

**Center for Medicare & Medicaid Innovation
State Innovation Models Initiative
on Model Testing Awards for State Officials**

Wednesday, August 15, 2012 3:00 pm EDT

OPERATOR: Good afternoon, ladies and gentlemen, and welcome to the State Innovation Models Initiative on Model Testing Awards for State Officials, hosted by the Center for Medicare and Medicaid Innovation. A few housekeeping items before we proceed with the presentation. All participant lines are in listen only mode throughout the presentation. We will be answering both live questions and typed questions during the questions and answers portion of the webinar.

You may ask a live question by pressing 1-4 on your telephone to enter into the operator assisted queue during the Q&A session. You may submit questions via the general chat feature at the bottom of your screen at any time. We will be answering questions at the end of the event, following the conclusion of the slide presentation. With that, I will turn you over to Ray Thorn, with the Center for Medicare and Medicaid Innovation, thank you.

RAY THORN: Thank you, Operator. And good afternoon, everyone, and thank you all for joining. Again, my name is Ray Thorn, and I am with the CMS Innovation Center. We're thrilled that you have joined us today for this webinar on the state innovation models, and specifically on the model testing awards. Again, today's webinar is intended for governors' staff and state officials, to help states plan and prepare their applications for model testing awards.

Yesterday we did model design, today we're doing model testing. So, again, thank you for joining us today. And just a few housekeeping, housekeeping items at the front. This webinar is being recorded and will be posted on the Innovation Center's website within the week. The transcript and slides of today's webinar will also be posted within a week. In today's webinar, Jim Johnston, who is the program lead on the state innovation models initiative will provide information and details on the requirements of submitting a model testing application.

After Jim is finished, we will have a question and answer session in which we will answer questions that have been submitted through the chat box. We will also take questions over the phone. And, also, Tony Rodgers, the CMS deputy administrator and director for the center for strategic planning and state innovation initiatives, is also on the line to take questions as well, or to answer questions.

If you do have questions that we are not able to answer today on this webinar, you can also email us. Our email address is at stateinnovations@cms.hhs.gov, again, that email address is stateinnovations@cms.hhs.gov. In addition, information on the state—in addition, information on the states innovations models initiative is always on the Innovation Center's website at <http://innovation.cms.gov> under the What We're Doing section of the website. And with that, I will turn it over to Jim Johnston.

JAMES JOHNSTON: Thank you, Ray, and I want to offer my thanks, too, to everybody for joining us this afternoon. Hope you're having a good afternoon. This is the fourth in the series of webinars we've done. We did an initial one that was broadcast quite widely to a number of stakeholder groups in addition to the states. And then we've had the one, the introductory one, and the model design is, Ray mentioned, yesterday, model testing today.

And we're going to have one coming up, probably week after next, getting into the nuts and bolts of the application process, and the materials you need to complete. And then at that point, also go through the financial templates, so we can walk you through those. As well as some Medicare data that we've touched on. Some, some information's currently available to you through the institute of medicine, while we do need more at CMS, to make that information available to you for Medicare, also.

And we'll talk about that at this next webinar. So look for that. A notice on that coming out probably sometime next week, probably scheduled the week after. So that will get into all the many process questions, which some of you are already asking. We are answering those as they come in. We are going to be updating our FAQs soon, that will reflect the questions and the answers that have come up through these webinars, and a number that have been submitted through our email box or directly.

I want to start—and today will seem somewhat repetitive, certainly in the early going, and I apologize for that for states who were on the call yesterday. Because it is similar. We anticipated yesterday being for the states, really focused on model design. Today, obviously, model testing. Some of you may not be sure which way you want to jump yet, so you might be listening to both.

So the early going may be somewhat repetitive if you were on the call yesterday, but stay with us, because when we get to the end, we'll get into the specifics of model testing, which will be unique and will be material that we did not cover yesterday. I want to start with a little bit from yesterday. We've gotten this question a couple of times as states who haven't had a chance, aren't as far along, wondering if they, you know, if they will have enough to submit a model design application.

And the answer's probably yes. I would want you to make a good effort on that, but we want to meet the states—I will mention this as we go through the slide deck, too—wherever you are in that process, on the design. So if you're just starting out, tell us how you would want to go about bringing together the groups, putting together the plans, how you want to start investigating the models. That would get you started in that design process.

So the more you have, obviously, the farther along you'd be on this. But it is not a prerequisite that you come to the table in the model design with your models and your overall state innovation plan put together. That is not, however, the case for model testing, which is what we're going to talk about today. In that case, we would expect that you'd have a lot of that. So I won't go over all the slides we've done in the past.

As Ray mentioned, the decks from the prior webinars are up on our website. There are transcripts and there are also the slide decks themselves. So with that, let's get started. I'm going to start where we started with yesterday, which was on the basis hypothesis that we want to test here. And as we've talked about in previous slides, the Innovation Center exists to test new models for payment and service delivery.

