VT Health Care Innovation Project
Core Team Meeting Agenda

February 4, 2014   1:30 pm- 4:00 pm
==*This will be a conference call*==
Call-In Number: 1-877-273-4202; Passcode: 8155970

Item #	Time Frame	Topic	Presenter	Relevant Attachments
1	1:30-1:40	Welcome and Chair's Report	Anya Rader Wallack	
Core Team Processes and Procedures				
2	1:40-1:45	Approval of meeting minutes	Anya Rader Wallack	Attachment 2: January 13th meeting minutes
Policy recommendations and decisions				
		No policy recommendations or decisions this month		
Spending recommendations and decisions				
3	1:45-2:20	Financial Update: 1. Contracting Request Memo	Georgia Maheras	Attachment 3a: Memo from G. Maheras Attachment 3b: VHCIP Spending Tracking as of 1.27.14 (Excel)

Core Team Agenda 2.4.14 v.1 developed 1.27.14

4	2:20-3:30	Continued Discussion about Grant Program	Georgia Maheras	Attachment 4a: Grant Program Application Attachment 4b: Grant Program FAQs dated 1.27.14 Attachment 4c: Memo from G. Maheras on distribution and scoring methodology.
5	3:30-3:45	Public Comment:	Anya Rader Wallack	
6	3:45-4:00	Next Steps, Wrap-Up and Future Meeting Schedule: 2/18: 10:00-12:30 pm at DFR in Montpelier 3/10: 1:00-3:30 pm at DFR in Montpelier 3/14: 10:00-12:00 ==Conference Call==: 1-877-273-4202 Conference ID: 8155970	Anya Rader Wallack	

VT Health Care Innovation Project
Core Team Meeting Minutes

Date of meeting: Jan 13, 2014 1pm to 3:30pm: 3rd Floor Conference Room, DFR, 89 Main Street, Montpelier; Call in 877-273-4202 Passcode 8155970

Attendees: Anya Rader Wallack, Chair; Al Gobeille, GMCB; Paul Bengtson, NE VT Regional Hospital; Mark Larson, DVHA; Robin Lunge, AOA; Doug Racine, AHS; Susan Wehry, DAIL; Georgia Maheras, AOA; Bea Grause, VT Assn of Hospitals; Allan Ramsay, Richard Slusky, Annie Paumgarten, and Spenser Weppler, GMCB; Julia Shaw and Lila Richardson, VT Legal Aid; Erin Flynn, Steve Maier, Kate Jones, Diane Cummings, and Robert Pierce, AHS; Nelson LaMothe and George Sales, PM Team.

Agenda Item	Discussion	Next Steps
1 Welcome and Chair's Report	Anya brought the meeting to order at 1:03pm	
2 Approval of Minutes	Paul Bengtson made a motion to accept the Dec 9, 2013 Minutes; 2nd by Al Gobeille – no discussion; Motion passed unanimously. Robin Lunge was absent for this vote. Steve Voigt was absent for the meeting.	
3 Project Director Report	Georgia Maheras reported the Conflict of Interest Policy was rolled out to all Work Groups. All project participants are asked to read and sign the Acknowledgement Form due by end of month January. An update was presented on the ACO Shared Savings Programs. These Programs are in the latter stages of contracting with a January 1-December 31, 2014 performance year. The SIM/VHCIP Grant Staffing report reflects a 35% successful recruitment rate with 2 additional positions filled at DAIL by end of month January. Vacant positions have been reposted with advertisements. If Staffing levels are not completed by April, we will revisit and assess recruiting issues. Paul Bengtson suggested it would be helpful if Core Team had a better understanding of job descriptions/functions. Paul is concerned that $3.7 mil Grant Program will not be enough, and that unspent salary dollars might fund	**Georgia will provide more information regarding job descriptions and functions at an upcoming Core Team meeting.**

Agenda Item	Discussion	Next Steps
	more provider grants. Susan Wehry shared that DAIL requested 4 positions and was budgeted with 2. The 2 positions are limited service positions, not permanent state positions. Georgia is pleased with the hard work and quality contributions by Staff and the Project Management Team. Several new meetings are suggested to maximize effectiveness of the Project Team: A retreat in June suggested for Work Groups, Staff, and the Project Management Team. The Core Team suggested the following: more face to face meetings/conversations and perhaps a meeting of the Core Team and Staff meet about strategy, purpose, etc. would be helpful.	
4a Duals Program Update	Anya Rader Wallack provided an update on the Duals Demonstration: Vermont had been pursuing a Duals Demonstration opportunity through the CMS Office of the Duals. Under the demo the state would manage funds for services provided to the Dual Eligible population in VT. The preparatory work was launched in the Fall of 2011, with the State submitting Letter of Intent to CMS. Subsequently, Vermont received $1mil to plan and design how the State will pursue the Demonstration Project. The next step in the Demonstration would be to sign a non-binding Memorandum of Understanding (MOU), as a pre-cursor to signing a contract with CMS. This past year, Vermont has attempted to align the Duals Demonstration project with other planned payment reforms. Much of this work has been completed through the Duals Work Group under the SIM/VHCIP structure. The Duals WG voted to recommend to the Core Team that the MOU be signed. Robin Lunge reported that there were many discussions with the Governor about the Duals Demonstration. While the Governor agrees it is important to focus on the Duals population as related to health care reform, he felt that signing the MOU right now is not best option. There were concerns around the staffing capacity and resources required to pursue a Duals Demonstration while also pursuing the other elements of health care reform, as well as concerns about the constraints of the demo program. Mark Larson offered that the Duals population remains a key focus of payment reform. Anya said that the duals work group will continue to provide guidance to the SIM project to assure that it addresses the needs of people with disabilities and other who use long term services and supports. Public comment from Lila Richardson, VT Legal Aid: Lila asked for more discussion about specific Medicare rules that cause problems for Duals beneficiaries, specifically the lack of financial integration with Medicaid. Lila also asked if more waivers can be implemented to obtain more flexibility from Medicare. Anya responded that she met with the six SIM Testing states to discuss how CMS reacts to flexibility for Duals. Maryland just obtained a Medicare waiver, and Robin Lunge will study the legal limits CMS has in this area.	

