federal or state law or under any civil rights laws.

They cannot be used to supplement existing state, local or private funding of infrastructure or services such as staff salaries. They cannot be used by local entities to satisfy state matching requirements and they cannot be used to pay for specific components, devices, equipment, or personal that are not integrated through the entire service delivery and payment model proposal.

OK, so that's the details about the content of the solicitation. I want to go over really quickly with all of you the award information itself. Funds, as I just mentioned, will be awarded through the cooperative agreements process. We have right now two planned awards cycles one is for March of 2012, the second we are now planning for August of 2012.

Awards are expected to range from \$1 million to \$30 million and I want to say that is someone has an idea that is, you know they just need \$300,000 to get it off the ground, that is certainly also an acceptable approach. These are just ranges in here for guidance but if you're a—have a very wonderful but small in cost idea we certainly want to look at that as well.

Key dates for this—for this particular solicitation; a required letter of intent is due by 11:59 p.m. Eastern Standard Time on December 19, 2011, applications are due electronically by 11:59 p.m. Eastern Standard Time on January 27, 2012, and we accept awards granted to selected applicants by March 30, 2012 and they are three years from the award date.

Resources, I realize that there are people that are listening today that may not be experienced in working with federal grant process so there are resources on this slide. The application URL is on here, to access the application electronically at <http://www.grants.gov>. In order to apply, I want to emphasize this and we'll emphasize this every webinar, please if you're not familiar with this approach to electronically applying all applicants must obtain a Dunn & Bradstreet Data Universal Numbering System number and we have the address on here for where you can obtain that.

You also must register in the central contracting registration database. Please allow yourself plenty of time to do this, it's not something that you can five minutes before the application is to be submitted receive those numbers. I can't emphasize enough for those who are not familiar with this to give yourself plenty of time for that.

And the final note on resources is that it's amply noted at the very beginning the Innovation Center is going to be offering two additional webinars to assist potential applicants in various areas of the application. One we're planning right now to be more around the project narrative the second webinar will be around the quality measures and financial plan. We will be posting more information including the dates on our, on <http://innovations.cms.gov> website.

Again we cannot offer individual technical assistance to anyone, but we want to have these broad based webinars to have as much assistance as we can for people to submit successful applications. Again the email address for this challenge is innovationchallenge@cms.hhs.gov and all questions should be direct there.

OK, with that I'm going to turn it back over to Andy and we'll be opening it up for questions.

SHIN: Thank you very much Dorothy and once again we will be posting this slide show on our website within a few business days so we do appreciate your patience, if for some of you the slides were slow in coming. I'm going to leave this last slide up, the resources slide, because I'm looking at the ticker right now and we have well over 400 questions Dorothy. So your slide show was very provocative so it seems, and we are going to try to

get to as many of them as we can in the next 50 minutes, 45 minutes and for those that we don't answer please send us an email at innovationchallenge@cms.hhs.gov and we will be more than happy to respond to you as quickly as possible with your—an answer to your question.

So I'm just going to start off by answering a question that we have which was pretty straight forward and it says," What is your funding opportunity number? What is your CFDA?" Well the answer to that can be found on the funding opportunity announcement which is found again on our website. And just for a reference the funding opportunity number is CMS-1C1-12-001 and our CFDA is 93.610. Again that will be found right on the cover of the Health Care Innovation Funding Opportunity announcement on our website.

So, let's see what else we have here. First question is can organizations submit multiple letter of intent or applications? Dorothy?

PETER: Yes, that's a very simple and straight forward answer, yes they can.

SHIN: Great thank you. For the next question, will the health care innovation challenge fund research and development/ manufacturing for new devices, drugs, or clinical trials?

PETER: The answer to this is no, we will not be funding, as we said in the webinar, ideas for manufacturing for new devices, drugs, or clinical trials. While those might have indirect effects on the three part aim, this initiative is focused on more direct interventions with populations.

SHIN: Great thank you. The next question; are local governments eligible to apply? The answers yes so I'm just going to save Dorothy from that one. And the next questions is can a proposal—let me actually elaborate just quickly on that. Local governments are more that eligible to apply and for those—the local government definition would be anything less than a state, so a county, a city, a local government, those are all qualified local governments and they would be eligible to apply.