And our hypothesis for this test is working with you, working with states to develop, that's developing new models with states will produce better outcomes when implemented as part of a broadbased, governor led, statewide initiative, bringing together multi-payers and a variety of stakeholders and using the levers—and we'll get into what we mean by levers throughout this deck, because that's really the focus for today—of state government to accelerate and enhance that change.

And that, as I've mentioned before, but it bears repeating, comes from, and this is lifted right from some press material that Secretary Sebelius put together for us on this. As a former governor, she mentioned that she's seen states in action and knows that states are great laboratories for innovation and coming up with practices we can put into place nationwide.

And, of course, I mentioned in the previous decks the Innovation Center, when we find models that work, we can replicate those regionally, or even state—nationwide if appropriate, and it looks like they're bearing fruit as proven through our actuarial reviews and is authorized by the secretary. So there's a lot of potential here to accelerate that transformation. States in particular are, can be strong partners in this.

You already pay for a large part of healthcare in your state through your Medicaid programs, your state employee programs, oftentimes healthcare for local units of government, the broad regulatory powers you have over the insurance industries in your state, providers, payers. And by providers, I suppose professional accreditation and facility licensure. Working with public health, social service, educational services, and certainly at the K-12 level as well as the post-secondary, graduate education, and other loan and aid programs you might have.

And even the kind of curriculum you're putting into place in those courses. The ability of governors and the states to convene a wide variety of stakeholders and provide them broad engagement that we're looking for. And, of course, you are much closer to your states dreams and know what you want to put in those plans and if you're on the call today, we're hoping you're already at that point.

And who to work with, how to work with them, to make that the best models and the best plan for your state. And in a number of states it also will mean integrating that in with your health information, your health information exchange structure and the exchanges as you look toward the 2014 exchanges that are going into place. Now we know some states are looking at partnership arrangements. Some states are looking at a federal exchange.

It doesn't matter where your exchange is. Obviously, the closer it is to home, the more it might fit better into your integrated plan. But, again, we'll work with states wherever you are on that, but that's all part of this process, to bring all this together, and those levers, to test the hypothesis of state led change. This next slide was added to all the decks and it's become useful to look at to help states as they consider where they are on this continuum.

And the farther to the left, in this case really into our volume based fee for service care system that we have. Again, very high quality acute care, that's in the world, but doesn't always do as well. It can be uncoordinated in terms of the care it provides. Fragmented in that care, and certainly, costly in providing that care. So a volume based system, that's more on the design side of it.

You'd, we'd want to be moving from design to some kind of a coordinated seamless payer system, where you bring in, too, some kind of a common billing system, often down through shared risks, case management programs, getting to preventive care, starting to look at population based measures, to community integrated healthcare systems. And by that, that really is almost synonymous with your state healthcare innovation plan.

That would be a plan that would certainly envision a community healthcare integrated system that would deliver, not only those aspects but really get into community based health outcomes, and the

community integration. That would be, obviously, more on the value side. It puts you more in that testing realm. So the farther to the left, probably more design. The farther to the right, probably more testing.

And that is what we are trying to do in all of our initiatives here at the Innovation Center, is move from that value based system to a value based system. And to do that, hitting all three of our marks, which you heard me talk about before, if you've been on the prior webinars. And it is certainly embedded in everything we're doing. Our metrics of success in terms of improving health, improving healthcare, and by doing that, reducing costs.

So, we've gotten some questions on this. What do we mean by these models that we keep talking about? And there's really two key concepts for models. There is the overall state healthcare innovation plan, and that's this comprehensive plan that we want for the model testing states, that we want you to submit with your application. To send in that plan about how you're going to integrate the care in your state and really reach out into a community care system. That's the state healthcare innovation plan.

There's also the payment and service delivery models that work within the context of that plan. And it should be an integrated, aligned approach. So that the models you have make sense in the overall healthcare innovation plan that you're pursuing. And those models, as we've mentioned, could be everything from affordable care, accountable care organizations, which hopefully would be affordable, too.

But accountable care organizations, bundled payments possibly, primary care done through some kind of case management system. It could be a variety of different models you'd want to pursue, and that's where we want to see you present to us the innovative models you want to look at. But do that within the overall healthcare innovation plan. Next, we have talked specifically about the healthcare innovation plans and what would go into that.

And the, again, as I mentioned already, but I'll pound that point home one more time. That when you submit your application, you need to submit with that your healthcare innovation plan. Now that plan, there's a page limit for your applications. The plan is exempt from that page limit. So we want to see your plan. However long it takes you, to tell that story, tell it.

But send that in with your model testing application. And in that plan, though, we want to see that demonstration of—that you've met with the various groups, the stakeholders, in your state, you've looked at all those levers, everything from the licensing and accreditation, working with your public health departments and your insurance oversight, your graduate medical education.