Agenda Item	Discussion	Next Steps
	Allan Ramsay shared that he, as a health care provider in Vermont, is encouraged to hear the Core Team is committed to continue this work benefitting the most seriously ill and vulnerable.	
4b Financial Update	Georgia Maheras reported that progress with contracting remains sluggish, partly due to the CMS grant officer being away on a 3-week vacation. Currently, it is taking 2 weeks to get CMS approval. Please note that CMS is very rigid about syncing CMS approval date with funding. Funding is never retroactive and any work performed prior to execution is not reimbursable. Georgia is working with the Finance Team to develop financial projections for the Feb 4 Core Team meeting. The projection will offer a view towards re-allocating unspent dollars. There is a clear likelihood that unspent funds will be eligible to carry-forward to next grant year. A proposal is included in the meeting materials to fund per diems and stipends to consumers participating as VHCIP members. These participants are not receiving a paycheck from any other agency or employer. Al Gobeille made the motion: "*To approve 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.*" Susan Wehry seconded the motion. There was discussion and a friendly amendment that Georgia Maheras must provide initial approval for individuals seeking this compensation. The motion passed unanimously. Doug Racine noted that this policy caps the per diem reimbursement at $50.00 per day equating to $6.25 per hour. That hourly rate is below the minimum wage as set by Vermont's Legislature, and this issue is raised solely to make the Core Team fully aware of this fact.	
5 Continued discussion of Grant Program	Georgia Maheras reported that the Grant Program application documents are being reviewed by CMMI with no follow up questions yet. The application sent to CMMI reflects Core Team suggestions from the December meeting. Compliance, reporting requirements, funding restrictions and budget narrative guidance were added to the application. Georgia provided a draft memo for Core Team review concerning a proposed scoring methodology to prioritize grant proposals. The memo proposes the following: • Release money in 3 rounds, March, June, and then September 2014, with the half of available funding intended for the first round. • Anya suggests the pmpm statistics support the proposal's viability but should not necessarily used	**Georgia to modify Grant Program Application according to Core Team instructions.** **Georgia will propose new scoring and distribution**

Agenda Item	Discussion	Next Steps
	to calculate the award. • Susan Wehry suggests the scoring criteria should be oriented cost savings and quality improvement – Georgia confirms language included to that effect. • Susan Wehry is concerned that data requests may place burden on staff to pull the data for contractors to do analysis on - Georgia offered to expand proposal instructions to include a full explanation of data needs. Al Gobeille moved to approve the application with edits to include details around technical assistance and data requirements, and defer any decision on scoring methodology and funds distribution until the next meeting. Paul Bengtson seconded. Motion passed unanimously. Discussion about scoring methods continued: Susan Wehry asked how the Core Team scores proposals. Georgia suggested that this will be a Core Team consensus matter. Doug Racine believes the proposed 15 points for "Ability to perform" should have a much higher weight, while the "Idea" category too heavily weighted at 70. Anya said scoring is simply a tool for measurement, to be followed by Core Team discussion and decision, and agrees that "Ability to perform" should have a higher weight, and suggests 35 points. The Core Team requested that Georgia provide a revised scoring proposal for the next meeting for their discussion. Public comment on Scoring: Allan Ramsay: Will there be a FAQ opportunity similar to a bidder's conference call? Answer is: yes. It is scheduled for 1/27/14.	**methodologies for the next Core Team meeting.**
6 n/a	n/a	
7 Public Comment	None offered.	
8 Next steps, Wrap up, and Future Meetings	Next meeting February 4, 2014; 3rd Floor DFR Lg Conference Rm, 89 Main St. Montpelier	

TO: Core Team
FROM: Georgia Maheras
Date: 1/28/14
RE: Reallocation and Type 1 contracting for Approval on February 4, 2014

I am requesting Core Team approval for two SIM funding actions:

1. Reallocating Year One SIM funds from the *Personnel* category to a new category: Grant Program-Technical Assistance ($500,000).
2. Approval of contractor support for the disability and long term services and supports work group, which is listed in the Type 1b Category on the VHCIP Spending Tracking Sheet. This does not reduce funding for any other grant line item.

Funding for the Grant Program-Technical Assistance category comes from carry forward of unspent grant funds in the grant periods to date, and therefore does not reduce funding for any other grant line item.   A summary of each request is provided below.

REQUEST #1- Type 1 Spending: Reallocation of Year One Personnel Funds:

The VHCIP Year One budget included funding for personnel and several contracts.   *This request is to reallocate $500,000 from the personnel line item to a new category: Grant Program-Technical Assistance.*

As you know, approximately 40% of the VHCIP/SIM positions are filled. The result is that VHCIP spent less in personnel in Year One and there are vacancy savings.

I have identified one area where I would like to apply the vacancy savings: technical assistance to awardees provided sub-grants through the VHCIP Grant Program.
The original budget did not allocate any funding specifically for technical assistance to support Grant Program awardees, but had funds in the category of "Advanced Analytics", which could be used to support technical assistance contracts. I propose using personnel vacancy savings so that no other budget line items need to be reduced to support this work.

The technical assistance part of the Grant Program is a key aspect and will enhance the awards and maximize the success of the awardees projects. I propose using $500,000 to support five technical assistance contractors to perform this work.

Each contract will be for a maximum allowable of up to $100,000. The contractors will be paid for two services: 1. Development of the detailed scope of work, including cost estimate, with Grant Program awardees ; and 2. Execution of a specific scope of work for an awardee. The

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technical assistance contractors cannot start an awardee's scope of work without express, written State of Vermont approval.   The contracts will require the following of the technical assistance team:

- Provide technical assistance of a specific nature (briefly described below) to grant awardees.
- Work with VHCIP Staff and awardees to refine project-specific scopes of work with clear parameters and costs.
- Provide detailed monthly reports of this work to VHCIP Staff.

