**Vermont Agency of Human Services**

**Vermont Health Care Delivery System Reform Project Grant Program Application**

**December 2, 2016**

1. **Background**

*The Goal of this Document*

This document provides instructions on how entities may apply for grants that are considered Delivery System Reform investments.

*Delivery System Reform Investments*

The All-Payer Model (APM) Agreement and Global Commitment Medicaid Waiver are complementary frameworks that support Vermont’s health care reform efforts. Each agreement provides additional federal funding to further Vermont’s strategic goal of creating an integrated health care system, including increased alignment across payers and providers.

The Agency of Human Services (AHS) is supporting increased alignment across health care payers and providers through delivery system reform investments. These investments are available for Accountable Care Organizations (ACOs) and other providers subject to the application criteria set forth below. A strong preference will be given to investments that promote collaboration, build capacity across the care continuum, consider social determinates of health, and promote an integrated health care system consistent with the framework set forth in the Vermont All-Payer Model Agreement and the Global Commitment Waiver. Specifically, the State would like to encourage ACO-based provider led reform that features (a) collaboration between providers, (b) payment models that move away from Fee-For-Service payment, and (c) rigorous quality measurement that aligns with the APM quality framework.

1. **What these grants will fund**

The Agency of Human Services (AHS) has unique authority under the Global Commitment to Health demonstration to fund health care innovation through investments that “[e]ncourage the formation and maintenance of public private partnerships in health care, including initiatives to support and improve the health care delivery system”.

Accountable Care Organizations (ACO) and Medicaid Community providers are encouraged to submit grant applications that provide one-time, developmental start-up funding to further this goal. See Appendix B and Appendix C for a detailed list of allowable and unallowable categories and projects. All applications will be reviewed based on the following criteria:

* Compliance with the CMS funding categories.
* Evidence of use of data on the status and needs of both the clinical population and the entire population of the jurisdiction to inform action.
* Action to integrate services across the continuum of health and wellness, including short and long-term physical and mental health, substance use disorder services, and other services and supports for individuals in the context of their social, economic, and community circumstances.
* Effort to build upon existing innovative practices that show evidence of success (e.g. integrated care management; community learning collaboratives).
* Linkage/contribution to achievement of statewide health outcomes and quality of care targets in Attachment 1 of the APM agreement.
* Feasibility to implement within the given time frame.
* Evidence of use of the Vermont Care Model.

1. **Timing of Applications**

This information is for investments requesting to be implemented on or before 7/1/17\*. Please see Appendix D for a visual depiction of the application process.

|  |  |
| --- | --- |
| **Date** | **Task** |
| 12/2/16 | Application Release |
| 12/15/16 - 1/15/17 | Applications accepted (for signed agreement effective 7/1/17) |
| 1/16/17 - 3/14/17 | Technical review and leadership determination made |
| 3/15/17 | AHS application submission to CMS |
| 3/15/17 | Applicants will be notified of leadership determination/submission to CMS |
| 5/1/17 | CMS determination |

\* For applications for investments that would be implemented after 7/1/17, an additional application opportunity will be made available Spring 2017.

1. **Application requirements**

Applicants will be expected to submit a complete application to [**AHS.MedicaidPolicy@Vermont.gov**](mailto:AHS.MedicaidPolicy@Vermont.gov) that meets the requirements set forth in this document. A complete application includes:

1. Completed Application Template: Appendix A

The appendices should guide your application:

* See Appendix A for the project application template.
* See Appendix B for a detailed list of allowable categories and projects.
* See Appendix C for a detailed list of unallowable categories and projects.
* See Appendix D for a visual depiction of the application process

Additional information may be requested by AHS to facilitate the review of an application.

1. **Compliance and Reporting Requirements**

Compliance and reporting requirements can differ based on the Medicaid Fund source. AHS will define these requirements in the final award. Applicants are reminded that these are federal funds and as such must comply with Uniform Federal Guidance.

Additionally, and according to the State’s 1115 waiver terms and conditions: “the state must assure that in reporting cost, the state and providers must adhere to 45 CFR §75 Uniform Administration Requirements, Cost Principles, and Audit Requirements for Health and Human Services (HHS) Awards and 42 CFR §413 Principles of Reasonable Cost Reimbursement. Pursuant to 45 CFR §75.302(a) the state must have proper fiscal control and accounting procedures in place to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of applicable statutes. Costs must be supported by adequate source documentation.”