All that is coming together in that plan that talks about how you're going to move from the volume based, probably acute care system, into that value based system, getting to a community integrated system. Now, on the levers that we've talked about that you can throw in, again, this is illustrative. This is not meant to define what you would submit. We look forward to seeing other ideas. Again, educational ideas, other things you may want to look at.

But just to get you started and thinking about it, we put together this slide on possible levers you could look at. So the payment models that we've talked about, you could scale up or develop ACOs, the [unint.]—gosh, I'm having trouble with that today. Accountable care organizations and there are a

number of the pioneer ACOs throughout the country. They are provider groups coming together under the MSSP program, so you could look at what's already going on in your state.

And we would hope that they are going on in your state. You'll complement that. Bundle payments, and we know some states are spending a lot of time looking at bundles. Patient centered medical homes, a number of states are looking at the opportunities through the state plan amendment process for Medicaid, but others are looking at—have done, really statewide, primary care case management system.

So those might be some approaches you at that would be all be under those models. And those, again, are the payment and service delivery models that would fit within your plan. Convening your payers, and it does, again, have to be a multi-payer participation coming in with your model. That does not necessarily mean all payers, but we are looking, it has to be multi-payer, it cannot be just Medicaid and CHIP.

Expect you'll be looking at Medicare, too, and those are the programs we'll be monitoring. But other payers need to be at the table, too. You can also use this to help shape your healthcare workforce. Especially looking into the future, longterm care needs, community longterm care needs that you need, and the public policy programs you can put in place that will help do that, and organizing your public healthcare systems.

And we expect, especially with your plans, as you put that together, you'll, you'll keep in mind the states healthy people 2020 plan, the national prevention strategy, the national quality strategy, and use those frameworks and consider the disparities of healthcare you might have in your state as you're putting together those plans. And then one example of that might be integrating behavioral health care. So there's one thing that you look at as you put that together.

So, again, those are just examples of some of the levers you could look at when you do that. All that comes together in your proposal. And I'm going to do this as I did yesterday, starting from the bottom up. With the evidence of payer and provider engagement, that is key. We expect when you submit your proposals you will have the documentation through letters of participation and support from providers and payers and other groups in your state.

That they will be part of this effort to do this healthcare transformation through your healthcare innovation plan as well as participating in the models that you're going to be putting together for payment and service delivery. Those letters are also exempt from the page limit when you send that in. So don't feel constrained on how many letters you can reach out for for support on that.

All that will lead into putting together the plans that you're going to be submitting. And present that compelling case for the readiness of your state and that the model testing that you want to pursue and how you want to get that started. Part of that, too, is the monitoring and we'll have some slides and talk a lot more today about the evaluation of that. We will be doing, here at the event, Innovation Center, and our contract and support will assist us in that.

We'll evaluate how these models work to hit our hypothesis for our populations in particular, the Medicaid, Medicare and CHIP populations. We fully will work with you as partners in those evaluations and we'll expect that the state will assist us getting that information. We want to work with you on

perhaps fine tuning your ability to do evaluations, and help you with contracting support you might have in your state.

And then in addition to that, have you take a look at the multi-payer aspect of that and some of the commercial payers you bring in and do more of the evaluation on how that's working. How the models are working for those other payers. The next talk about the application process itself. As we've mentioned before, there are two testing tracks. There's the track 1 and track 2.

This will all depend and gets to the evaluation process we'll be looking at when you submit your applications. So when the applications come in, we will be doing independent—and they will be independent of the Innovation Center—we'll have independent review panels who will rank and look at the applications based on a score that I'll go over in a few minutes, on that scoring.

Those will be our objective review panels. We also have our office of the actuary take a look at the financial templates that we'll ask you to complete, and look at the numbers on the model. And then we will also look at waiver feasibility of what's being submitted. And we will do that for all. You do not need, when you submit your application, to decide if you think what you're submitting will be a track 1 or a track 2 application.

We'll make that determination after we've looked at it. Track 1 would be for models we've already been engaged in or waivers your state has already received, say, from Medicaid. So if you want to look at something where you're going to look at an ACO model similar to what we've already put on the table, at MSSP, possibly the Pioneer ACOs, if you have some 11-15 demonstration waivers from Medicaid you've already received and you want to expand those particular models.

Build a plan that's complementary of all that and everything else in your state, that might very well put you in track 1. But we will make, I can't give you a definitive answer now, because we'll have to look at those as they come in. But that's kind of what we're looking at under track 1. So proposals that don't require new waivers, new authority under Medicare, utilizing these existing models.