Technical Assistance Contractor List:
1. *Wakely Actuarial Consulting:*   Actuarial projects.
2. *Policy Integrity:* Data analytic and program development projects.
3. *Truven Health Analytics:* Data analytic and monitoring projects.
4. *VPQHC:*   Meeting facilitation, prepare meeting materials and engage clinicians in clinical quality discussions including potential for peer review protection.
5. Possible additional contractor (no confirmation as of writing of this document).

REQUEST #2: Type 1 Contracting: Support for the DLTSS Work Group

Vermont's Duals Demonstration Design Grant funded several contracts from 2011-2013. In 2013, the Duals Demonstration was formally merged with Vermont's SIM activities. A new SIM Work Group was created to perform much of this work. Soon after the merger of these two projects, the Duals Demonstration Grant ran out of funds to support these activities. The expectation was that at some point, SIM funds would take over paying for these contracts and then Duals Demonstration Implementation funds would take over once those funds were provided to the State. Because the state is not pursuing the Duals Demo, the Duals Implementation funds will not be available. However, the work group (now renamed the disability and long term services and support work group) will continue to be part of the SIM project and will need technical support.

Two contractors have been providing technical support to this work over the past two years: Pacific Health Policy Group (PHPG) and Bailit Health Purchasing (Bailit). Two individuals have been leading this effort on behalf of these vendors: Susan Besio (PHPG) and Brendan Hogan (Bailit) and they work as a team complementing each other's skill sets. The scopes of work for these two contracts, as well as the charge of the new work group, are described below.

1. **PHPG*: $90,000 to support* <u>*Type 1b* **Disability and Long Term Services and Supports**</u> **<u>Work Group</u>**

The Contractor shall provide support for DLTSS Work Group tasks, activities and decision-making, including, but not limited to, the following areas:

- Care models to support integrated care for people with disabilities, chronic conditions and those needing long term services and supports
- Payment models to support integrated care for people with disabilities, chronic conditions and those needing long term services and supports
- LTSS quality and performance measures to evaluate the outcomes of people with disabilities, chronic conditions and those needing long term services and supports
- IT infrastructures to support new payment and care models for integrated care for people with disabilities, chronic conditions and those needing long term services and supports
- Strategies to incorporate person-centered, disability-related, person-directed, and cultural competency issues into all VHCIP activities
- Identification of barriers in current Medicare, Medicaid and commercial coverage and payment policies, and strategies to address them
- Other activities as identified by the Work Group to assist successful implementation of payment and care models to best support people with disabilities, chronic conditions and those needing long term services and supports.

The Contractor also shall support the DLTSS Work Group and leadership (i.e., VCHIP and DLTSS Project Staff, Work Group Chairs and other Consultants) by performing the following activities:

- Work closely with VHCIP and DLTSS Work Group leadership to strategize and develop agendas for Work Group meetings, preparing handouts and preparing discussion materials
- Actively participate in DLTSS Work Group meeting discussions
- Conduct research on specific topics and developing summary documents and / or presentations
- Provide ad hoc support for project leadership and achievement of VHCIP goals via telephone calls and electronic mail communications (e.g., exchange of information about project developments and updates, sharing of information regarding relevant topics, new publications and/or national news; discussion of recent events and implications for project direction; contributing to discussion about policy or operational

decisions; etc.)

- Attend VHCIP Steering Committee meetings and other VHCIP Work Group meetings as necessary to support the goals of the DLTSS Work Group

Deliverables:

1. Develop and / or contribute to agendas, white papers, presentations and other materials for the DLTSS Work Group, and for other VHCIP Work Groups as requested.
2. Participate in monthly DLTSS Work Group meetings, and sub work-group meetings as needed.
3. Participate in monthly DLTSS Work Group planning meetings.
4. Attend VHCIP Steering Committee meetings and other VHCIP Work group meetings as needed.
5. Provide research and summary documents to support DLTSS work plan and decision-making.
6. Work with VHCIP Project Staff regarding IT infrastructure needs by providing research, papers and documents that support Work Group recommendations and decision-making.
7. Work with VHCIP Project Staff to develop care models that support integrated care.
8. Work with VHCIP Project Staff to develop payment models that support integrated care.
9. Provide ad hoc research, analyses and communications to support DLTSS Work Group tasks and activities.

2. **Bailit*: $90,000 to support Type 1b Disability and Long Term Services and Supports Work Group***

The Contractor shall provide support for DLTSS Work Group tasks, activities and decision-making, including, but not limited to, the following areas:

- Care models to support integrated care for people with disabilities, chronic conditions and those needing long term services and supports
- Payment models to support integrated care for people with disabilities, chronic conditions and those needing long term services and supports
- LTSS quality and performance measures to evaluate the outcomes of people with disabilities, chronic conditions and those needing long term services and supports
- IT infrastructures to support new payment and care models for integrated care for people with disabilities, chronic conditions and those needing long term services and supports
- Strategies to incorporate person-centered, disability-related, person-directed, and cultural competency issues into all VHCIP activities

- Identification of barriers in current Medicare, Medicaid and commercial coverage and payment policies, and strategies to address them
- Other activities as identified by the Work Group to assist successful implementation of payment and care models to best support people with disabilities, chronic conditions and those needing long term services and supports.