Next question is can a proposal target a broad geographic area across multiple states?

PETER: Yes it can, the key here is to be able to define through the proposal what that population is that you're addressing and what the strategy is to be testing that.

SHIN: Thank you, so the next question is do applicants have to propose both service and delivery models to be selected?

PETER: I'm not quite clear on what that question means. When we say service, delivery and payment models we view those as going together, so I think that might be the question we would be looking for a model that does both. So, if that's not answering your question please send in a follow up and we'll do that online.

SHIN: Great, thank you, next question are universities or academic medical centers eligible to apply? And the answer to that is yes they are, Dorothy do you have anything you want to explain on that? No, that answer was (INAUDIBLE), great.

The next question: are training vocational programs eligible, alone eligible? I believe that the question is referring to whether or not a community college or training institution or vocational program can apply to this innovation challenge by themselves? Dorothy.

PETER: Again I want to answer that by saying the concept here is that a training program by itself, whether is not eligible, it has to be attached to a strategy. So for example, for the service, delivery, payment model that wanted to figure out and partnership with a training and vocational program, how it is that they could train new workers in a rapid way? That would be a partnership that would seem to be a very good one. But again we are not funding training programs per say out of the model context testing that we're trying to do.

SHIN: Great, thank you, the next question is can US Territories apply? Dorothy? Well, I'm going to turn it over actually now to Mark Gwin.

MARK GWIN: Hi, this program is not intended for States or Territories. We're defining those entities under 45CFR, section 74.2 which includes states, the District of Columbia, Porto Rico, any territory or possession such as Guam, Virgin Islands, Somalia, or Northern Mariana Islands. So we are actively looking for opportunities to collaborate with those types of entities including states or territories but not under this particular demonstration.

SHIN: Thank you, Mark, and while I have you here I'm going to ask you a few more questions if you don't mind? The next question, that we have are tribal nations eligible to apply?

GWIN: Yes they could.

SHIN: The next question then, what will the monitoring process entail? You want to take that one?

GWIN: We anticipate having a robust monitoring process. CMS expects to monitor each of the cooperative agreements using quarterly reports, phone calls, and occasional site visits. Each cooperative agreement will have a CMS project officer to track the progress of the awardees, in addition we expect to hire an implementation contractor to assist with the data collection and help to review the progress of the awardees.

The implementation contractor will cooperate with the evaluation contractor to ensure that the data is collected and to the extent possible not duplicated. We are expecting that the monitoring report data will depend on the nature of the project, so for example a

project would focus on diabetes care would have different metrics than a project focusing on community health care workers.

And finally, we expect that both process majors and quality metrics will be part of the evaluation.

SHIN: Thank you, Mark, and a follow up to several of the questions we've had regarding state eligibility, why are states excluded from applying? And I'll just take that one real quick. And the reason why is the purpose of this initiative is to really go out to local communities and find those local innovators who are directly improving care—health care—and lowering costs in the communities in which they operate and live.

And so because of that, we are trying to focus on reaching those local innovators where they live and where they operate to the greatest extent possible. We have worked very closely with the states on several initiatives up to this point and continuing to work at every opportunity and we continue to hope that this initiative does allow, again, for local innovators to take advantage of some of the innovative opportunities that we have come out with recently.

So, I'll move on to the next question which is if multiple entities are applying as a partnership how do we decide who should be the lead applicant? Dorothy?

PETER: So the simple answer to that is that that is a decision that should be left up to the partnership. I think some of the considerations might be who has got the ability to manage this kind of a contract, experience in doing that, but again it is really up to the partnership itself to decide who should be the lead applicant.

SHIN: Great, thank you, the next question is do proposals have to achieve all three parts of the three part aim?

PETER: Yes they do, I think that is what as we call it in the Innovation Center our true North, we look for it in everything we're doing. We believe that if you have two out of the three you perhaps are going to fall down on all three of them. So they do have to demonstrate all three elements of the three part aim for the population that is being served.

SHIN: Great, thank you, the next question is will preference be given to large organizations with more capital?

