

***VT Health Care Innovation Project
Core Team Meeting Agenda***

**January 13, 2014 1:00 pm- 3:30 pm
3rd Floor Large Conference Room, DFR, 89 Main Street, Montpelier
Call-In Number: 1-877-273-4202; Passcode: 8155970**

Item #	Time Frame	Topic	Presenter	Relevant Attachments
1	1:00-1:10	Welcome and Chair's Report:	Anya Rader Wallack	Attachment 1: Agenda
Core Team Processes and Procedures				
2	1:10-1:15	Approval of meeting minutes	Anya Rader Wallack	Attachment 2: December 9 th minutes
3	1:15-1:40	Project Director Report: a. Conflict of Interest Policy Update b. ACO Shared Savings Programs Update c. Staffing Report	Georgia Maheras	Attachment 3: Staffing Report
Policy updates, recommendations and decisions				
4	1:40-1:55	Duals Program Update	Anya Rader Wallack	
Spending recommendations and decisions				
4	1:55-2:10	Financial Update: a. Update on Spending to Date	Georgia Maheras	Attachment 4a: VHCIP Spending Tracking Chart

		b. Proposal regarding per diem policy		(excel) Attachment 4b: Per diem policy proposal
5	2:20-3:00	Continued Discussion and approval of Grant Program, subject to CMMI approval	Georgia Maheras	Attachment 5a: Grant Program Application (as submitted to CMMI) Attachment 5b: G. Maheras Memo to Core Team
7	3:00-3:15	Public Comment	Anya Rader Wallack	
8	3:15-3:30	Next Steps, Wrap-Up and Future Meeting Schedule: 2/4: 1:30-3:00 pm at DFR in Montpelier with a focus on the grant program. 2/18: 10:00-12:30 pm at DFR in Montpelier Montpelier with a focus on the grant program.	Anya Rader Wallack	

VT Health Care Innovation Project Core Team Meeting Minutes

December 9, 2013 1:30-4:00 p.m.

3rd Floor Conference Room, DFR, 89 Main Street, Montpelier

Attendees: Anya Rader Wallack, Paul Bengtson, Al Gobeille, Mark Larson, Robin Lunge, Doug Racine (joined at 1:35), Steve Voigt (via phone), Susan Wehry (joined at 1:35).

Others Present and Participating:

Georgia Maheras, Project Director, AOA; Allan Ramsay, Spenser Weppeler, Ena Backus, Kara Suter, Diane Cummings, Kate Jones, Bea Grause, Anna Bassford, Richard Slusky, Steve Maier, Nelson LaMothe, George Sales.

Agenda Item	Discussion	Next Steps
1 Welcome and Chair's report	<u>Document Att 1 Timeline of Expected Core Team Decisions:</u> The chair's report included: a timeline of major Core Team activities. Additionally the pending Duals MOU decision.	
2 Approval of Meeting Minutes	<u>Documents Att 2a, 2b, 2c :</u> Approval of meeting minutes from September 10th, October 14th and November 18 th .	
	The Core Team approved the meeting minutes. Motion made by Paul Bengtson and seconded by Al Gobeille. All approved. Doug Racine and Susan Wehry were absent for this vote, and joined the meeting for Agenda item #3.	
3 Continued discussion of decision making	<u>Documents 3a, 3b:</u> Anya Rader Wallack reviewed the decision making chart which reflects the flow of Work Group funding decisions and policy recommendations to the Steering Committee, and on to the Core Team. The Core Team makes all funding decisions for the SIM Grant, and	Anya will make adjustments to Al's slides based on the

Agenda Item	Discussion	Next Steps
and relationship between CT and others	<p>forwards along VHCIP policy recommendations to Vermont Agencies. Al Gobeille presented several slides reflecting the revision of the GMCB Pilot/Oversight Process. GMCB oversight is triggered by 2 or more Payers and/or Providers cooperating and/or participating in health care activity. The GMCB is tasked with judicial-like review to ensure the best interest of the public. The GMCB also facilitates engagement with all stakeholders to ensure best value for the public. Several points were raised in the discussion including:</p> <ul style="list-style-type: none"> • The fragmented roles in government processes and allocation of authority could block the progress of a VHCIP pilot. • The GMCB can say no to recommendations, but only after giving full consideration to Core Team and Work Groups' recommendations. • As specific recommendations are presented to the Core Team, the decision making process will likely evolve to suit the circumstances. 	discussion.
4 Draft Conflict of Interest Standards	<p>Document 4a, 4b: Robin Lunge reviewed the updated Conflict of Interest standards for VHCIP Core Team, Steering Committee, and Work Groups. Several points were raised in the discussion including:</p> <ul style="list-style-type: none"> • There is a high risk for conflict in a small state and we need this policy to be part of our day-to-day culture. • Clarification of what is an appearance of a conflict, when and how to disclose, and protocols for recusal by participants in discussion and/or voting 	COI Policy will be disseminated throughout the project.
	<p>The Core Team approved the COI Policy. Motion made by Susan Wehry and seconded by Paul Bengtson.</p>	
5 Request approval for Type 1 spending	<p>Document 5a, 5b : Georgia presented a memo to the Core Team regarding the implementation period carry forward of unspent funds and Type 1 contracting expenditures for approval. The Core Team went into Executive Session on a motion made by Al Gobeille, seconded by Robin Lunge with all approving. The Executive Session was: to discuss contractual matters related to Project Management and Stakeholder Engagement and Expansion of the Grant Program.</p> <p>The Core Team came out of executive session and took the following actions:</p>	Georgia will provide the Core Team with a revised Funding Allocation Plan using a color-coded system to indicate what has been spent and what has not been spent