The Contractor also shall support the DLTSS Work Group and leadership (i.e., VCHIP and DLTSS Project Staff, Work Group Chairs and other Consultants) by performing the following activities:

- Work closely with VHCIP and DLTSS Work Group leadership to strategize and develop agendas for Work Group meetings, preparing handouts and preparing discussion materials
- Actively participate in DLTSS Work Group meeting discussions
- Conduct research on specific topics and developing summary documents and / or presentations
- Provide ad hoc support for project leadership and achievement of VHCIP goals via telephone calls and electronic mail communications (e.g., exchange of information about project developments and updates, sharing of information regarding relevant topics, new publications and/or national news; discussion of recent events and implications for project direction; contributing to discussion about policy or operational decisions; etc.)
- Participate in HIT/HIE Work Group Meetings
- Attend VHCIP Steering Committee meetings and other VHCIP Work Group meetings as necessary to support the goals of the DLTSS Work Group

Deliverables:

1. Develop and / or contribute to agendas, white papers, presentations and other materials for the DLTSS Work Group, and for other VHCIP Work Groups as requested.
2. Participate in monthly DLTSS Work Group meetings, and sub work-group meetings as needed.
3. Participate in monthly DLTSS Work Group planning meetings.
4. Attend VHCIP Steering Committee meetings and other VHCIP Work group meetings as needed.
5. Provide research and summary documents to support DLTSS work plan and decision-making.
6. Work with VHCIP Project Staff regarding IT infrastructure needs by providing research,

papers and documents that support Work Group recommendations and decision-making.

7. Work with VHCIP Project Staff to develop care models that support integrated care.
8. Work with VHCIP Project Staff to develop payment models that support integrated care.
9. Provide ad hoc research, analyses and communications to support DLTSS Work Group tasks and activities.

Disability and Long Term Services and Supports Work Group Charge:
The Disability and Long Term Services and Supports Work Group will build on the extensive work of the Dual Eligible Demonstration Steering, Stakeholder, and Work Group Committees over the past two years. The goal of the Disability and Long Term Services and Supports Work Group (D-LTSS) is to incorporate into Vermont's health care reform efforts specific strategies to achieve improved quality of care, improved beneficiary experience and reduced costs for people with disabilities, chronic conditions and those needing long term services and supports. The VHCIP Disability and LTSS Work Group will:

- develop recommendations regarding the improvement of existing care models and the design of new care models to better address the needs of people with disabilities, chronic conditions and those needing long term services and supports, in concert with VHCIP efforts;
- develop recommendations regarding the design of new payment models initiated through the VHCIP project to improve outcomes and reduce costs for people with disabilities, chronic conditions and those needing long term services and supports;
- develop recommendations to integrate the service delivery systems for acute/medical care and long term services and supports;
- develop recommendations for IT infrastructure to support new payment and care models for integrated care among people with disabilities, chronic conditions and those needing long term services and supports;
- continue to address coordination and enhancement of services for the dually-eligible population and other Vermonters who have chronic health needs and/or disabilities through such mechanisms as the Medicaid ACO program, further design of Green Mountain Care, and other approaches.

VHCIP Funding Allocation Plan

		Implementation (March-Oct 2013)	Year 1	Year 2	Year 3	Total grant period	
Type 1a	Type 1A						
Proposed type 1 without base work group or agency/dept support	*Proposed Type 1 without base work group or agency/dept support (subject to Core Team approval)*						**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.** **Red indicates pending Core Team Approval.**
	Personnel, fringe, travel, equipment, supplies, other, overhead	$ 107,898	$ 2,912,103	$ 3,412,103	$ 3,412,103	$ 9,844,207	Includes new .5FTE in AOA for work force. **Transfer $500,000 unspent personnel to grant program-technical assistance.**
	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	
	Grant program- Technical Assistance		$ 500,000				**500,000 from personnel due to unspent funds in that category.**
	Subtotal	$ 137,898	$ 7,795,384	$ 6,255,436	$ 6,225,437	$ 20,414,155	

VHCIP Funding Allocation Plan

Type 1b	Type 1 B		Year 1	Year 2	Year 3	Grant Total	
Proposed type 1 related to base work group support (subject to Core Team approval)	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		**$ 180,000**	$ 250,000	$ 250,000	$ 680,000	**$180,000 identified in year one for PHPG and Hogan**
	Sub Total		**$ 1,223,000**	**$ 1,393,000**	**$ 1,193,000**	**$ 3,809,000**	

VHCIP Funding Allocation Plan

Type 1c	Type 1 C		Year 1	Year 2	Year 3	Grant Total	
Proposed type 1 related to base agency/dept support	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. RFP released.**
						$ -	
	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

Type 1a	$ 20,414,155	Type 1 A					
Type 1b	$ 3,809,000	Type 1 B					
Type 1c	$ 3,075,000	Type 1 C					
Type 2	$ 16,782,150	Type 2					
Unallocated (Year 1)	$ 928,865	Balance Avail.					
Grant Total	$ 45,009,170	Grant Total					

Vermont Health Care Innovation Project Grant Program Application
Approved 1.15.2014 and released 1.16.2014

Expected Grant Program Schedule Summary:

DATE ISSUED	**January 16, 2014**
QUESTIONS DUE	**January 24, 2014**
BIDDERS' CONFERENCE CALL: 1-877-273-4202 Conference Room Number: 2252454	**January 27, 2014 at 10am EST**
FAQs Posted Here: http://gmcboard.vermont.gov/sim_grant	**January 20, 2014 and January 29, 2014**
APPLICATIONS DUE	**February 14, 2014 by 2pm EST**
AWARD ANNOUNCEMENTS	**March 25, 2014**

PLEASE BE ADVISED THAT ALL NOTIFICATIONS, RELEASES, AND AMENDMENTS ASSOCIATED WITH THIS OPPORTUNITY WILL BE POSTED AT:

http://gmcboard.vermont.gov/sim_grant

Any questions related to this grant program should be directed to:
Georgia Maheras, Project Director, Vermont Health Care Innovation Project
Georgia.maheras@state.vt.us or 802-505-5137.

All applications should be submitted in hard copy and electronically by February 14, 2014 at 2pm. Hard copy submissions should be delivered to Georgia Maheras, Project Director, VHCIP, 109 State Street, Montpelier, VT, 05620. Electronic submissions should be sent to: Georgia.maheras@state.vt.us.