**Appendix A: Application Sample Format**

***General Information:***

Organization Applying:

Key Contact for Applicant:

Key Contact Email and Phone Number:

AHS Department Contact (if known):

***Project Information:*** *(limit 10 pages)*

Project Title:

Project Category#: *(See Appendix B)*

Project Objective: *(How does this project meet the State’s health system reform goals and support the transformation envisioned through the All Payer Model and Global Commitment to Health Demonstration Waiver frameworks that feature: (a) collaboration between providers, (b) payment models that move away from Fee-For-Service payment, and (c) rigorous quality measurement that aligns with the APM quality framework? Provide specific examples of collaboration and integration.)*

Project Description, including Project Plan and Phasedown/Sustainability Strategy: (*Applicants are reminded that these are one-time investments. The Project Plan should be provided in a GANTT Chart or similar mechanism that clearly includes timelines and milestones.)*

Project Outcomes:

Project Specific Measurements: *(Applicants should include specific measures and targets for proposed projects. Applicants should consider using a Results Based Accountability framework and expressly include measures that link to population health outcome improvement.)*

How does the project provide a return on investment: *(Describe how will this be calculated, over what period of time.)*

What is the impact to Vermonters and Providers: (*Include numbers of individuals and identification of specific provider types and populations.)*

Is this project currently funded by an alternative federal funding source:

Project Evaluation: *(Applicants should include: (a) a description of model of change and expected results, (b) which research method(s) will be used to systematically investigate the effectiveness of programs and/or approaches, (c) a plan to report on process of implementation, and (d) a plan to report results and opportunities for improvement.)*

**Population served through proposal:** (check all that apply)

**General Vermont Population**

**Children**

**Adults**

**Elderly**

**Pregnant Women**

**Developmental Services**

**Mental Health**

**Substance Use Treatment**

**Long Term Services and Supports**

***Budget Request:***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Budget Category** | Year 1 | Year 2 (if applicable) | Year 3 (if applicable) | Year 4 (if applicable) |
| Personnel |  |  |  |  |
| Fringe |  |  |  |  |
| Contracts |  |  |  |  |
| Equipment |  |  |  |  |
| Supplies |  |  |  |  |
| Other |  |  |  |  |
| Indirect |  |  |  |  |
| ***Total*** |  |  |  |  |

In addition to this summary budget table, applicants are requested to provide budget detail for each of the above categories. The level of detail is described below. It is best if this is provided in Excel, but other formats are acceptable. 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, applicants should distinguish between activities that will be funded under this agreement and activities funded with other sources. Federal funding may be time limited and awardees may be given specific instruction around timelines in which funds need to be drawn down.

## Salaries and Wages (Personnel)

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* | *$45,000* | *100%* | *12 months* | *$45,000* |
| *Susan Taylor* |  |  |  |  |
| *Finance Administrator* | *$28,500* | *50%* | *12 months* | *$14,250* |
| *John Johnson* |  |  |  |  |
| *Outreach Supervisor* | *$27,000* | *100%* | *12 months* | *$27,000* |
| *(Vacant\*)* |  |  |  |  |

### 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 AHS. This position relates to all program objectives.*

## 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:*

## 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.

## 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.*

## 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.*

## 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).*

## Indirect Costs $

To claim indirect costs, the applicant organization must identify if they will use the *d*i *minimus* rate of 10% or must provide with the application a currently approved alternative indirect cost rate agreement established with the Cognizant Federal agency.

### Sample Budget

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

**Appendix B: CMS Funding Categories**

1. **Allowable categories and costs**

The federal government specifies the type of delivery system reform investments that qualify for federal funding. Specifications below provide technical detail on permissible investments.

Applicable to all delivery system reform investments under categories #1 and #2:

* Investments are limited to development costs only.
* New projects may be initiated starting in CY 2017 through CY 2020. Projects are time-limited and are expected to phase out no later than 12/31/2021. There may not be start-up investments in CY 2021.

**Category #1: Accountable Care Organization (ACO) Infrastructure Improvement**

**Eligibility-** To be eligible to receive any funding under category #1, the ACO must meet the following criteria:

* Once the Green Mountain Care Board full certification and budget review process is implemented (expected by January 1, 2018), meet the state certification standards set by the Green Mountain Care Board under Vermont Act 113 (2016);
* Sign an agreement with the state consistent with the state’s All Payer Model Accountable Care Organization agreement with the Centers for Medicare & Medicaid Services; and
* By January 1, 2017, sign either a shared savings program agreement or Next Generation ACO agreement with at least one other payer. Beginning in 2019, sign a Vermont Medicare ACO Initiative agreement with at least one other payer consistent with the state’s All Payer Model Accountable Care Organization agreement.