Agenda Item	Discussion	Next Steps
	<ol style="list-style-type: none"> 1. Approved the carry forward proposal for expenditures in Year 1 for: Project Management, Grant Program Expansion, and Stakeholder Engagement. Motion made by Mark Larson to approve the carry forward spending and seconded by Al Gobeille. All approved except Doug Racine who was absent from the room. 2. The Core Team approved reallocating funding in the Year 1 budget to support fielding a patient experience survey. Motion made by Mark Larson to approve the carry forward spending and seconded by Al Gobeille. All approved except Doug Racine who was absent from the room. 	<p>at the next CT meeting.</p>
<p>6 Discussion and potential decision on provider Grant Program</p>	<p>Document Att 6a, 6b: Anya Rader Wallack reviewed the revised draft criteria for the Provider Grant Program. Several points were raised in the discussion including:</p> <ul style="list-style-type: none"> • Should the money be front loaded, perhaps within the first year and a half of the grant? • Should there be some kind of criteria for determining allocation across provider entities. • There should be some criteria for measuring equity/need and a weighted point system for scoring applicants. • How could this interfere with Work Group funding? HIE specifically. • Will there be a limit or cap, perhaps a percentage of the total, some kind of scaling should be considered. • Oregon has a similar program that is linked to the number of patients. <p>Anya will work with Georgia to propose methods for scoring, allocating/capping funds, with a limit of one grant per provider.</p> <p>Motion to submit the Grant Program to CMMI for approval and release draft criteria to stakeholders made by Paul Bengtson, seconded by Mark Larson with all approving.</p>	<p>Georgia to revise criteria to reflect the Core Team’s suggestions. This draft will then be submitted, along with application materials, to CMMI for approval. Georgia will develop additional materials for discussion at the CT meeting in January including methods for scoring and allocation of funding proposal.</p>
<p>7 Public Comment</p>	<p>Public Comment</p>	
	<p>Anya noted that we need to allow public comment on all agenda items not just at the end after votes have been made.</p>	

Agenda Item	Discussion	Next Steps
	<p>Lila Richardson, Vermont Legal Aid from the Office of the Health Care Ombudsman, asked how often meetings are scheduled, how notice is provided to the public, and where minutes and documents can be found. Georgia explained that we notice all VHCIP meetings with the Vermont Library, and are in the process of launching a new website that will contain pertinent documents and minutes of meetings.</p>	
	<p>Bea Grause, Vermont Association of Hospital and Health Systems, noted that the SIM structure doesn't have to be an either or process and we need to sync policy and funding decisions.</p>	
	<p>Lori Real, Bi-State Primary Care, asked whether organizations other than providers are allowed to apply for Provider Grants, would the applicants need to submit budget for WP for each of the three years; and asked if the grants would be subject to sub-recipient monitoring or if they would be treated like vendors.</p> <p>Anya noted that there was no restriction on who could apply as long as they met the criteria noted in the program. Georgia clarified that a detailed 3 year work plan is required.</p> <p>Kate Jones, DVHA, also responded that awardees would be subject to sub-recipient accounting and monitoring.</p>	
	<p>Allan Ramsay, GMCB, asked if the Provider Grant Program draft would be sent to the Steering Committee for review.</p> <p>Anya noted that it would be presented to the Steering Committee at their upcoming meeting.</p>	
<p>8 Next steps :</p>	<p>Next Meeting scheduled: January 12, 2014 10:00 – 12:00pm DFR - 3rd Floor Large Conference Room, 89 Main Street, Montpelier</p>	

To: Core Team
 Fr: Georgia Maheras
 Date: January 6, 2014
 Re: Staffing Report

This memo provides an update on VHCIP funded staff recruitment and team building. It should be noted that there is a significant number of state staff working on this project who are not funded by the grant, but are nonetheless integral to the success of the work.

Recruitment

VHCIP includes several 20.5 funded positions, of which 10.5 are filled. Of those, 2.25 of the positions are at the Green Mountain Care Board, 2 are at the Department of Aging and Independent Living, 3 are at the Agency of Human Services Central Office, 12.25 are at the Department of Vermont Health Access, and 1 is at the Agency of Administration. Below please find a list of filled and vacation positions:

Position Title	Agency	Employee Name	% dedicated to the project
Fiscal Manager: Financial Manager II	AHS	Diane Cummings	100%
Program Manager for Duals: Duals Director	AHS	Julie Wasserman	100%
Project Director	AOA	Georgia Maheras	100%
Payment Program Manager: Quality Oversight Analyst	DVHA	Alicia Cooper	100%
Quality Monitoring & Evaluation: Senior Policy Advisor	DVHA	Ann Reeves	100%
Payment and Policy Specialist: Health Policy Analyst	DVHA	Erin Flynn	100%
Payment Reform Director	DVHA	Kara Suter	25%
Service Delivery Specialist: Administrative Services Manager I	DVHA	Luann Poirier	100%
Fiscal Manager:	DVHA	Robert Pierce	100%

Contract and Grant Administrator			
Evaluation Director	GMCB	Annie Paumgarten	100%
Grant Program Manager: Grant Manager Coordinator	GMCB	Christine Geiler	100%
Payment Reform Director	GMCB	Richard Slusky	25%
Workforce Work Group Manager	AOA	Recruiting at AOA	50%
Payment Program Manager	DAIL	Recruiting at DAIL- interviews ongoing*	100%
Payment Program Manager	DAIL	Recruiting at DAIL- interviews ongoing*	100%
Payment Initiative Director, Shared Savings	DVHA	Recruiting at DVHA	100%
Payment Initiative Director, Payment Pilots	DVHA	Recruiting at DVHA	100%
Payment Program Manager: Policy and Planning Chief	DVHA	Recruiting at DVHA	100%
Medicaid Data Analyst: Quality Oversight Analyst	DVHA	Recruiting at DVHA	100%
Medicaid Data Analyst: Health Care Statistical Information Administrator	DVHA	Recruiting at DVHA	100%
Medicaid Data Analyst: Health Care Statistical Information Administrator	DVHA	Recruiting at DVHA	100%
Medicaid Data Analyst: Health Care Statistical Information Administrator	DVHA	Recruiting at DVHA	100%
Quality Monitoring & Evaluation: Senior Policy Advisor	DVHA	Recruiting at DVHA	100%
Quality Monitoring &	DVHA	Recruiting at DVHA	100%

* DAIL is anticipating accepted offers by the end of January 2014.

Evaluation: Senior Policy Advisor			
Service Delivery Specialist: Health Policy Analyst	DVHA	Recruiting at DVHA	100%
Quality Monitoring & Evaluation: Business Administrator	IFS	Recruiting at IFS	100%

We have recently revised all of the job descriptions for the DVHA positions to enable us to complete recruitment for these positions. We are also launching a new series of advertising for these positions. The advertising will include: LinkedIn postings, posting on the DVHA and State HR recruitment sites, posting at Academy Health’s upcoming meeting in early February, posting to university recruitment sites and encouraging all VHCIP staff to distribute the positions to their professional networks.

If all of the positions are not filled by April, we will revisit the recruitment plan again.

Team Building

Team cohesiveness and communication improves the success of any project, including the VHCIP. There are several ways in which VHCIP staff work together. The project staff provides policy, financial and administrative support to the work groups, Steering Committee and Core Team. In addition to group planning meetings and ad hoc meetings, we have two groups of staff that meet biweekly: finance and policy. Beginning in February, the policy meeting will be broadened to include brief finance updates. The staff involved in these two meetings includes those funded by the project and many other staff engaged in the project. A critical agenda item for these meetings is a discussion of what is happening in each work group, which provides a forum for mitigating challenges, sharing lessons-learned, and providing opportunities for further collaboration.