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. The applicant should provide technical assistance scopes of work, type of work requested, type of person needed to do the work, number of hours estimated to complete the work. Applicants seeking data should indicate this in the technical assistance portion of their application. 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.

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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

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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 it 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

Funds cannot be used for activities engaged in prior to the grant approval period.

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, excluding service 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. There is no page limit on the budget narrative, but applicants should provide information in 12 point font, with one-inch margins.

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.

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

Sample Justification

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

<u>Job Description</u>: *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.

Sample
Example: Project Coordinator — Salary $45,000

Retirement 5% of $45,000	*=*	*$2,250*
FICA 7.65% of $45,000	*=*	*3,443*
Insurance	*=*	*2,000*
Workers' Compensation	*=*	_____
	Total:	

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.

Item Requested	*How Many*	*Unit Cost*	*Amount*
Computer Workstation	*2 ea.*	*$2,500*	*$5,000*
Fax Machine	*1 ea.*	*600*	*600*

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.)

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

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.

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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 $_____.

Personnel	*$*
Fringe	*$*
Travel	*$*
Supplies	*$*
Other$_____	
Total $	*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. Applicants requesting data should identify one-time or on-going data needs including type of data, ie. Claims or survey, whether reports are being requested and how the data will enhance their project. The following supports are available:

- 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

An example of a request for technical assistance follows:

The applicant requests a neutral meeting facilitator to convene a clinical review board. The goal of Project Quality is to reduce unnecessary and costly hospitalizations for diabetics and provide better care management for diabetics and pre-diabetics. The clinical review board for Project Quality is responsible for reviewing all ED visits, admissions, discharges and transfers of patients presenting with complications from diabetes. The neutral meeting facilitator needs to have peer review protection and skills in leading a group of clinicians efficiently through these weekly discussions. Estimated need is for 8 hours/work per week for 52 weeks.

Scope of Work:

-review all ED visits, admissions, discharges and transfers of patients each week from Doctor 1 Practice, IPA 89 Practice and Hospital.

-prepare meeting agendas including case summaries

-facilitate weekly meetings

VHCIP Grant Program Frequently Asked Questions

For questions submitted by 1.27.14

This Grant Program is offered as a Sub-Award to VHCIP's federal State Innovation Models Grant and all applicants are reminded that all awards must comply with HHS' Grant Policy Statement, which is provided in Attachment A to this FAQ. All applicants are also encouraged to review the State of Vermont's Operational Plan and the Federal Funding Opportunity Announcement found here: http://gmcboard.vermont.gov/sites/gmcboard/files/Vermont_SIM_Operational_Plan_FINAL_for_distribution_10.2013.pdf , and here: http://innovation.cms.gov/Files/x/StateInnovation_FOA.pdf.

Note that there is a 10% cap on the indirect allocation for this Grant Program.

Criteria Related Questions:

1) How important is "size" of project in the evaluation process? If we will only affect a smaller % of the population should we even try?

   a) My main question is that the grant application appears to be structured for larger organizations and health systems. We are a small, independent, highly functional innovative practice. We believe we have a tremendous amount to offer not only our own patients but also the state as a model practice. We just need the support.

   b) Do you intend to fund small practices (assuming we can also demonstrate an intention and means to disseminate our results)?

   The grant program is intended to support providers who are engaged in health care innovation that promotes higher value health care for Vermonters. All providers engaged in activities that meet the Grant Program criteria are encouraged to apply. There are no specific requirements regarding size of the project.

2) How many organizations are "multiple"?

   The grant program encourages collaboration among providers engaged in health care innovation. There are no specific requirements regarding number of collaborators. Applicants are encouraged to develop relationships that provide high value, coordinated care for Vermonters.

3) Must there be public/private collaboration?

   Public/private collaboration is encouraged, but not required.

4) Will the projects require GMCB approval before or after submission since they will emphasize payment reform?

The VHCIP Core Team is reviewing all applications and will determine awardees. The GMCB will not be reviewing applications in addition to this review.

5) Will evaluation scores be available?

   Application scores will not be available as this is a confidential application process and resubmissions are allowed if awardees are not granted funding in the first round.

6) Will there be a cut-off for re-submission consideration?

   There will be more than one round of applications accepted. Applicants who are not awarded funds in the first round are encouraged to resubmit in a subsequent round. Guidance around subsequent rounds will be available to applicants at time of first round awards.

7) If we do not submit anything in the first cycle does our likelihood of funding in the second cycle significantly decrease?

   No.

8) Will projects that focus on the dual-eligible population have priority?

   All applications will be evaluated based on how they meet grant program criteria. The VHCIP Core Team has not prioritized any one population of Vermonters over any others for this program.

9) On page 2, section 2, you use the word 'Development' to describe infrastructure development activities. Do you mean project and program development, or actual development of a new product (such as software)?

   Development refers to project and program development, not to software development.

10) We are excited to have an opportunity to apply for a grant and would like to approach our application from a population health standpoint focusing on collaborative community health initiatives across a broad spectrum of activities with the goal being to generate a scope of impact that would span multiple sectors of the continuum of health care service delivery and is easily replicated. We are seeking any guidance you might be able to provide with regards to how a program such as this might fit into the key focus areas for the grant listed in the application package. Where might you see such a program fitting into either the payment model spectrum or the infrastructure development focus of the grant?

    All applicants should review the VHCIP Operations Plan and Grant Program criteria for guidelines regarding potential projects. Proposed projects should address these criteria explicitly.

11) Who will review this grant application? Who is the "VHCIP/SIM Core Team"?

The SIM Grant is issued under the auspices of the Green Mountain Care Board (GMCB).

- What role will the members of the Board play in reviewing the applications and overseeing the activities of the successful applicants?