For those models, we'll give you—we anticipate six months to ramp up, do your final checks, making sure everything is ready to go. And then after six months we'd start the three year testing period. If you want to pursue something totally new, we want to see that, too. And we want to work with you on those new, innovative models. Perhaps ideas we haven't thought of before, and that's part of what we want to look at, is new innovations.

We have to look at the authorities and the waivers that might be necessary to do that. And in the application, when you submit that, we are asking you to look at the types of waivers you think you need for Medicaid and possibly the types of authorities you would want us here at CMS to align Medicare with, to help you achieve those models and fit into your overall healthcare innovation plan. Now we will not be giving states Medicare waivers.

What we would do is if we went down this route, and had a model that we wanted to work with you on, and partner on, we would invite Medicare providers in the state to participate in those models that would be aligned with the work you'd be doing in your payment and service delivery models. And that could be something totally new.

To do that would obviously take more review on our part and give you more time to plan on your part, so we would add an additional six months to look at the waivers, or authorities that would be needed, reach a final determination on that. Assuming that all looks good, after that six months, we would start the same six month pretesting period we'd have for the track 1 states, and after that start the three year test.

So the total cooperative agreement period for the track 1 states would be 42 months and for the track 2 states would be 48 months. It's possible that some applications will come in and they won't qualify. Again, we're only going to be giving out five, up to five awards for model testing in this first round. And the total amount for that is 225 million, about 20 to 60 million per state, based on a variety of factors that would, that would lead to those award amounts.

States that don't qualify but have submitted a good application, and these, again, would be model testing applications. That's the longer applications, it would include a healthcare innovation plan, it would include those letters of participation and support, but didn't quite, didn't get an award, could qualify for a pretesting assistance award. These awards are not the same as the design awards.

These are states, you've obviously done more work when you submitted that, and are farther along that process, but the award amount would be about the same, one to three million, to fine tune the plan that had been submitted and to resubmit. We are anticipating doing a second round of testing next summer. I can't—we have not determined exactly how many states or how much would be in the offering for that.

So, I mean, I know we've gotten some questions on that. But we are expecting to do that second round. And that second round is for the states who've gone through the model design process this time and also for these states who would receive, possibly, pretesting assistance awards to come back in. Now the pretesting assistance awards come out of the 50 million we've earmarked for the model design in the 25 states.

So to the extent that we give out awards under pretesting assistance, it will lessen the amount we give out under the design. So if we give out three awards under the pretesting assistance, it would be three fewer we're going to do under the model design. That's probably because states who have been through this should be farther along in their processes because they've submitted more work.

They've clearly done more work and should be closer to implementation. And our goal is to get models that we can get up and test as soon as possible. Considerations to look at as you put your testing proposal together, and this will hit everything we've talked about and it's—a nice summary on the next page will get us though, really, the checklist. But identify the multi-payers who are going to be involved in your model.

We do want to see that engagement and active participation. Describe the innovative approaches you're going to look at. And, again, it could be, and this is particularly, it's the workforce that you have, thinking about the future of your workforce and where it's going to be going and the needs you're going to have for healthcare and the broader health in the community. A lot more prevention care, which would be part of community models.

New and modified regulatory authority, related to accountable care organizations, certainly, and delivery forms, system transformation. Any changes you might be looking at in insurance regulation

requirements, especially as we get new SPs like accountable care organizations. If applicable, how the insurance exchange, how you'd integrate and coordinate with that in your state.

The models integrated for, again, for accountable care organizations, with community prevention. That wouldn't just be the accountable care organizations, but thinking about community prevention and integration, especially as it fits in with your overall healthcare innovation plan and, of course, strategies that build upon that community engagement and stabilization.

This slide is listed pretty much right out of the funding opportunity announcement, and is, the checklist in there, actually used the checklist in the application. You need to submit all these materials as part of your plan. Again, we will, in the next webinar, go over this in detail, all the nuts and bolts of everything you have to submit and the format you need to submit it in.

Because if it does not conform to those formats, your application could be eliminated before we even got a chance to look at it. And we want to make sure that does not happen for anyone. So, we will be having that additional webinar to get into all the nuts and bolts on that. I'll take a moment here, because we have not, and I've heard it from some of you, and that's great, that you're so far along, you're ready to start submitting your application.

We are not ready to receive those applications at this moment. So at this point you could certainly start working on your narrative, your program narrative and, for sure, that's a 65 page limit on that, as well as your, your budget and the narrative, now, and the standard forms, which cannot be yet because application is not out. We hope to have it up very soon. We've run into some glitches related to getting that posted.

We are trying to resolve those as fast as we can. We know it's frustrating. I do apologize for that. But we hope to have the application out there soon, as well as the financial template. And we will have that out before our next webinar. So you can have a chance to look at it and bring questions you have on the template and any questions you might have on that actual application package to that—that you've had time to look at it, review it, and bring those questions to the next webinar.