In addition to these biweekly meetings, we are planning several in-person meetings of all VHCIP staff, funded and non-funded. These in-person meetings will provide an opportunity for staff to share ideas, challenges and strategies. We are also planning a staff retreat in June for more in-depth discussion.

VHCIP Funding Allocation Plan

		Implementatio n (March-Oct 2013)	Year 1	Year 2	Year 3	Total grant period	
Type 1a	Type 1A						
<i>Proposed type 1 without base work group or agency/dept support</i>	<i>Proposed Type 1 without base work group or agency/dept support (subject to Core Team approval)</i>						Green indicates the money has been committed through hiring or contracts. Blue indicates the money has been approved for spending, but the contract is pending.
	Personnel, fringe, travel, equipment, supplies, other, overhead	\$ 107,898	\$ 3,412,103	\$ 3,412,103	\$ 3,412,103	\$ 10,344,207	Includes new .5FTE in AOA for work force
	Duals personnel and fringe		\$ 110,000			\$ 110,000	Year 1 paid out of Carryover
	Project management	\$ 30,000	\$ 775,000	\$ 700,000	\$ 670,000	\$ 2,175,000	Year 1 paid out of Carryover
	Evaluation		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 3,000,000	\$478,889 per year committed.
	Outreach and Engagement		\$ 100,000			\$ 100,000	Year 1 paid out of Carryover
	Interagency coordination		\$ 110,000	\$ 110,000	\$ 110,000	\$ 330,000	
	Staff training and Change management		\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	Support Conferences and Educational Opportunities
	VITL Contract		\$ 1,177,846			\$ 1,177,846	
	Grant program		\$ 1,510,435	\$ 933,333	\$ 933,334	\$ 3,377,102	
	Subtotal	\$ 137,898	\$ 8,295,384	\$ 6,255,436	\$ 6,225,437	\$ 20,914,155	

VHCIP Funding Allocation Plan

Type 1b	Type 1 B		Year 1	Year 2	Year 3	Grant Total	
<i>Proposed type 1 related to base work group support (subject to Core Team approval)</i>	Proposed Type 1 related to base work group support (subject to Core Team approval)						
	Payment Models						
	Bailit/Murray		\$ -	\$ 200,000	\$ 200,000	\$ 400,000	To develop EOC program and P4P programs
	Burns and Associates or other vendor		\$ 200,000	\$ 200,000	\$ -	\$ 400,000	To develop EOC program and P4P programs. Note that only 125,000 has been approved by CT.
						\$ -	
	Measures					\$ -	
	Bailit/Murray		\$ -	\$ 200,000	\$ 200,000	\$ 400,000	
	Patient Experience Survey		\$ 300,000			\$ 300,000	
						\$ -	
	HIT/HIE		\$ 150,000	\$ 150,000	\$ 150,000	\$ 450,000	No contractor identified
						\$ -	
	Population Health		\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	No contractor identified
						\$ -	
	Workforce		\$ 43,000	\$ 43,000	\$ 43,000	\$ 129,000	No contractor identified
						\$ -	
	Care Models		\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000	No contractor identified
						\$ -	
	Duals					\$ -	
	Hogan/Besio/Wakely		\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000	
	Sub Total		\$ 1,293,000	\$ 1,393,000	\$ 1,193,000	\$ 3,879,000	

VHCIP Funding Allocation Plan

Type 1c	Type 1 C	Year 1	Year 2	Year 3	Grant Total	
<i>Proposed type 1 related to base agency/dept support</i>	Proposed Type 1 related to base agency/dept support					
	GMCB/DVHA					
	ACO Analytics Contractors	\$ 400,000	\$ 400,000	\$ 200,000	\$ 1,000,000	This contractor would support the development of spending targets, whether an ACO met those targets and how potential savings are distributed
					\$ -	
	GMCB				\$ -	
	Model testing support	\$ 125,000	\$ 125,000	\$ 125,000	\$ 375,000	Support GMCB analytics related to payment model development
					\$ -	
	DVHA				\$ -	
	Modifications to MMIS, etc...	\$ 350,000	\$ 150,000	\$ -	\$ 500,000	Resources to support updates to adjudication or analytic systems and processes like MMIS.
	Broad dissemination of programmatic information to providers and consumers	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	Communications to providers and consumers regarding program/billing changes.
	Analytics support to implement models	\$ 250,000	\$ 50,000	\$ 50,000	\$ 350,000	
	Technical support of web-based participation and attestation under the P4P program	\$ 125,000	\$ 100,000	\$ 25,000	\$ 250,000	Aimed to reduce administrative burden to implement and improve participation in P4P programs
	Analytic support	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	Support Medicaid analytics related to payment model development
	Sub-Total	\$ 1,450,000	\$ 1,025,000	\$ 600,000	\$ 3,075,000	

VHCIP Funding Allocation Plan

Type 2	Type 2		Year 1	Year 2	Year 3	Grant Total	
Total proposed type 2 (subject to staff planning, work group/steering committee review and Core Team approval)	Total proposed Type 2 (subject to staff planning, work group/steering committee review and Core Team approval)						
	HIT/HIE						
	Practice Transformation Teams		\$ 440,321	\$ 856,666	\$ 856,667	\$ 2,153,654	
	Clinical Registry		\$ 466,666	\$ 466,666	\$ 466,667	\$ 1,399,999	
	Integrated Platform		\$ 666,666	\$ 666,666	\$ 666,667	\$ 1,999,999	
	Expanded Connectivity between SOV and providers		\$ 833,333	\$ 833,333	\$ 833,334	\$ 2,500,000	
	Telemedicine		\$ 416,666	\$ 416,666	\$ 416,667	\$ 1,249,999	
	Expanded Connectivity HIE		\$ 346,346	\$ 661,077	\$ 661,077	\$ 1,668,500	
						\$ -	
	Workforce					\$ -	
	Surveys		\$ 80,000	\$ 80,000	\$ -	\$ 160,000	
	Data analysis		\$ -	\$ 150,000	\$ 150,000	\$ 300,000	
	System-wide analysis		\$ 546,666	\$ 546,666	\$ 546,667	\$ 1,639,999	
						\$ -	
						\$ -	
	Care Models					\$ -	
	Service delivery for LTSS, MH, SA, Children		\$ 533,333	\$ 533,333	\$ 533,334	\$ 1,600,000	
	Learning Collaboratives		\$ 500,000	\$ 325,000	\$ 325,000	\$ 1,150,000	This item could support outreach and mailings associated with notification and education on new care delivery and payment reform models.
	Analysis of how to incorporate LTSS, MH/SA		\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	This includes technology support to Medicaid Home Health Initiatives including Hub and Spoke.
	Practice Facilitators		\$ 170,000	\$ 170,000	\$ 170,000	\$ 510,000	
	Integration of MH/SA		\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000	
						\$ -	
	Sub-Total		\$ 5,149,997	\$ 5,856,073	\$ 5,776,080	\$ 16,782,150	