The VHCIP/SIM Core Team is the leadership body within the VHCIP structure as described in the VHCIP Operations Plan. The current members of this body are: Anya Rader Wallack, Chair; Paul Bengtson, CEO, Northeastern Vermont Regional Hospital; Al Gobeille, Chair, Green Mountain Care Board; Mark Larson, Commissioner of the Department of Vermont Health Access; Robin Lunge, Director of Health Care Reform; Doug Racine, Secretary of the Agency of Human Services; Susan Wehry, Commissioner of the Department of Aging and Independent Living; and Steve Voigt, CEO, King Arthur Flour.

The Green Mountain Care Board will not be reviewing these applications as they are not the entity releasing this grant opportunity.

12) What entities or individuals are considered eligible to apply for funding through the VHCIP SIM Grant Program? Can a Department of the State Government partner with other entities as an applicant? Can some of these monies flow to a Department within the State Government?

This program is intended to support provider innovation and integration. It is possible for a state agency to partner with other entities as an applicant, but the support must be for provider innovation and integration and address all of the criteria in the grant application.

13) The GMCB includes a "State Innovation Model (SIM) Steering Committee". What role will the members of the Steering Committee play in reviewing these SIM Grant applications? Are members of the Steering Committee eligible to apply for these funds?

This grant program is released by the VHCIP/SIM, not the GMCB. The VHCIP/SIM Steering Committee will not be reviewing these applications due to conflict of interest challenges. Members of the VHCIP/SIM Steering Committee are eligible to apply for these funds.

14) These funds are federal money, sourced from CMS. Should the focus of the application be on Medicaid recipients as opposed to other clients?

As explained in the VHCIP Operations Plan, the federal award is for multi-payer initiatives and not specific to any one payer.

15) There is an expectation to demonstrate a savings in health care costs. Will savings realized through early disease detection and reduced morbidity and mortality be credited as valid?

These will be considered as valid; however they do need to be measurable.

16) Will the VHCIP Core Team use the same criteria and scoring as in the federal FOA?

No.

17) Where are the grant program criteria?

They are on p. 2 of the grant program application.

18) Does an applicant have two apply for both categories on the top of page 2:

"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.

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."

May a single grant application incorporate both "activities that directly enhance provider capacity" and "infrastructure development"? Or must separate applications be submitted for each eligible category?

Applicants can choose to apply for either broad category or both, but they are not required to apply for both. Applicants are requested to submit one application covering all funding requests that relate to a specific project.

19) Will you fund proposals for entities not located in Vermont?

This grant program is intended to result in benefits for Vermonters. If an entity is located outside of Vermont, but can develop a proposal that benefits Vermonters and supports provider innovation and integration it will be reviewed.

20) What is available from successful applications?

This is the first solicitation for this grant program and therefore there are no successful applications.

21) Can projects have phases?

   Yes, projects can be phased.

22) May grant funds be sub-granted to parent entities to be expended on behalf of the ACO?

   Yes.

Budget-Related Questions:

23) Can grant funds be used to purchase technology (e.g., telemonitors, telemedicine carts, etc.)?

   Grant funds can be used to purchase technology. The VHCIP also has separate funding available for telemedicine. The VHCIP HIE/HIT Work Group has responsibility for making recommendations about how to spend this telemedicine-specific funding.

24) Are LLCs eligible grantees for this funding opportunity?

   Yes.

25) Our organization is an LLC that has a Management Services Agreement in place for all staffing. Will contractual expenses related to this MSA to increase staffing at the organization that has the MSA be an eligible expense?

   The federal sub-award restricts indirect to 10% of the total sub-award. Contractual expenses of the nature described above are considered indirect costs.

26) Under Appendix B, CMMI Funding Restrictions – p. 13, there is a statement about indirect costs having a 10% cap. Is this 10% of the overall proposed budget?

   - The amount listed is specified as "available for direct funding". What level of institutional overhead, or "indirect funding", will be allowed?

   This is 10% of the personnel budget, not the overall proposed budget. Indirect only applies to personnel, fringe, etc. Applicants are encouraged to review the federal guidelines regarding the budget.

   Direct funding in this instance refers to funding made available through the grant program directly to providers engaged in health care innovation and integration.   The Budget Narrative should include costs broken down by category including the financial categories of direct and indirect.

27) If we can appropriately identify facility costs to the project, can these be listed as direct costs? Both CMS and HRSA have allowed this.

Yes, pending explicit CMMI approval. This grant program is funded through the Affordable Care Act and has some different restrictions than traditional HRSA or CMS funding opportunities.

28) Section H., p. 17 says one must have an indirect cost rate from the cognizant federal agency. We do not have one. Can we just do direct and indirect costs?

Yes, you can just do direct and indirect noting the 10% indirect cap.

29) The application states that there will be **$3,377,102** available for funding of these grants. Do you have a projected grant amount range that you would recommend applicants stay within or is there a desired number of applications you are seeking to fund? How much would you anticipate being available to a particular applicant?

There is no range nor is there a desired number of applicants. Applicants engaged in innovation and integration are encouraged to apply.

30) There is no mention in the application about any specific expectation for matching funds, either direct or in-kind, to be provided for by the applicant. Is there some expectation regarding a percentage range that might desirable or advantageous?

Section III Grant Submission Requirements indicates: "A description of any available matching support, whether financial or in-kind". There is no expectation for a percentage range that might be desirable.

31) The money available for direct funding is listed as $3,377,102. Will this be awarded in *one* grant to a *single* bidder, or will it be divided among several bidders with smaller budgets?

This will be divided among several bidders.

32) Is the announced $3.4 million the amount for only the first year or for a longer budget period?

The $3.37 million is for the entire grant program. There will be more than one round of funding for this program.

33) Is it appropriate to budget small amounts of money for quality improvement projects to improve the program?

Yes.

34) Is it OK that we spend grant money on staff and affiliate providers who will deliver these prevention/early intervention resource counseling? I saw nothing in the RFP that precluded that but wanted to be sure.

Grant funds cannot be used to pay for existing, reimbursable health care services per federal requirements. Applicants should review these federal guidelines carefully to ensure proposals are in compliance.

35) Is there a required ratio for staffing versus contractual in the budget?