**Objectives-** The ACO must submit a project plan to the state that describes how the funding would help the ACO achieve one or more of the following objectives:

* Develop governance, skills, and capacity to perform under a Medicaid risk-based contract designed to be an integrated part of an all payer approach;
* Manage enrollees’ care across Medicaid providers in a manner consistent with unified processes across payers; and
* Successfully operate without decreased access or quality under population-level spending targets set to prospectively provide affordable per-person spending to the payers, programs and employers covering Vermont residents.

**Projects-** Allowableprojects under category #1 are described below (items 1(a) and 1(b)(1)-(4)).

**1(a)- Quality and Health Management Measurement Improvement Projects:** The purpose of these projects is to provide funding for quality and health improvement information development and dissemination for participating providers of the ACO. Projects under this category must include one or more of the following:

* Learning collaboratives for provider communities to share best practices for using data to support health improvement for Medicaid beneficiaries;
* Technical assistance to providers in setting quality improvement targets for their specific panel of Medicaid patients in order to meet the ACO quality measures or to support the measures in the APM agreement; and
* Technical assistance in testing payment models which reward communities (and their providers across the continuum of care and services) who demonstrate high quality and/or improvement by working together.

**1(b)- Community-Based Population Health Projects:** The goal of this category of projects is to improve the integration of care for Medicaid beneficiaries by improving relationships between Medicaid’s community providers and local hospitals. Projects must be designed, at the local/regional level, to promote integration across all types of care and service providers and targeted to the overall goals, including measures agreed to by the state in the All-Payer ACO Model Agreement or in the state’s Quality Improvement Plan. The APM measures include:

1. Reducing deaths of Vermont residents related to drug overdose;
2. Reducing the number of deaths due to suicide;
3. Not increase the prevalence of COPD, diabetes and hypertension for Vermont residents;
4. Increasing the level and consistency in screening, access, and follow-up for mental health and substance abuse issues; and
5. Ensuring most Vermonters have a usual primary care physician.

1(b) Projects must fall under one or more of the following descriptions at (1(b)(1)-(4):

**1(b)(1)-** Primary and Secondary Prevention Development projects, including:

* Expanding disease-specific programs to slow or reverse existing disease state and related co-morbidities at the community or local level;
* Building a statewide, community-focused health and wellness program; and
* Tailoring existing prevention programs to specific characteristics of Medicaid beneficiaries, the uninsured or the underinsured.

**1(b)(2)**- Community-Based Provider Capacity projects to build integration between essential community providers, such as those who provide mental health, substance use disorder, developmental services, and long term services and supports, and ACO, to ensure community-based providers have the capacity to participate in quality improvement and health management projects with the ACO, and to ensure that Medicaid community providers are able to participate in the other ACO projects funded by investments.

**1(b)(3)-** Socio-Economic Risk and Mitigation projectsto develop a screening profile for socio-economic, environmental, and behavior risks for low income Vermonters that builds on the Screening, Brief Intervention Referral to Treatment (SBIRT) program. These projects will ensure that individuals’ unique needs and challenges are incorporated in care planning and that coordination is expanded beyond medical providers and Medicaid community providers. The purpose is to develop projects promoting a whole-person approach to care that takes into consideration the socio-economic needs of specific individuals.

**1(b)(4)-** Advanced Community Care Coordination projectswould organize and expand upon current care management programs to create an efficient and effective approach, eliminating duplication in this arena. The project would include development of capacity to identify individuals needing supplemental coordination and management through risk scoring and other methods. This will involve codifying more standardized levels of care coordination, and developing programs and plans to best deliver the services based on existing capacity and community approaches. For example, projects would develop formats for shared care plans for complex (high risk scoring) patients and enhancement of existing community-based care management programs where necessary to meet the population health measures.

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**Category #2: Medicaid Community Provider Integration Program (“Medicaid Pathway”)**

**Eligibility:** The following providers will propose projects under this category: Medicaid community-based providers, including designated mental health, disability support, substance use disorder providers and long term services and support providers.

**Objective:** The goal of these projects is to assist Vermont’s Medicaid community-based service providers to be able to manage population health for Medicaid beneficiaries and be able to participate in the All Payer model, including being able to accept value-based and risk-based payments.