PETER: There will be—no. The preference again is going to be given based on those criteria that we identified in the evaluation of the proposals.

SHIN: Thank you, the next question is what is the letter of intent date? And I'm just going to answer that you seem to be getting that question a lot, again it's on the front cover of the funding opportunity announcement and on our website. The letter of intent to

apply is December 19, 2011 by 11:59 p.m. Eastern Time. The actual application date will be January 27, 2012 by 11:59 p.m. Eastern Standard Time.

PETER: I think throughout the country there are examples of public private partnerships where perhaps their data intermediary organizations that have both public and private entity's sitting around a table trying to look at data and improvement around something specific, it could potentially be a company that wants to partner with a public health department on surveying a specific population.

I think that the sky's the limit on the terms of those examples. But I think that the idea is if we work really hard in a innovative way to take the (INAUDIBLE) from both the public and the private sectors combine them in novel ways to serve the needs of population. That perhaps that is going to be innovated way, pathway to sustainability that we have not considered so far.

SHIN: Thank you Dorothy. I hear beeping. The next question is will CMS consider Medicare or Medicaid waivers or payment changes? So, I will take the first part of that. And then I will let mark answer the second part of that. For those, so the secretary under our authority under the Affordable Care Act has the ability to exercise certain waiver authority with respect to the certain laws in title 11 and title 18 as maybe necessary to implement awarding proposals under the healthcare innovation challenge.

This is under our statutory authority and the secretary may also waiver certain provisions under title 18 of the Social Security Act for this purpose. We are anticipating that if there are waivers applicable they will be done on a case by case basis depending on the nature of the waiver request and or the nature of the proposal itself. For more clarity on this please send us an email and we will be happy to try and answer your question, but right now that is as specific as I can get. In terms of payment changes Mark would you be?

GWIN: Yes. We are expecting the payments for these projects will be under the cooperative agreement we're not anticipating that there will be any additional payment changes so for example if there is a waiver to add a new DRG or (INAUDIBLE) or something like that we're not anticipating providing any of those types of waivers.

SHIN: Thank you Mark. The next question is can fairly qualified health care centers apply? The answer is yes they can apply. The next question is, is a proposal to expand models being tested by the innovation center? Medical homes to new populations like children eligible, I don't understand that question. I'm sorry I am just reading the questions off the screen. I didn't quite understand that question, but please send me an email and I will be happy to try to answer that for you.

The next question is our interventions targeting towards improving quality care for medically complex populations including children being considered?

PETER: Yes, they are. While Andy is looking through the next questions, I have been scanning the questions there is sort a frequently asked question about whether if you want to submit a letter of intent for the second round of funding is that also due in December? No that is not, this letter of intent that we have a December deadline for is for the first round of funding, there will be another date for the second round of funding.

SHIN: The next question is can an individual 501C3 nonprofit organization apply as a lead applicant or must you be a collaborative group or medically oriented HMO? So I think this question goes into a few things and I will let, I will hand this over to Dorothy in a second and I just want to capture a few more questions if I could Dorothy. I think they are getting, there is a lot of questions about who can or cannot be lead applicants when they are applying whether it be they have to be in partnerships or whether an organization can apply on its own. And perhaps you want to talk about strength in one or the other.

PETER: Again I want to emphasize that the strength of these proposals is going to be on the ideas themselves and the way that applicants describe their model and how it is going to impact the 3 part aim for population. So again it's really up to the applicants to decide the answer to the question about an individual 501C3 applying as lead applicant, certainly that is possible. Keep in mind that the lead applicant for this solicitation is the one that CMS and innovation center will be connecting with most directly on all the accountabilities for the proposal so to the extent that the partnership is in place and we can see reading the application that the applicant is able to ensure accountability for the delivery of services for population, I think that is going to be very important. That does not mean that the health system has to be the lead applicant however.

SHIN: Thank you Dorothy. Next question, we have several questions about whether or not CMS will provide any feedback on any of the letters of intent, related to that kind of notification will we provide to letters of intent submitters under eligibility, or other status of their strength of their proposal. So for this we are not going to be providing any feedback on your letters of intent. We will receipt, we will give you a receipt of notice that we received your letters of intent, but unfortunately we are not allowed to provide individual consultation as to the eligibility status of your letter of intent or strength of your proposal. That will have to be done through the application selection process.