VHCIP Funding Allocation Plan

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VHCIP Funding Allocation Plan

Type 1a	\$	20,914,155	Type 1 A				
Type 1b	\$	3,879,000	Type 1 B				
Type 1c	\$	3,075,000	Type 1 C				
Type 2	\$	16,782,150	Type 2				
Unallocated (Year 1)	\$	358,865	Balance Avail.				
Grant Total	\$	45,009,170	Grant Total				

State Innovation Model

109 State Street
Montpelier, VT 05609
www.gmcboard.vermont.gov/sim_grant

To: VHCIP Core Team
Fr: Georgia Maheras
Date: January 7, 2014
Re: Per Diems and Stipends

This memo discusses the various ways in which State of Vermont agencies pay per diems to individuals who participate in state committees and boards. It also requests approval of a VHCIP policy of per diems to be paid to individuals participating in the project: *payment of a \$50 full-day or \$25 half-day per diem for individuals participating in the project who are not otherwise compensated for their time by another organization. All requests will go through the DVHA business office.*

The State of Vermont provides for per diems to be paid to individuals who participate in state committees and boards. CMMI does allow SIM funds to be used to pay mileage and per diems, but not meals. The Legislature has given authority to individual state agencies such as the Green Mountain Care Board and the Agency of Human Services¹ for this purpose.

Statutory Authority:

32 V.S.A. §1010² is the statute governing per diems for the State of Vermont. This statute allows agencies to pay \$50/day and the option of paying for meals and mileage. There are a few exceptions to this statute and these are enumerated in the law. The \$50/day limit is clear in the statute, but an agency can choose to pay individuals a prorated fee for work done outside of the work group or board meetings. The prorated fee is based on an 8-hour work day, which is \$6.25/hour.

Overview of Policy across several agencies:

- The Office of Professional Regulation follows 32 V.S.A. §1010 and provides mileage and meals for its participants.
- The Agency of Natural Resources also follows 32 V.S.A. §1010 and provides mileage and meals for its participants.

¹ The Green Mountain Care Board has a statutory limit to the annual amount that can be paid in per diems. This limit is \$5,000 per state fiscal year. The Agency of Human Services has a formal policy for per diems and stipends.

² <http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=32&Chapter=015&Section=01010>

- The Green Mountain Care Board provides mileage for participants in its advisory bodies. Members not paid or otherwise compensated by another organization, agency or other source to attend GMCB official meetings will, upon request, be reimbursed for mileage.
- The Agency of Human Services provides \$50 for full day events and \$25 for events of four hours or less. Members not paid or otherwise compensated by another organization, agency or other source to attend AHS official meetings will, upon request, be reimbursed for expenses as outlined below associated with attending these meetings.
- The Human Rights Commission provides \$50 per day and meals for their Commission Members.
- The Advisory Council on Historic Preservation, which is a seven-member board that meets approximately 10 times per year. The Council members receive a \$50 per diem per meeting and are reimbursed for their mileage to and from meetings.
- The Agency of Education does not have a policy. They use a contracting plan to pay folks for per diem work. The amount is set by the unit of the agency making the arrangement. The amounts are usually in the \$150 to \$200 range. Private sector folks appointed to the State Board of Education are paid the statutory \$50 per diem (32 V.S.A. § 1010).

Recommended Per Diem Policy: *Payment of a \$50 full-day or \$25 half-day per diem for individuals participating in the VHCIP who are not otherwise compensated for their time by another organization. All requests will go through the DVHA business office for processing. The Core Team delegates approval of these requests to Kara Suter and Mark Larson who work at DVHA.*

Vermont Health Care Innovation Project Grant Program Application

Draft dated 12.23.2013

I. Background

The federal Centers for Medicare and Medicaid Innovation (CMMI) awarded the State Innovation Model (SIM) grant to Vermont. The grant provides funding and other resources to support health care payment and delivery system reforms aimed at improving care, improving the health of the population, and reducing per capita health care costs, by 2017. To maximize the impact of non-governmental entity involvement in this health care reform effort, Vermont identified funding within its SIM grant to directly support providers engaged in payment and delivery system transformation. The State has determined that a competitive grant process will foster innovation and promote success among those providers eager to engage in reforms. These grants will be reviewed by the VHCIP/SIM Core Team using the criteria found in the Grant Program (GP) Criteria.

Applicants can seek technical assistance support as well as direct funding. The total amount available for direct funding is \$3,377,102.

GP grants will support provider-level activities that are consistent with overall intent of the SIM project, in two broad categories:

1. Activities that directly enhance provider capacity to test one or more of the three alternative payment models approved in Vermont's SIM grant application:
 - a. Shared Savings Accountable Care Organization (ACO) models;
 - b. Episode-Based or Bundled payment models; and
 - c. Pay-for-Performance models.
2. Infrastructure development that is consistent with development of a statewide high-performing health care system, including:
 - a. Development and implementation of innovative technology that supports advances in sharing clinical or other critical service information across different types of provider organizations;
 - b. Development and implementation of innovative systems for sharing clinical or other core services across different types of provider organizations;
 - c. Development of management systems to track costs and/or quality across different types of providers in innovative ways.

Preference will be given to applications that demonstrate:

- Support from and equitable involvement of multiple provider organization types that can demonstrate the grant will enhance integration across the organizations;
- A scope of impact that spans multiple sectors of the continuum of health care service delivery (for example, prevention, primary care, specialty care, mental health and long term services and supports);

- Innovation, as shown by evidence that the intervention proposed represents best practices in the field;
- An intent to leverage and/or adapt technology, tools, or models tested in other States to meet the needs of Vermont's health system;
- Consistency with the Green Mountain Care Board's specifications for Payment and Delivery System Reform pilots. The Green Mountain Care Board's specifications can be found here: <http://gmcboard.vermont.gov/PaymentReform>.