So we will send out a notice to everyone who's registered for these model testing and model design webinars, as well as our list. We've been sending out to the actual governors' offices, letting you know the minute those materials are available for you. The scoring, as I mentioned before, we will have independent, and they are—and by that I mean no one from the center of innovation will be on those panels.

We have independent review panels who are looking at the applications you submit and how—it goes into great detail—the points that are talked about in the application. If you were on the call yesterday, you noticed the point spread is a little different for a model testing, because there's more elements we want to spend more time looking at. The overall testing strategy, we've put a lot of weight on that.

The provider engagement and payer engagement, put a lot of weight on both of those. And you notice we've done it for both the providers, make sure that you have proof of participation and engagement there, as well as the payers. Your overall organizational capacity, the multi-stakeholder engagement that's reaching out beyond just the payers and providers and into the community.

The financial analysis, in particular here, which is going to be a part of that, substandard operational budget—on the model design operational budget, are the points there awarded to plan heavier than the national template will be, here it would be probably more in that financial analysis and performance reporting, which is actually not part of the scoring we're going to be looking at for the model design states.

But that will be a qualitative review and evaluation, some case studies looking at what they're doing. Here we will be looking, there will be a lot more quantitative review and analysis on performance reporting that we'll need from you in order to do those kind of analyses, and points will be awarded for that. In terms of the funding, allowable costs will be, again, this will range from 20 to 60 million over the life of the award period, which will be 42 to 48 months, three months of testing either way, from track 1 or track 2.

We would help and assist with the technical resources you need to do this, the data collection and analysis, and reporting you're going to need to do, helping us with the rapid cycle evaluations we're going to be doing, and the evaluations that you'll be doing on your end. Healthcare information exchange costs, to the extent it's not duplicative, I'll talk about them, more of them in the next slide.

But to build that up, infrastructure costs you have for possible a tele-medical system. Again, these are merely examples, this is not the exhaustive list. We want to see how you would build those models, and we want to support you in getting those models off the ground. It could be an all payer database that you wanted to build and work on that. We have more examples on this page.

I won't belabor going through all of them. But you're beneficiary assignment and alignment, and how you're going to do attribution, reconciling costs. As I mentioned before, a lot of states, we know, are looking at all-payer databases, which gives you a lot of data, not only on the payment side, but the quality allows you to monitor that across payers and certainly for the states, useful for exchanges.

We'd be interested in talking to states about that. So these are just, some of the examples of the types of costs that we would consider as part of your model testing of your payment model and service delivery models. There are some things that you cannot do with our money. And that includes match it to any other federal funds, no supplanting. Now supplementing could be allowed, and we would want to talk to you about that.

So if you were supplementing exchanges or something along those lines, that might be possible, and we would need to look on a case by case basis, but we'd be glad to talk to you about that. These are pretty much our standard prohibitions, but you can't use it for anything that's unrelated to the model, anything that would involve lobbying for federal or state law changes, to satisfy any state or local match requirements.

Any kind of federal match requirements you have, you cannot use our federal funds to meet those. Unlike the model designs, we will also have all of our terms and conditions for these model testing awards. And once we have selected the states we are going to be interested in working with, we will also be talking with you about special terms and conditions. And they could include how exactly we're going to do the reporting, learning and diffusion.

Again, we want to make a lot of resources available to you to assist you, and help you put together and test these models. Stakeholder consultations, including, of course, tribal consultations. So we are

anticipating working with you on special terms and conditions, as well as standard terms and conditions that are pretty much, as I said, standard across the various grants we offer.

But that will be a component as part of the awarding process. And I just want to make you aware of that, there's a lot more information in this funding opportunity announcement. But that will be a part of the award process for any of the model testing awards. Evaluation. As I mentioned before, we are going to spend, we are going to work closely with you on the evaluations for the model testing.

And overall there's going to be a three parts to this model testing evaluation including the overall design and data collection phase, the rapid cycle evaluation we're going to be doing, and that's something we're doing a lot of here at the Innovation Center. And by that we mean evaluating, to some extent, as we go, so that we can improve the models and finally lead to the, the summative or impact evaluation of what we've been looking at.

So we're interested in all three parts of that as we're doing these evaluations. We will be working with an evaluation contractor we will hire here at the Innovation Center. And that contractor will assist us in working with you to develop the standards for data collection, and the use of the data reporting, as well as the requirements that we're going to need for the data elements that we'll ask you to collect and report to us as part of this model.

Our contractor will also help us working with you on monitoring of the different models—how they're planned out—and the rapid cycle evaluation, with the goal of promoting realtime program improvements, as well as providing information we're going to need for the impact evaluation within, and also across, the states. We'll want to look that way, too.

The evaluation will rely on a multi-pronged data collection program in order to understand the context of the models you're doing, including, we may do provider surveys, Medicare administrative claims are certainly going to be part of what we want to look at. Your Medicaid and CHIP program beneficiary experience surveys, site visits with practices, focus groups with beneficiaries and their families and caregivers.