So the next question is how much time is necessary to obtain a Dunn and CCR number? So the answer is that a little bit of time, not too long but I would suggest you start if you know you want to apply, as soon as possible. It may take a few days or even more depending on the information that is required. Ok. The next question, just one second while we sort through this; the question is can for profit organizations apply? Again the answer is yes. Dorothy do you have anything else to add to? The answer is yes. For profit organizations can apply.

The next question refers to whether or not can we apply if we are participating in other innovation center programs? So we would encourage that anyone who is currently participating in the innovation center programs to send us an email via the email box and

we would be happy to discuss with you any sort of eligibility issues in terms of your ability to apply for this program. Right now I can't give you a very specific answer but we are working to make that more clear in the very near future.

So the next question. Are professional society's able to apply? There are a lot of eligibility questions, the answer is probably yes. If you are a professional society that is able to demonstrate the three part aim innovation requirements that are part of this initiative then certainly you are able to either apply alone or as a partner with other organizations and individuals. The next question is. How can I download the slides? You can download the slides off our website which will be posted very soon. In the next few business days we are hoping and it will be <http://innovations.cms.gov> on there you can find a link to the healthcare innovation challenge launch page and we'll have plenty of information there including the slides a link to a fact sheet, opportunity announcements, as well as links to <http://www.grants.gov> and other relevant resources. The next question.

PETER: I have just been told that there is a question on here as we are scrolling through, can we include Medicare providers? And the answer is yes.

SHIN: OK the next question. OK. Are higher education university's eligible? Yes. I think we answered that one. Higher education universities are eligible to apply.

Processing the next question, just one more minute, we are having a little bit technical issue loading the next page. The next question is. Do we have to; do we have to submit at least \$1 million for our funding proposal? Mark?

GWIN: To repeat what Dorothy said the \$1-30 million was an expectation but we will look at a full range of applications and for various amounts if you have a really good idea that is just outside that range, send it in we will (INAUDIBLE) take a look at it.

SHIN: Thank you Mark and Dorothy.

PETER: You know just a thought we are going to go through this, I am not sure I mentioned that all of these will be being evaluated by an independent review panel. So this is not something that CCMI staff, innovation center staff, will not be reviewing these and judging these applications. I just wanted to let you know that that is a process that will be contracting out so we get an objective review as possible.

SHIN: Thank you Dorothy. The next question is I'm interested in the second round for the innovation challenge; will there be funding available or how much funding will be available for the second round? So the answer to that is we have a, up to \$1 billion to fund for innovative proposals and we are going to be awarding proposals based on their individual merit.

For round one depending on the nature and volume of proposals we receive will determine how much of the funds are left over for round two. Unfortunately at the time

we are not reserving funds for round two but if the nature of the proposals are such that funds are left over then that will be the amount of funds for round two.

So we can't commit at this time the actual number that will be available for round two. So I would suggest to you that if you are interested in applying for the innovation challenge that applying in round one would be advisable and if the opportunity presents itself then to apply in round two as well. What the next question is. Will there be more information about cost savings and financial plan?

PETER: Yes. That is a very important question and that is why we are going to do a second webinar and actually the third webinar is the one where we are going to be talking much more specifically about their cost savings and financial plans. And while I've got this mic, I am seeing a question here that says are you open to funding dental health initiatives and reduce medical care costs? The answer is yes.

SHIN: Ok. So there is another question here regarding multiple sources of funding. The question is, are organizations receiving money from other HHC industries (INAUDIBLE) eligible to receiving money from this initiative? The answer is that yes we are not likely to ask you to not accept funds from anywhere else. That being said the application should follow the criteria in the funding opportunity announcements. And the different criteria that Dorothy mentioned regarding the strength of the application, I am not going to go over them again and we will take into account other sources of funding when it comes to your model of sustainability. So I am just trying to go through the list here to see if we have missed a question.