II. What these grants will fund

Grants will fund the following types of activities. Appendix B includes a detailed list of federal guidelines around this funding.:

- Data analysis
- Facilitation
- Quality improvement
- Evaluation
- Project development

III. Grant submission requirements

Applicants will be expected to provide the following in support of their application:

- GP Application Cover Form. This form is found in Appendix A.
- Grant Narrative. The Grant Narrative should be a maximum of 12 pages double-spaced, 12 point font, with 1-inch margins, paginated in a single sequence. The Grant Narrative should contain the following information:
 - a. A clear description of the activities for which the applicant is requesting funding or technical assistance;
 - b. A clear description of alternative funding sources sought and rationale for requesting SIM funds;
 - c. A description of technical assistance services sought. Appendix D provides more detail about the technical assistance services available under this grant .
 - d. A description of the project's potential return-on-investment in terms of cost savings and quality improvement, and plans for measuring both;
 - e. A description of how the project will avoid duplication where similar innovations in Vermont are currently underway;
 - f. A summary of the evidence base for the proposed activities or technical assistance;
- A project plan, staffing structure, deliverables description, and timeline for completion of the proposed activities. This includes a project management plan with implementation timelines and milestones.

- Executed Memorandum of Understanding or other demonstration of support from partner providers, if applicable.
- Budget Narrative. Budget Narrative guidance is found in Appendices B and C. The Budget Narrative should contain the following:
 - a. A budget for the proposed project, consistent with specified budget formats;
 - b. A description of any available matching support, whether financial or in-kind;
 - c. Information regarding on-going support that may be needed for work begun under this grant.

DRAFT

IV. State resources available to grantees

Grant recipients may receive the following support, to the extent that a need has been clearly established in the grant application. More detail about the technical assistance can be found in Appendix D:

- Supervision to ensure compliance with federal antitrust provisions;
- Assistance in aligning with other testing models in the state;
- Assistance with appropriately attributing outcomes and savings to testing models;
- Overall monitoring of health care quality and access;
- Funding for specific activities;
- Technical Assistance:
 - Meeting facilitation
 - Stakeholder engagement
 - Data analysis
 - Financial modeling
 - Professional learning opportunities

V. Compliance and Reporting Requirements

As a responsible steward of federal funding, the state, through the Agency of Human Services, Department of Vermont Health Access (DVHA), monitors its sub-recipients utilizing the following monitoring tools:

- 1) Ensure that sub-recipient is not disbarred/suspended or excluded for any reason
- 2) Sub-award agreement
- 3) Sub-recipient meeting and regular contact with sub-recipients
- 4) Required pre-approval for changes to budget or scope of grant
- 5) Quarterly financial reports
- 6) Bi-annual programmatic reports
- 7) Audit
- 8) Desk Reviews
- 9) Site audits

In its use of these monitoring tools, the State emphasizes clear communication to ensure a feedback loop that supports sub-recipients in maintaining compliance with federal requirements. The State may at any time elect to conduct additional sub-recipient monitoring. Sub-recipients therefore should maintain grant records accurately in the event that the State exercises this right. The State may also waive its right to perform certain sub-recipient monitoring activities. If, at any

time, the State waives its right to certain sub-recipient monitoring activities, it will note which activities were not completed and the reasons why that activity was not necessary. Each of the monitoring tools and policies regarding their use are described in detail below.

1) Sub-recipient status

When signing the sub-award agreement, Sub-recipient's certify that neither the Sub-recipient nor Sub-recipient principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

Additionally DVHA will utilize the Excluded Parties List System (www.epls.gov) to confirm that neither the Sub-recipient nor its principals are presently disbarred at least once during DVHA's fiscal year. DVHA will print a screen shot of its EPLS search, and place it in the Sub-recipient's files.

2) Sub-award agreement

A sub-award agreement is provided to each sub-recipient at the beginning of each grant. This sub-award agreement will detail the Catalog of Federal Domestic Assistance (CFDA) program name and number, the award name and number as assigned by the funder, the award period, and the name of the federal awarding agency. This sub-award agreement will also include: definitions, the scope of work to be performed, payment provisions, funder grant provisions, blank financial and programmatic reports, and a copy of this policy. Other information may be included if necessary.

Unless any changes are required, only one sub-award document will be generated for the term of a grant, even if that term spans several years. All sub-recipients must sign the sub-award agreement and any additional documents sent with the sub-award, or funding will be terminated.

3) Sub-recipient meeting/ sub-recipient contact

The State may decide, at the beginning of a grant or at any time during a grant, to host a meeting of grant partners in order to review grant goals and/or obligations. A sub-recipient meeting may be held with one individual sub-recipient, or with multiple sub-recipients.

The State will also maintain contact with sub-recipients. Sub-recipients are expected to notify the State if they are having any difficulty carrying out their grant responsibilities or if they need clarification of their grant responsibilities.

Sub-recipients meeting and sub-recipient contact will be noted on the sub-recipient checklist, with appropriate supporting documentation included in the sub-recipient's folder.

4) Required pre-approval for changes to budget or scope of grant

As stated above, all sub-recipients must seek prior approval from the grants manager at the State to utilize grant funding for any activities not explicitly described in the goals section of the narrative. Sub-recipients must also seek prior approval before making any changes to their section of the budget.

Notes regarding any prior approval requested by a sub-recipient, or a sub-recipient's failure to comply with this grant term, will be maintained on the sub-recipient checklist.

5) Quarterly financial reports

The Sub-recipient will submit accurate financial reports to the State no later than the tenth of the month following the quarter being reported (January 10th, April 10th, July 10th, October 10th). A blank copy of the required financial report will be provided with the sub-award agreement. All questions regarding financial reports should be directed to Robert Pierce at robert.pierce@state.vt.us.

Financial reports will be reviewed by the State for accuracy and to ensure that all charges are eligible to be reimbursed by the grant. Sub-recipients are expected to respond promptly to all questions concerning financial reports.

Sub-recipient's submission of quarterly financial reports will be recorded and monitored on the sub-recipient checklist.

6) Bi-annual programmatic reports

The sub-recipient will submit accurate programmatic reports to the State no later than the tenth of the month following the 6-month period being reported (January 10th and July 10th). A blank copy of the required programmatic reports will be provided with the sub-award agreement. All questions regarding programmatic reports should be directed to Georgia Maheras at georgia.maheras@state.vt.us.

Programmatic reports will be reviewed by the State for accuracy and to ensure that all charges are eligible to be reimbursed by the grant. Sub-recipients are expected to respond promptly to all questions concerning programmatic reports

7) Audit

Sub-recipients who spent at least \$500,000 in federal funds from all federal sources during their fiscal year must have an audit performed in accordance with OMB Circular A-133. The A-133 compliant audit must be completed within 9 months of the end of the sub-recipient's fiscal year. The sub-recipient shall provide the State with a copy of their completed A-133 compliant audit including:

- The auditor's opinion on the sub-recipient's financial statements,
- the auditor's report on the sub-recipient's internal controls,
- the auditor's report and opinion on compliance with laws and regulations that could have an effect on major programs,
- the schedule of findings and questioned costs,
- and the sub-recipients corrective action plan (if any).