No.

36) Can this grant program pay for direct services to patients?

Federal restricts payment to only those direct services that are not already being reimbursed for by a payer. For example, if Medicaid pays for a service with certain providers, these funds cannot be used to pay for that same service at a different provider.

37) How should the ROI be calculated? Must it be only a financial return on investment?

Applicants should describe the return on investment in terms of both clinical and health quality returns and financial returns to the best of their ability.

Technical Assistance-Related Questions:

38) As part of the technical assistance, can VHCIP obtain payment waivers from CMS (e.g., allow billing to Medicare in non-rural areas for telemedicine)?

VHCIP could pursue waivers from CMS billing rules; however this would be done through activities separate from this grant program.

39) We want to evaluate both health outcomes and expenditures before and after intervention and compare this same data between population groups. What is reasonable to ask for technical assistance in terms of evaluation? Would it be better if we partnered with a university or research firm to do the evaluation component?

Applicants must develop a plan for evaluating whether their proposed project is successful. They can request technical assistance or direct funding to support this activity.

40) Please provide more information regarding the technical assistance around: "Supervision to ensure compliance with federal antitrust provisions".

Act 48 of the Acts of 2011 provides statutory authority to the Green Mountain Care Board and the Department of Vermont Health Access to allow them to use the state action doctrine to support collaboration and work with providers to ensure compliance with federal

law. Applicants can request the state develop a plan for this as part of their technical assistance request.

Application Format-Related Questions:

41) Will there be a standard format for the MOU for all projects or does each applicant prepare separately?

a) Are Letters of Support necessary?

There is no standard format for the MOUs for projects. Letters of Support are not necessarily required. Applicants should provide whatever documents are deemed appropriate to demonstrate collaboration.

42) On page 2 there is a statement that the grant narrative is 12 pages, double spaced. Is there an overall page limit for the application, to include appendices and budget?

No.

43) Should applications be submitted in hard copy and electronic copy?

Yes. State contracting law requires hard copy submission of applications. We are also requiring electronic copies be submitted to Georgia.maheras@state.vt.us. Both the hard copy and the electronic copies are due by 2pm on February 14th.

44) The grant application package states we are limited to 12 pages for the narrative and budget documents. Does this include the cover page and any supporting documents such as partnership agreements, letters of support/need, etc? If not, what are your expectations or limitations regarding supporting documents?

a) Under the grant submission requirements on page 3 of the RFP, the project plan, staffing structure, deliverable and timeline are listed separate from the 12-page narrative. Just confirming that we can describe these aspects of project after (above and beyond) the 12-page narrative?

The 12 page limit is for the project narrative only. There are no limitations for the additional application components.

45) The application cover page asks for the organization name that is applying and contact person's information. We have a community coalition with a large group of individuals from various fields that has been meeting regularly. Could we have the coalition itself listed as the applicant with one main contact person listed or perhaps have two of its major participants apply for the grant jointly with both listed as contacts? We would of course have a longtime, well established 501c3 non-profit that participates heavily in the coalition serve as the fiscal manager. Or are you looking for the applicant to be a specific entity with specific registrations/recognitions such as a 501c3?

The applicant should be an entity that can receive and manage funds. The cover letter and/or application should describe any collaborators in the project. The applicant does not have to be a 501(c)(3) non-profit.

46) There is no signature line on the cover sheet. Should the applicant provide a letter or support to actually document their commitment with a signature or should they just sign the cover page at the bottom?

The applicant can sign the cover page at the bottom.

47) Do workplan charts and other charts need to be in 12 pt. font?

No. These can be in 10 pt. font.

48) Does this need to look like a Federal research grant application?

No.

49) Do applicants need to submit biographies of each participant?

Applicants may submit biographies if it is helpful to explain how the work of the proposal will get done. Applicants can also provide information about organizational capacity in other formats.

Notification and Grant Period-Related Questions:

50) When would we expect to receive a draft contract?

- In order to build a timeline it would be helpful to know when the grant funds will be available. When do you anticipate you will be able to make funds available to those applicants that are selected and will the funds be based on a reimbursement system or made available via some other means?

- When will grant funds actually be available to start a demonstration project and when do you expect proposed projects to begin?

Draft grant awards will be drafted between March 25th and April 25th. Funds will be available as soon as grant agreements are signed between March 25th and May 25th. Proposed projects should begin as soon as grant agreements are signed.

51) What is the expected start date?

a) What is the project period for a written proposal submitted?

b) What is the anticipated project duration you would like built into these programs in terms of the grant funding component? Is a multi-year project feasible or is there a certain deadline by which time the grant funds must be expended?

c) How much time should the grant span?

d) What is the funding period for this grant?

e) May the proposed budget reflect a preponderance of activity in the first year and limited or no activity in the third year?

Applicants can expect projects to begin as soon as grant agreements are signed between March 25th and May 25th. There is no specific period for the grant, however all projects must end by June 2016 to ensure final reporting by September 2016. Applicants can propose multi-year projects within this time period and can structure their funding request to provide a majority of the funds earlier in their project. Applicants should not assume they will receive funding in subsequent rounds of this grant program. Applicants proposed project and budget should address sustainability of the project once these grant funds end.

f) When will the 3-year project term begin and end and/or is there flexibility here (e.g., propose a 3-year project beginning Oct 1, 2014)?

There is no set project term. Projects can only last until June 2016 and can begin later in 2014. Projects cannot be retroactive.

52) What are the reporting requirements?

Programmatic and financial reports are described in Section V of the Grant Program Application. Successful awardees will also be required to submit a final report 30-90 days after the end of the sub-award period.

APPENDIX A

HHS Grant Policy Statement – Sub-Awards (pg. II-78)

The recipient is accountable to the OPDIV for the performance of the project, the appropriate expenditure of grant funds by all parties, and all other obligations of the recipient, as specified in the HHS GPS. In general, the requirements that apply to the recipient, including the intellectual property and program income requirements of the award, also apply to sub-recipients. The recipient is responsible for including the applicable requirements of the HHS GPS in its sub-award agreements.