The question says my sense is clinical trials are not eligible for funding. That would be correct. Clinical trials are not eligible as proposals we are trying to fund for the purposes of this proposal. That would include as Dorothy mentioned earlier devices, R&D for drugs, and other type of research activity. We are looking mostly, certainly for the care and delivery models would be operational.

Next question; can salaries be paid with this funding? Yes. The answer is yes. Salaries can be paid with this funding. The next question is can funding be used to develop technology to use by targeted population, to track, manage, communicate about and receive communication related to health status and treatment?

PETER: So this is a good question. It cannot be used to develop the technology, it can absolutely be used to test technology that has been developed and is well functioning, so one of the things that we are really trying to understand is the use of technology as part of that expanded infrastructure to better achieve the three part aim for specific populations. Not for the development of it but for the application of it absolutely.

There's a question here that I'm going to read it. Are there any mechanisms for CMI to assist in bring together potential partners on an initiative? I'm going to think about that, I think it's an interesting idea and we'll put that in an FAQ. We obviously are in the mode

of trying to make sure that people partner in effective ways, but I want to understand that question a little bit more. We'll put it in writing.

SHIN: Thank you, we've got just a few more questions that we're going to be able to do. Let me—I've seen this question come up several times and it's regarding to proposals have to show a model of sustainability? So I just wanted to go over it really quickly that we are expecting proposed models to define and test a clear pathway to ongoing sustainability and the reason why is because we want it to inform future benefit design and or payment approaches for CMS consideration, as well as, proposed recommendations for the scaling and fusion of the proposed model. We are giving preference to the proposals that can achieve sustainability as soon as possible within three years.

Next question, will you be posting on your website answers to all questions both the ones that you've answered on the webinar and ones that were sent via email? So the answer is yes we are in the process of updating our FA—Frequently Asked Questions list as we speak that these questions as well as other questions received through the inbox we'll inform that list, we will try to update it on a continual basis. Again if you are wondering about this webinar or other things we have a recording of this available and we will be posting slides to better inform you in the future. And I'm just trying to get the next question here.

All right next question; will this webinar recording be available for future viewing? Yes, yes, you can actually sit through the <http://innovations.cms.gov> website.

Next question; will small technology companies be able to apply? Yes, depending on the proposal. I think it's important to remember the nature of the proposal not necessarily the type of entity they are.

Next question; is the letter of intent subject to approval and will it in anyway effect of the scoring of the final application?

PETER: The letter of intent and we've indicated this on the FOA is non-binding, but you must submit it, the reason for the requirement is we are trying to get a really good sense of what the ideas are that are out there so we can do a very effective and efficient process of making sure that we understand what's coming in the door so we can systematically and in good process implement our overall review process. It's required and it is not binding.

SHIN: Ok and I see that we're still getting a lot of questions regarding how people can find certain information regarding the CFDA number, the letter of intent dates, so I just want one more time restate that that information is all found on the funding opportunity announcement which is on our website <http://innovations.cms.gov>. And a few more questions about how you can ask us more questions again that email address is innovationchallenge@cms.hhs.gov.

And so with that I think that we have run out of time on our end. I see that there are many more questions that we were unfortunately not able to get to and so I would ask that if you would mind please sending your questions to that email address we'll be able to answer them as fast as we can. We will have a full coterie of staff working on that but we have unfortunately run out of time on our end and so we hope that you will join us for future webinars that we will announce shortly. And you can sign up for a listserv on our website as well to receive those announcements and with that I will turn it over to Dorothy Peter for some final remarks.

PETER: Thanks, Andy, I see that we're up to about a 1,062 questions here. Think we scanned them as quickly as we can if you could imagine we have a team of about ten people in here that have been rapidly scanning through these questions while we've been on this webinar, to make sure we could answer at least the ones that are—would help you the most in the short term to get going on this.

We will again be looking at these very carefully and will be posting answers to these questions on the website. So that everybody can have the benefit of answers for any questions.

And Erica has one more comment. What? The audio transcript of this will also be available online. So with that I think we'd like to say thank you very much for your interest and your partnership with us and we look forward to pursuing this solicitation over the next several weeks and months. Thank you, bye.

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