The State will issue a management decision on audit findings within 6 months after receipt of the sub-recipient's A-133 compliant audit report.

If a sub-recipient's schedule of findings and questioned costs did not disclose audit findings relating to the Federal awards provided by the State and the summary schedule of prior audit findings did not report the status of audit findings relating to Federal awards provided by the State, the sub-recipient may opt not to provide the A-133 compliant audit report to the State. In this case, the State will verify that there were no audit findings utilizing the Federal Audit Clearinghouse database.

Any sub-recipient that, because it does not meet the \$500,000 threshold or because it is a for-profit entity, does not receive an audit performed in accordance with OMB Circular A-133 may at its option and expense have an independent audit performed. The independent audit should be performed to obtain reasonable assurance about whether the sub-recipient's financial statements are free of material misstatement. The independent audit should also take into consideration the sub-recipient's internal control, but does not necessarily have to contain the auditor's opinion on the agency's internal control. If the sub-recipient elects to have an audit report that covers more than the sub-recipient's financial statements, the State requests that the entirety of the auditor's report be provided to the State.

If the sub-recipient chooses not have an independent audit and the sub-recipient will receive at least \$10,000 during the current fiscal year, they will be subject to on-site monitoring during the award period.

Sub-recipients who are individual contractors will not be subject to on-site monitoring based solely on the lack of an independent audit.

8) Desk Reviews

All sub-recipients who are estimated to receive \$10,000 or more during the fiscal year will undergo a desk review at least once during the grant period. If a sub-recipient receives less than \$10,000, the State may at its discretion opt to conduct a desk review. During a desk review, sub-recipients might be expected to provide:

- Adequate source documentation to support financial requests including but not limited to an income statement, payroll ledgers, cancelled checks, receipts ledgers, bank deposit tickets and bank statements, and timesheets.
- If salary is funded under the award and if the staff whose salary is funded under the award is charged to other funding sources, time distribution records to support the amounts charged to federal funding provided by the State.
- A statement verifying that the organization has a system in place for maintaining its records relative to federal funding provided by the State for the amount of time as specified in the sub-award document.
- Adequate documentation to support required match, if any.

9) Site visits

All sub-recipients who receive \$50,000 or more in federal funding passed through the State for three consecutive fiscal years (July 1 – June 30), will undergo a site visit at least once during the three year period. Sub-recipient will be subject to desk monitoring during the intervening years. The State will arrange a suitable date and time for on-site monitoring with the sub-recipient. Recipients receiving a site visit will be expected to provide all of the back-up documentations as specified above, as well as:

- A written policy manual specifying approval authority for financial transactions.
- A chart of accounts and an accounting manual which includes written procedures for the authorization and recording of transactions.
- Documentation of adequate separation of duties for all financial transactions (that is, all financial transactions require the involvement of at least two individuals).
- If grant funds are utilized to purchase equipment, demonstration that the organization maintains a system for tracking property and other assets bought or leased with grant funds.
- A copy of the agency's Equal Opportunity Policy and Practices in Hiring.

Appendix A: Application Cover Form

General Information:

Organization Applying: _____

Key Contact for Applicant: _____

Key Contact Email and Phone Number: _____

Project Title and Brief Summary:

Project Title: _____

Brief Summary of the Project (max. 150 words):

Budget Request Summary:

Budget Category	Year 1	Year 2	Year 3
Personnel			
Fringe			
Travel			
Equipment			
Supplies			
Indirect			
Contracts			
Total			

Appendix B: CMMI Funding Restrictions

All funds expended through this grant program must comply with the federal guidelines found in the State Innovation Models FOA found

here: http://innovation.cms.gov/Files/x/StateInnovation_FOA.pdf

The cost principles address four tests in determining the allowability of costs. The tests are as follows:

- **Reasonableness (including necessity)**. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The cost principles elaborate on this concept and address considerations such as whether the cost is of a type generally necessary for the organization's operations or the grant's performance, whether the recipient complied with its established organizational policies in incurring the cost or charge, and whether the individuals responsible for the expenditure acted with due prudence in carrying out their responsibilities to the Federal government and the public at large as well as to the organization.
- **Allocability**. A cost is allocable to a specific grant, function, department, or other component, known as a cost objective, if the goods or services involved are chargeable or assignable to that cost objective in accordance with the relative benefits received or other equitable relationship. A cost is allocable to a grant if it is incurred solely in order to advance work under the grant; it benefits both the grant and other work of the organization, including other grant-supported projects or programs; or it is necessary to the overall operation of the organization and is deemed to be assignable, at least in part, to the grant.
- **Consistency**. Recipients must be consistent in assigning costs to cost objectives. They must be treated consistently for all work of the organization under similar circumstances, regardless of the source of funding, so as to avoid duplicate charges.
- **Conformance**. This test of allowability—conformance with limitations and exclusions contained in the terms and conditions of award, including those in the cost principles—may vary by the type of activity, the type of recipient, and other characteristics of individual awards. "Allowable Costs and Activities" below provides information common to most HHS grants and, where appropriate, specifies some of the distinctions if there is a different treatment based on the type of grant or recipient.

These four tests apply regardless of whether the particular category of costs is one specified in the cost principles or one governed by other terms and conditions of an award. These tests also apply regardless of treatment as a direct cost or an indirect cost. The fact that a proposed cost is awarded as requested by an applicant does not indicate a determination of allowability.

Direct Costs and Indirect Costs

This is for illustrative purposes. We strongly recommend applicants review all of the federal guidance provided in the FOA found here: http://innovation.cms.gov/Files/x/StateInnovation_FOA.pdf.

Direct costs are costs that can be identified specifically with a particular award, project or program, service, or other organizational activity or that can be directly assigned to such an activity with a high degree of accuracy. Direct costs include, but are not limited to, salaries, travel, equipment, and supplies directly benefiting the grant-supported project or program. Indirect costs (also known as “facilities and administrative costs”) are costs incurred for common or joint objectives that cannot be identified specifically with a particular project, program, or organizational activity. Facilities operation and maintenance costs, depreciation, and administrative expenses are examples of costs that usually are treated as indirect costs. There is a 10% cap on indirect costs. The organization is responsible for presenting costs consistently and must not include costs associated with its indirect rate as direct costs.