Also possibly focus groups of practice staff, support workers, and others. We're going to use both qualitative interviews with you and your providers, to understand your organizational structures, as well as the quantitative look at the claims data, the encounters, all that was packed into the evaluations as we put these together. And your role in all this, again, we want to work with you, want you to be a very partner with us in putting this together, especially with the populations that you work with every day in Medicaid and CHIP.

And the evaluation efforts should—we want to build a framework so you have a foundation to work with into the future. Both for monitoring your program and also working with other payers. So that we want to work with you and tell you what we know about the evaluation techniques. Hopefully help give you some ideas on how you might do evaluations in your state. We will expect you to collect and analyze the data on an ongoing basis throughout your continuous improvement efforts.

And you'll see in the FOA we talk about that a lot, that we want you as our partners to be looking at continuous improvements you can make in maintaining the performance assessments and quality improvement metrics, so that we can demonstrate the progress we're working toward on our metrics. And those are metrics, again, are better health, better healthcare, and lowering the cost.

Data collection, of course, is going to be central to the success of this evaluation. Therefore, the data collection requirements will be a condition of participating in this initiative. As I mentioned earlier, it will be part of the terms and conditions. This may include providing Medicaid encounter data, both baseline data and then during the testing period. The requirements for data methods for the evaluation will be finalized as we work with you, after we pick the states, select the specific models.

So I can't get into a lot of details but wanted, again, to sensitize you that the data will be a large part of this as well as the qualitative looks we'll be doing. And we will ask you to identify and work with a research group in your state, and we hope it would be some group in your state, although that's not a prerequisite. Somebody that would help you and assist in the evaluation, and also develop an in-state expertise you've have to make this an ongoing process for continuous improvement into the future.

And with that, I'll finish up with the timeline that you've seen before, probably. But when we made this announcement back on July 19th, applications will be due toward the end of September, and we anticipate making awards towards the end of November on this. And then, as I mentioned before, we'll have, once we do that, after 12 months, or what could well actually—the 12 months, that will bring us down for track 2 states.

That would be six months for our waiver and authority checks here at the department while you are doing some pre-implementation work. That would be the first six months, followed by a second six months of fine tuning pre-implementation to get ready to start testing. For track 1 states, that's all they would need, is that six months and then start the tests. So a 42 to 48 month total period in each case, whether it's track 1 or track 2, we're looking at a three year test, 36 months in test period.

Wrapping up in 2016. To finish up, again, we will be having another webinar soon on the application submission guidelines and the templates and resources. We are now planning to do this all at one big webinar, and, again, we will be letting you know as soon as we get that scheduled. It'll likely be the week after next. So we'll keep you posted on that and we'll send something out.

But that we'll go over in detail, it's really section four of the funding opportunity announcement, when we walk through all of the how you go about applying, what you need to do, the formats you need to conform to, the templates—which, again, we'll have out in advance of that so you have a chance to look at that. And bring any questions you have about the templates to that meeting, as well as making available to you some resources on Medicare data and telling you where to look for that.

Again, if you want to look at that now you can check the prior webinars, but there's a lot of statewide, and even, now you can drill down into areas within your states through the institute of medicine website has a lot of information out there on, on pay for service Medicare. And we will be making more available to you. If you have more questions after today, please write to us at state innovations, all together, no space between state and innovations, @cms.hhs.gov.

I will mention, again, we invite you, actually, we encourage you, to consider creating a similar kind of inbox in your state. We are getting calls, how do I reach out to my governor, I'm really excited about doing this. If you have, if you create a box like that to funnel all these inquiries to, and let us know what that is, we will link to that, and we could put it up on our site, link to your site.

And certainly make people aware of that, so, please consider doing that. As I mentioned previously, we are updating the FAQs, thank you for—we've gotten a lot of great questions which we've put out there

and we'll be posting that as soon as we can. And additional information, including a fact sheet, the FAQs and a lot of other information is available at our Innovation Center website at <http://innovation.cms.gov>, and you can check—as you scroll through that you get those state innovations.

So, with that, I think we're ready to open it up for questions. Ray?

RAY THORN: Great, thank you, Jim. Before we head into questions, a couple of reminders. Just one, we are offering model design and model testing awards for this solicitation. But a state can only apply for one of those awards, not both. So you can only apply for a model design award or a model testing award for this round. And then the webinars that Jim mentioned, I will put a save the date that we're tentatively looking to do the webinar on the application submission guidance and the financial templates, and Medicare data resources on August 28th. That's a Tuesday, I believe, at 3 o'clock. Again, save the date for August 28th at 3 pm.

JAMES JOHNSTON: Eastern time.