The recipient must enter into a formal written agreement with each subrecipient that addresses the arrangements for meeting the programmatic, administrative, financial, and reporting requirements of the grant, including those necessary to ensure compliance with all applicable Federal regulations and policies. **At a minimum, the sub-award agreement must include the following:**

- Identification of the PI/PD and individuals responsible for the programmatic activity at the sub-recipient organization along with their roles and responsibilities.

- Procedures for directing and monitoring the programmatic effort.

- Procedures to be followed in providing funding to the sub-recipient, including dollar ceiling, method and schedule of payment, type of supporting documentation required, and procedures for review and approval of expenditures of grant funds.

- If different from those of the recipient, a determination of policies to be followed in such areas as travel reimbursement and salaries and fringe benefits (the policies of the sub-recipient may be used as long as they meet HHS requirements).

- Incorporation of applicable public policy requirements and provisions indicating the intent of the sub-recipient to comply, including submission of applicable assurances and certifications.

For research sub-awards, inclusion of the following:

- Statement specifying whether the financial conflict of interest requirements of the collaborating organization or those of the recipient apply.

- Provision addressing ownership and disposition of data produced under the agreement.

- Provision making the sharing of data and research tools and the inventions and patent policy applicable to the sub-recipient and its employees in order to ensure that the rights of the   parties to the agreement are protected and that the recipient can fulfill its responsibilities to the OPDIV. This provision must include a requirement to report inventions to the recipient and specify that the recipient has the right to request and receive data from the sub-recipient on demand.

- Provisions regarding property (other than intellectual property), program income, publications, reporting, record retention, and audit necessary for the recipient to fulfill its obligations to the OPDIV.

Federal Funding Accountability and Transparency Act (FFATA) Sub-Award Reporting Requirement:

New awards issued under this funding opportunity announcement are subject to the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006

(Pub. L. 109–282), as amended by section 6202 of Public Law 110–252 and implemented by 2 CFR Part 170. **Grant and cooperative agreement recipients must report information for each**

first-tier sub-award of $25,000 or more in Federal funds and executive total compensation for the recipient's and sub-recipient's five most highly compensated executives as outlined in Appendix A to 2 CFR Part 170 (available online at www.fsrs.gov).

To: VHCIP Core Team
Fr: Georgia Maheras
Date: January 27, 2014
Re: Proposed VHCIP Grant Program Processes- REVISED from 1.5.14 version

In this memo, I am providing the Core Team with three things:
1. A new proposed scoring methodology for the VHCIP Grant Program;
2. A summary of distribution for sub-award funds from other states engaged in similar activities; and
3. The first round Grant Program approval timeline.

1. *Scoring Methodology:*

Process: VHCIP Financial Staff will ensure that applications are complete and are in compliance with all federal and state funding rules.   I will provide the Core Team with scoring sheets, summary sheets and applications at least one week prior to the March 10th Core Team meeting. Each Core Team member will score the applications individually. At the March 10th meeting, the Core Team will meet together and go over the applications and their individual scoring and come up with a final score for each application through a consensus process. Based on the scores given, the Core Team will award grants.

Proposed Scoring Methodology:
Scoring will be based on the ability to meet the Grant Program criteria:
1. Presenting a good idea which reflects to goals of the grant program. Up to 40 points for this category.   Items reviewed in this category include:
   a. Idea is consistent with SIM/VHCIP;
   b. Responsive to the Grant Program application;
   c. Demonstrates collaboration and integration.
2. Ability to perform, which clearly shows capability to do the work in the first category. Up to 60 points. Items reviewed in this category include:
   a. Current and past experience relevant to payment and delivery system reform;
   b. Organizational capacity of applicant;
   c. Availability to perform the work described in #1 above.

2. Distribution methodology in other programs:

At the January 10, 2014 Core Team Meeting, the Core Team requested a summary of distribution methodologies used by other programs. While doing this research, I discovered two things that differentiate our VHCIP from other state's efforts at payment and delivery system reform: 1. Vermont is much better at posting on our website and updating people about our project than other states; and 2. We are the only SIM test state to launch a Grant Program on this scale.

The summary of distribution methodologies is provided in the table below:

Entity Awarding the Funds	Brief Program Description	Funding Distribution
Arkansas SIM	Expands interfaces and event notification in the Arkansas HIE for certain providers	Supplies 10% match to 90/10 HITECH funding.
CMMI- SIM Test Awards	Testing payment and delivery system innovation in states.	First Round: 6 state awards. Up to $60 million for each state. Contract negotiations resulted in approx. $45 million for each of the 6 states.
Maine- SIM	Paying fees on behalf of providers to participate in Maine's HIE	Similar to federal meaningful use funding. Pays for EHRs and then interconnectivity costs, but not 100% of the costs.
Massachusetts SIM	Technical Assistance to providers only	N/A
Minnesota SIM	Small transformation grants to providers to support activities such as clinical system redesign.	Awards range from $10,000-$20,000.
Oregon Transformation Center (SIM)	HIE/HIT Infrastructure Awards to CCOs.	$30 million to be distributed among the 16 CCOs. The distribution was: a base award for each CCO and then additional dollars awarded based on the number of individuals served by the CCO.
Oregon Transformation	Regional Coalitions for Health	3 awards of up to $130,000

Entity Awarding the Funds	Brief Program Description	Funding Distribution
Center (SIM)	Equity	each.
RWJF	Various programs	Overall maximum for grant program area. Identify a number of awards for that given area and establish funding ranges for applicants.

3. First round timeline:

12/16/13: Publish Draft Application and Criteria → 1/16/14: Formally Launch Program → 2/14/14: First Applications due → 2/18/14: Core Team receives summary of applications → By 3/3/14: Core Team receives application packets for review → 3/10 and 3/14: Core Team discusses applications → 3/25: Awards are announced