Examples of Unallowable Direct Costs:

- Alcohol
- Alteration and Renovation Costs
- Animals
- Bad Debts
- Bid and Proposal Costs
- Construction or Modernization
- Dues/Membership-Unallowable for Individuals (unless fringe benefit or employee development costs if applied as established organization policy across all funding sources).
- Entertainment
- Fines and Penalties
- Fundraising
- Honoraria- if this cost is for speaker fee that it is allowable as a direct cost.
- Invention, Patent or Licensing Costs-unless specifically authorized in the NOA.
- Land or Building Acquisition
- Lobbying
- Meals (Food)
- Travel

Appendix C: Budget Narrative Guidance

INTRODUCTION

This guidance is offered for the preparation of a budget request. Following this guidance will facilitate the review and approval of a requested budget by ensuring that the required or needed information is provided. In the budget request, awardees should distinguish between activities that will be funded under this agreement and activities funded with other sources.

A. Salaries and Wages

For each requested position, provide the following information: name of staff member occupying the position, if available; annual salary; percentage of time budgeted for this program; total months of salary budgeted; and total salary requested. Also, provide a justification and describe the scope of responsibility for each position, relating it to the accomplishment of program objectives.

<i>Position Title and Name</i>	<i>Annual</i>	<i>Time</i>	<i>Months</i>	<i>Amount Requested</i>
<i>Project Coordinator Susan Taylor</i>	<i>\$45,000</i>	<i>100%</i>	<i>12 months</i>	<i>\$45,000</i>
<i>Finance Administrator John Johnson</i>	<i>\$28,500</i>	<i>50%</i>	<i>12 months</i>	<i>\$14,250</i>
<i>Outreach Supervisor (Vacant*)</i>	<i>\$27,000</i>	<i>100%</i>	<i>12 months</i>	<i>\$27,000</i>

Sample Justification

The format may vary, but the description of responsibilities should be directly related to specific program objectives.

Job Description: Project Coordinator - (Name)

This position directs the overall operation of the project; responsible for overseeing the implementation of project activities; coordination with other agencies; development of materials, provisions of in service and training; conducting meetings; designs and directs the gathering, tabulating and interpreting of required data; responsible for overall program evaluation and for staff performance evaluation; and is the responsible authority for ensuring necessary reports/documentation are submitted to HHS. This position relates to all program objectives.

B. Fringe Benefits

Fringe benefits are usually applicable to direct salaries and wages. Provide information on the rate of fringe benefits used and the basis for their calculation. If a fringe benefit rate is not used, itemize how the fringe benefit amount is computed. This can be done for all FTE in one table instead of itemizing per employee.

PENDING CMMI AND CORE TEAM FINAL APPROVAL

Sample

Example: Project Coordinator — Salary \$45,000

<i>Retirement 5% of \$45,000</i>	=	<i>\$2,250</i>
<i>FICA 7.65% of \$45,000</i>	=	<i>3,443</i>
<i>Insurance</i>	=	<i>2,000</i>
<i>Workers' Compensation</i>	=	<i>_____</i>
<i>Total:</i>		

C. Consultant Costs

This category is appropriate when hiring an individual to give professional advice or services (e.g., training, expert consultant, etc.) for a fee but not as an employee of the awardee organization. Hiring a consultant requires submission of the following information:

1. Name of Consultant;
2. Organizational Affiliation (if applicable);
3. Nature of Services to be Rendered;
4. Relevance of Service to the Project;
5. The Number of Days of Consultation (basis for fee); and
6. The Expected Rate of Compensation (travel, per diem, other related expenses)—list a subtotal for each consultant in this category.

If the above information is unknown for any consultant at the time the application is submitted, the information may be submitted at a later date as a revision to the budget. In the body of the budget request, a summary should be provided of the proposed consultants and amounts for each.

D. Equipment

Provide justification for the use of each item and relate it to specific program objectives. Maintenance or rental fees for equipment should be shown in the "Other" category. All IT equipment should be uniquely identified. As an example, we should not see a single line item for "software." Show the unit cost of each item, number needed, and total amount.

<u>Item Requested</u>	<u>How Many</u>	<u>Unit Cost</u>	<u>Amount</u>
<i>Computer Workstation</i>	<i>2 ea.</i>	<i>\$2,500</i>	<i>\$5,000</i>
<i>Fax Machine</i>	<i>1 ea.</i>	<i>600</i>	<i><u>600</u></i>

Sample Justification

Provide complete justification for all requested equipment, including a description of how it will be used in the program. For equipment and tools which are shared among programs, please cost allocate as appropriate. States should provide a list of hardware, software and IT equipment which will be required to complete this effort. Additionally, they should provide a list of non-IT equipment which will be required to complete this effort.

E. Supplies

Individually list each item requested. Show the unit cost of each item, number needed, and total amount. Provide justification for each item and relate it to specific program objectives. If appropriate, General Office Supplies may be shown by an estimated amount per month times the number of months in the budget category.

Sample Budget

Supplies

General office supplies (pens, pencils, paper, etc.)

<i>12 months x \$240/year x 10 staff</i>	<i>=</i>	<i>\$2,400</i>
<i>Educational Pamphlets (3,000 copies @) \$1 each</i>	<i>=</i>	<i>\$3,000</i>
<i>Educational Videos (10 copies @ \$150 each)</i>	<i>=</i>	<i>\$1,500</i>
<i>Word Processing Software (@ \$400—specify type)</i>	<i>=</i>	<i>\$ 400</i>

Sample Justification

General office supplies will be used by staff members to carry out daily activities of the program. The education pamphlets and videos will be purchased from XXX and used to illustrate and promote safe and healthy activities. Word Processing Software will be used to document program activities, process progress reports, etc.

DRAFT, SUBJECT TO CMS APPROVAL AND FINAL VHCIP CORE TEAM APPROVAL

F. Other

This category contains items not included in the previous budget categories. Individually list each item requested and provide appropriate justification related to the program objectives.

Sample Justification

Some items are self-explanatory (telephone, postage, rent) unless the unit rate or total amount requested is excessive. If the items are not self-explanatory and/or the cost is excessive, include additional justification. For printing costs, identify the types and number of copies of documents to be printed (e.g., procedure manuals, annual reports, materials for media campaign).

G. Total Direct Costs \$ _____

Show total direct costs by listing totals of each category.

H. Indirect Costs \$ _____

To claim indirect costs, the applicant organization must have a current approved indirect cost rate agreement established with the Cognizant Federal agency. A copy of the most recent indirect cost rate agreement must be provided with the application.

Sample Budget

The rate is _____% and is computed on the following direct cost base of \$ _____.