RAY THORN: Eastern time, thank you, Jim. We will have more information as it becomes available, but I wanted to get that on folk's calendar. And, again, I stress the word tentative. So, Operator, if you want to remind folks on how to—if they want to ask questions over the phone, if you would like to go ahead and give those instructions, that would be great. We will also be taking questions over the, the chat box as well.

OPERATOR: Thank you. Ladies and gentlemen, if you would like to register a question, please press the 1, followed by the 4, on your telephone. You will hear a three tone prompt to acknowledge your request. If your question has been answered and you would like to withdraw your registration, please press the 1, followed by the 3. If you're using a speakerphone, please lift your handset before entering your request. One moment, please, for our first question.

RAY THORN: And, Operator, while we're waiting for people to line up in the queue, we do have some questions over the chat box, and the first question that we received is, for states in track 1, what activities might be assessable during this stage 1 pretesting period?

JAMES JOHNSTON: Okay. For track 1, these would be states who would have a model that either doesn't need any new authorities or new waivers, and what could they do during that six month test period? We're assuming you're pretty close to getting ready to do your test. It will be the—it might be hiring up some staff to get started on that. Testing your data systems to make sure you have everything you need in place.

It might be building the model a little bit more. But really kind of the final checks to get ready to start implementing that model and pushing the button and starting the testing process. So the pre-implementation work could be a lot of, possibly building out, just sort of even more doing the final checks to make sure everything's working the way you thought it should.

RAY THORN: Great, thank you, Jim. Operator, do we have anyone in the queue right now?

OPERATOR: There are no questions at this time. However, ladies and gentlemen, to register for a question, you may press the 1, followed by the 4.

RAY THORN: Okay. The next question that we received is, over the chat box, when will the financial analysis template be available, and what is the specific definition of a sound, actual, actuarial model, and what advice does CMS have for states that do not have ready access to actuarial services?

JAMES JOHNSTON: All right. Well, let me start with the first question there. This is Jim, on the financial analysis template. We hope to have that out in the very near future. Again, that, as Ray mentioned, save the date for the next webinar on the 28th. We hope to have it out well in advance of that next webinar so you have a chance to review it, work through it, and then bring any questions you might have.

So, I'd like to say by Friday, but I cannot guarantee it will be out by this Friday. But in the very near future we want to have that posted so you can start working on it. We are as anxious as you are to get that out there. We will be providing, and certainly as part of the technical assistance to the states in both the design and testing modes, and some of that assistance could be in the form of some actuarial assistance.

Now again, the states will have some funding, if they receive awards, to hire actuaries. We plan to possibly, depending on the mix of states we have, and the kinds of models they want to pursue, offering, augmenting that assistance, which could include actuarial support. So that might be a possibility. It certainly, though, would not help you at this phase as we, we—that'll be after we work with the states and engage them.

At this point we will not be offering that support as you prepare your models. So that's something you need to think about as you put it together. As part of that, once we select the states, that is part of the technical assistance we plan to offer.

RAY THORN: Thank you, Jim. The next question that we received, if a state HHS agency already has a CCR, can it act as the authorizing representative with a letter of support from the governor's office? Or the governor's office needs to register with CCR?

JAMES JOHNSTON: They do to show the—and we are asking for the governor's letter of endorsement on the project. But the actual application, you couldn't delegate that. And we will get into that in a lot more detail at the next webinar. Who's the authorized representative.

RAY THORN: Operator, do we have any folks in the queue?

OPERATOR: I'm showing no telephone questions.

RAY THORN: The next question we received, can you please say more about the role of states and the role of the Innovation Center in the evaluation process?

JAMES JOHNSTON: Sure. As I mentioned before, the—we here at the Innovation Center will be doing an evaluation, testing the hypothesis that I laid out at the beginning, to see how the models have worked and preformed, and if they have indeed, as we hope they will, accelerating that transformation and pushing the models along and moving us toward that kind of integrated healthcare system with better health, better healthcare, and lower cost.

We want to work with the states, we want you to be our partners on that, and what we want to do is, one, support states in doing that by providing expertise in how to do evaluations and how to continue to do continuous quality improvement as you go forward, so that we lay the foundation to continue that

kind of work beyond the testing period. So that's partly what we want to work with, providing the expertise, kind of the assistance, in developing the systems you need to continue to look at that.

What we also ask states to do is provide us the data we need to perform the, both the qualitative and quantitative reviews, as I talked about, which is everything from surveys to looking at the claims and encounters. So we'll need your assistance from the states in collecting that data, especially on your Medicaid and CHIP programs. We'll have the Medicare data here.

But working with you on that, how it fits in with other models. Also, we are going to ask you at the state levels to look at the multi-payer aspect of that more, and how the impact is working on other payers within the state and the commercial populations.

RAY THORN: Great. Thank you, Jim. We did receive a question, you know, about the FAQs on the Innovation Center website. Yes, that, those are, those FAQs reflect the rollout—the FAQs that were rolled out back in July, but they have not been updated since. We hope to update the FAQs in the near future. It is going through our clearance process, but we hope to have them updated by the webinar on August 28th.

The next question that we received, in the application scoring rubric, can you explain where the community health piece comes in?

JAMES JOHNSTON: If by community health you're talking about the state healthcare innovation plan, that, that plan should be reflected, certainly, in the, as the state puts together their model testing strategy. We expect to see linkages to that, that broader community health and how that strategy fits together. It could also show up in the provider and payer engagement.

Reaching out, again, as a community health, it's really multi-stakeholder engagement would be part of that. In all those areas, it's really in the state healthcare innovation plan, we would expect to see how community health is woven into the overall application models.

RAY THORN: Thank you, Jim. Operator, do we have anyone on the, in the queue? Operator, is there anyone in the queue?

OPERATOR: I'm showing no questions.

RAY THORN: Okay, thank you. A couple of more questions. In the application, it mentioned engagement. What is your expectation regarding consumers?

JAMES JOHNSTON: We are asking you, again, this speaks to a very broad look at engagement of payers, providers, tribal governments, community groups, and consumers. And that would—consumers—that could take a lot of forms in your state or how you do it. I know some states have done very broad, almost like town hall meetings, and that would be one approach to it. It might be consumer groups, advocacy groups, that have come together and certainly, consumers and often patients have formed different groups.

Yeah, to some extent it will depend on your state and how that's structured and how you've engaged and collected that input in the past. But we will, again, once we start the design testing, work with states to, to further do that. But I would suggest at this point that you look at how it works in your state. It

could be anything from actually reaching out to a broad base of individuals, to looking at consumer and patient groups that are organized.

RAY THORN: Great, thank you, Jim. We do have another question regarding evaluation. And this is regards to the state's internal evaluation contract, and is that an external entity that evaluates one state's program in contrast to CMS's evaluator, who evaluates programs across all states? So, it, so, please elaborate a little bit more further the questioner asked, or states, that it will be challenging to procure an internal evaluation contractor before September 1st. Would it be sufficient to describe the process by which we would procure a qualified vendor upon award of the state innovation models opportunity?

JAMES JOHNSTON: That might be possible. And, again, we want to work with the states and see what the situations were with the states with awards. We understand procurement processes in some states can be, you know, can take a while. And we want to be sensitive to that, too. So we'd be glad to work with you.

We are, the thought behind this, though, is that you would have again hopefully, an instate group, possibly that one of your universities, wouldn't have to be that, but some kind of preferable instate group, academic researcher. Again, it could take other forms, too, but that would help you with the evaluation and also somebody you'd want to work with and establish the framework on an ongoing basis for continuous improvement, even after the model was completed.

So working with our evaluator, working with us, on the techniques and developing that expertise, and then having that basis to go forward from. We want to be clear, the evaluation of the models that will be, that is, we see that as our responsibility here at the Innovation Center, and that will be our evaluation, To look at the results for our Medicaid, Medicare and CHIP populations.

RAY THORN: Thank you, Jim. I want to check in with the Operator and see if there is anyone in the queue.

OPERATOR: There are no questions at this time.

RAY THORN: Thank you. And it looks like we do not have any more chat questions in our chat box. And, with that, I think we will go ahead and wrap things up. Just a few reminders. We are targeting August 28th, 3 pm, Eastern time, for the last webinar in our series of webinars regarding the, the application submissions and then the financial template, and Medicare data resources.

JAMES JOHNSTON: I have one more thing.

RAY THORN: Oh, and Jim wants to add one more thing.

JAMES JOHNSTON: All right. I want to, again, sorry, I didn't mean to cut you off.

RAY THORN: That's all right.

JAMES JOHNSTON: Well, again, thank everybody for joining us today. Hopefully you're finding this useful. Again, you can send questions to us, and I, as I mentioned at our state innovations box, and we know that the one state here. Very gratifying that they have already created their own state's box for state innovations and will set that up and let folks know a link to that. But, again, encourage you to think

about that as you go forward. It will funnel all your questions and give you that central point of contact. So, thanks again.

OPERATOR: I apologize for the interruption, this is the Operator, we do have a question that just entered the queue.

RAY THORN: Great, go ahead, Operator.

OPERATOR: Actually, she just disconnected, I apologize.

RAY THORN: Oh, okay. Well, with that, I think we just did a reminder. If you do have questions, feel free to email the email box stateinnovations@cms.hhs.gov, and with that, we wish everyone a good afternoon and thank you for joining us.

OPERATOR: Thank you, ladies and gentlemen, that concludes our conference call for today. We thank you for your participation and ask that you please disconnect your lines. Have a good day.

[END OF FILE]