**Appendix C:**

1. **Unallowable categories and costs**

The federal government will not permit these funds to be spent on certain activities. Projects for the above-mentioned categories must not include the following unallowable costs:

i. Construction costs (bricks and mortar);

ii. Room and board;

iii. Animal Shelters and Vaccines;

iv. Provider or Beneficiary Debt Relief and Restructuring;

v. Sheltered Workshops;

vi. Research expenditures;

vii. Rent and/or Utility Subsidies that are normally funded by the United States Department of Housing and Urban Development;

viii. Prisons, correctional Facilities or services for people who are civilly committed and unable to leave an institutional setting;

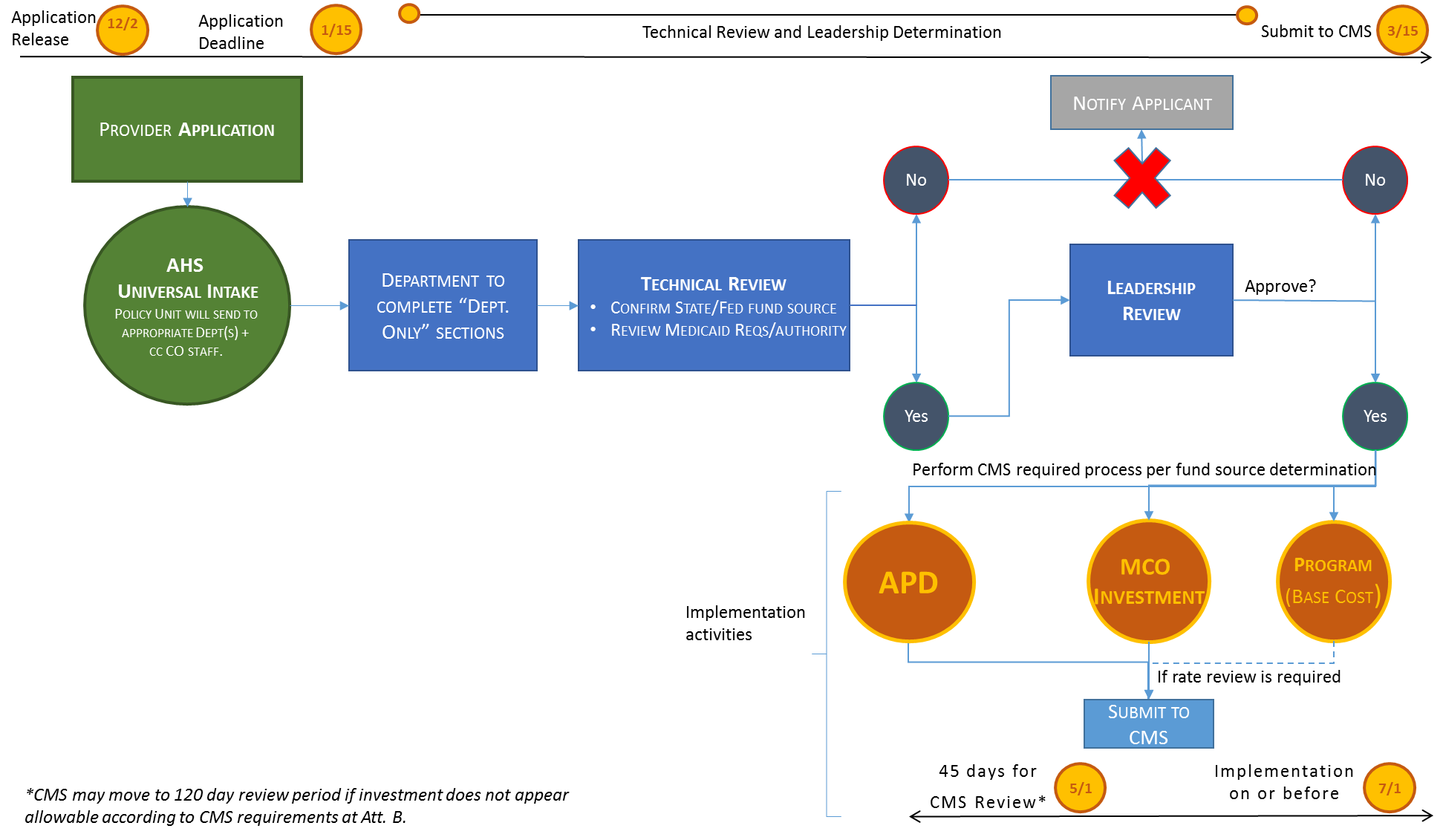
ix. Services provided to individuals who are not lawfully present in the United States or are undocumented;

x. Facility closures;

xi. Unspecified projects; and

xii. School based programs for children.

**Appendix D: Investment Application Process**

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