<i>Personnel</i>	\$	
<i>Fringe</i>	\$	
<i>Travel</i>	\$	
<i>Supplies</i>	\$	
<i>Other</i>	\$ _____	
<i>Total</i>	\$	x _____% = Total Indirect Costs

Appendix D: Technical Assistance

State resources available to grantees

Projects supported by the Provider Grants Program may be provided the following supports, to the extent that a need has been clearly established in the grant application:

- Supervision to ensure compliance with federal antitrust provisions;
- Assistance in aligning with other testing models in the state;
- Assistance with appropriately attributing outcomes and savings to testing models;
- Overall monitoring of health care quality and access;
- Funding for specific activities;
- Technical Assistance:
 - Meeting facilitation
 - Stakeholder engagement
 - Data analysis
 - Financial modeling
 - Professional learning opportunities

To: VHCIP Core Team
 Fr: Georgia Maheras
 Date: January 7, 2014
 Re: Proposed VHCIP Grant Program Processes

This memo discusses the following VHCIP Grant Program Processes: Scoring Methodology, Distribution Methodology, and Spending Timeline.

Scoring Methodology:

The Core Team would receive scoring sheets for all of the applicants and would each score the applications individually. Once scored, the Core Team will meet together and go over the applications and the scoring and come up with a Final Score for each application. Based on the scores given, the Core Team will award grants. VHCIP Financial Staff will ensure that applications are complete and are in compliance with all federal and state funding rules. The VHCIP Project Director will ensure the Core Team receives scoring sheets, applications and application summaries at least one week in advance of any meetings where there will be application discussion.

	Total Possible Points
1 INFORMATION FROM THE BIDDER	
A. Quality of Bidder's Experience and Capacity to Perform	15
<ul style="list-style-type: none"> • Bidder's current and past experience relevant to the payment and delivery system reforms including descriptions of successful projects; • Organizational capacity of the bidder, including subcontractors; • Quality of staff assigned to this project, including subcontractor staff; and • Demonstration of understanding of the purpose and scope of this project 	
2 TECHNICAL PROPOSAL/PROGRAM SPECIFICATIONS	
A. Responsiveness to Specifications: consistency with SIM project	70
<p>Grants will support provider-level activities that are consistent with overall intent of the SIM project in two broad categories:</p> <ol style="list-style-type: none"> 1. Activities directly enhance provider capacity to test one or more of the three alternative payment models approved in Vermont's SIM grant application (Shared Savings ACOs, Episode-Based or Bundled Payments, and Pay-for-Performance); 2. Infrastructure development that is consistent with development of a statewide high-performing health care system including: <ol style="list-style-type: none"> a. Development and implementation of innovative technology that supports advances in sharing clinical or other critical service information across different 	

<p>types of provider organizations;</p> <p>b. Development and implementation of innovative systems for sharing clinical or other core services across different types of provider organizations;</p> <p>c. Development of management systems to track costs and/or quality across different types of providers in innovative ways.</p>	
B. Responsiveness to Specifications: preferential criteria	
<ol style="list-style-type: none"> 1. Support from and equitable involvement of multiple provider organization types that can demonstrate the grant will enhance integration across the organizations; 2. Scope of impact that spans multiple sectors of the continuum of health care service delivery (for example, prevention, primary care, specialty care, mental health and long term services and supports); 3. Innovation, as shown by evidence that the intervention proposed represents best practices in the field; 4. An intent to leverage and/or adapt technology, tools, or models testing in other States to meet the needs of Vermont’s health system; 5. Consistency with the GMCB’s specifications for Payment and Delivery System Reform pilots. 	
B. Program Cost	15
<p>Schedule A: Summary Program Costs</p> <p>Itemize your program costs. Leveraging existing financial resources and sustainability plan Ability of bidder to meet project schedule; flexibility and availability</p>	
<p>Schedule B: Detail of Expenses</p> <p>In narrative form explain how figures for salary, benefits, phone, mileage, buildings, and facilities were determined.</p>	
Schedule C: Allocation Methods- indirect not to exceed 10%	
OVERALL TOTAL SCORE	100

Distribution Methodology and Spending Timeline:

As indicated below, there will be three rounds of grant distribution. An applicant who is not successful in the first round is allowed to submit a revised application for a subsequent round. Additionally, since VHCIP is trying to maximize innovation throughout Vermont’s health care system, this proposal recommends spending over half of the funds in the first round:

- Funds available in Round One (February 2014): \$1,688,501
- Funds available in Round Two (June 2014): \$844,250
- Funds available in Round Three (September 2014): \$844,250

- A. For each round, all successful applicants will receive a base amount of funding to support their innovation projects. In addition to the base funding, successful applicants will receive a pmpm allocation. This will balance the needs of those who need seed money, regardless of number of Vermonters affected, with the needs of those affecting large populations. In the chart below, the base award is set at \$75,000 for illustrative purposes. The PMPM is set at \$5. These numbers are for discussion purposes only and are not in any way an indication of the numbers that should be selected.

Illustrative chart:

<i>Applicant Name</i>	<i>Award Round</i>	<i>Base Award</i>	<i>Number of Vermonters affected</i>	<i>PMPM award</i>	<i>Award total</i>
VHCIP-1	<i>First</i>	\$75,000	84,351	\$421,755	\$496,755
VHCIP-2	<i>First</i>	\$75,000	250	\$1,250	\$76,250
VHCIP-3	<i>Second</i>	\$75,000	0	0	\$75,000

- B. An alternate distribution would be:
- To select successful applicants for each round
 - Divide the total amount for each round by the number of applicants and distribute funds equally.

Illustrative chart:

<i>Number of applicants</i>	<i>Award Round</i>	<i>Award total</i>
23	<i>First</i>	\$73,413

- C. An alternate distribution would be:
- To select successful applicants for each round
 - Divide the total amount for each round by the number of Vermonters affected and distribute funds equally.

Illustrative chart:

<i>Applicant Name</i>	<i>Award Round</i>	<i>Number of Vermonters affected</i>	<i>PMPM award (\$17.29 pmpm)</i>	<i>Award total</i>
VHCIP-1	<i>First</i>	84,351	\$1,458,429	\$1,458,429

VHCIP-2	<i>First</i>	250	\$4,322	\$4,322
VHCIP-3	<i>First</i>	13,084	\$226,222	\$226,222

- D. An alternate distribution would be:
1. To select successful applicants for each round
 2. Fund the amount requested by each applicant.

Illustrative chart:

<i>Applicant Name</i>	<i>Award Round</i>	<i>Award total</i>
VHCIP-1	<i>First</i>	\$125,000
VHCIP-2	<i>First</i>	\$1,000,000
VHCIP-3	<i>First</i>	\$75,000
VHCIP-4	<i>First</i>	\$25,000

Proposed first round timeline:

