

**Financial Models to Support State Efforts to Integrate Care for Medicare-Medicaid
Enrollees
Demonstration Proposal Instructions
For Informational Purposes Only**

Under these demonstrations, States will have the opportunity to align financing between Medicare and Medicaid to support improvements in the quality and cost of care for full benefit Medicare-Medicaid enrollees. States must demonstrate their ability to meet or exceed certain CMS established standards and conditions to participate in either/both of these models. In order for CMS to determine whether the standards and conditions have been met, States are asked to submit a demonstration proposal that outlines their proposed approach for the selected financial model(s). Instructions for completing and submitting the demonstration proposal are below; CMS may update these instructions at any time and, if so, will notify States accordingly.

Logistics

Demonstration proposals should be submitted electronically in Word and/or Excel as appropriate and should be limited to 35 single-spaced pages in length (not including workplan, budget information and letters of support). Where possible, CMS will work with the States to develop standard templates for certain requirements (e.g., financial projections). States are encouraged to work with the Integrated Care Resource Center (<http://www.integratedcareresourcecenter.com/>) in the development of their proposals.

All materials submitted should conform to applicable Section 508 standards to allow Federal employees and members of the public with disabilities to access information that is comparable to information provided to persons without disabilities. Additional information on how to create accessible documents can be found at <http://www.hhs.gov/web/508/index.html>.

Demonstration proposals should be submitted by email to Melanie Bella, Director, Medicare-Medicaid Coordination Office at melanie.bella@cms.hhs.gov.

Elements

In developing the demonstration proposal, each State should include the following elements:

A. Executive Summary

One-page summary of proposed demonstration design that should include the following overview chart:

Target Population (All full benefit Medicare-Medicaid enrollees/ subset/etc.)	
Total Number of Full Benefit Medicare- Medicaid Enrollees Statewide	
Total Number of Beneficiaries Eligible for Demonstration	
Geographic Service Area (Statewide or listing of pilot service areas)	
Summary of Covered Benefits	
Financing Model	
Summary of Stakeholder Engagement/Input (Provide high level listing of events/dates— Section D asks for more detailed information)	
Proposed Implementation Date(s)	

B. Background

- i. Discussion of overall vision and/or rationale for proposed demonstration, including the barriers to integration to be addressed by the model and how they relate to the current financing and delivery system for Medicare-Medicaid Enrollees. State may include description of how it has tried to overcome these barriers in the past (e.g., through other CMS demonstrations, the use of SNPs, etc.) as applicable.
- ii. Detailed description of the Medicare-Medicaid enrollee population that would be eligible to participate in the proposed demonstration (including completion of the chart below) as well as those that would be specifically excluded.

	Overall	Individuals receiving LTSS in institutional settings	Individuals receiving LTSS in HCBS settings
Overall total			
Individuals age 65+			
Individuals under age 65			
Individuals with serious mental illness			
Other (as necessary—please describe)			

C. Care Model Overview

- i. Description of proposed delivery system/programmatic elements, including:
 - o Geographic service area(s);
 - o Enrollment method(s);
 - o Available medical and supportive service providers that are appropriate for and proficient in addressing the needs of the target population, etc.
- ii. Description of proposed benefit design and how the model will align the full array of Medicare and Medicaid services, including discussion of who will be accountable for managing the full range of services.
- iii. Description of whether the program will add new supplemental benefits and/or other ancillary/supportive services (e.g., housing, non-emergency transportation, etc.) or modify existing services.
- iv. Discussion of how evidence-based practices will be employed as part of the overall care model.
- v. As applicable, description of how the proposed model fits with: (a) current Medicaid waivers and/or State plan services available to this population; (b) existing managed long-term care programs; (c) existing specialty behavioral health plans; (d) integrated programs via Medicare Advantage Special Need Plans (SNPs) or PACE programs; (e) other State payment/delivery efforts underway (e.g., bundled payments, multi-payer initiatives, etc.) and (f) other CMS payment/delivery initiatives or demonstrations (e.g., health home, accountable care organizations, Multipayer advanced primary care practice demonstrations, demonstration to reduce preventable hospitalizations among nursing home residents, etc.).

D. Stakeholder Engagement and Beneficiary Protections

- i. Discussion of how the State engaged internal and external stakeholders during the planning process and incorporated input into its demonstration proposal. Please be as specific as possible and include dates/descriptions of all meetings, workgroups, advisory committees, focus groups, etc. that were held to discuss proposed demonstration with relevant stakeholders. CMS may ask States to provide additional detail (e.g., summary of stakeholder input, agendas and attendee lists for meetings, etc.) as necessary.
- ii. Description of protections (e.g., continuity of care, grievances and appeals processes, etc.) that are being established, modified, or maintained to ensure improved beneficiary experience and access to high quality health and supportive services necessary to meet the beneficiary's needs.
- iii. Description of the State's plans for continuing to gather and incorporate stakeholder feedback on an ongoing basis during implementation and throughout the demonstration, including how the State will inform beneficiaries (and their representatives) about this demonstration. Discuss how information will be provided in languages other than English and in alternative formats for individuals with disabilities.

E. Financing and Payment

- i. Description of proposed State-level payment reforms, including identification of the financial alignment model(s) that will be used.
- ii. In either financial alignment model, describe how payments will be made to providers, including proposed payment types (e.g., full-risk capitation, partial cap, administrative PMPM); financial incentives; risk sharing arrangements; etc. as applicable.

*F. Expected Outcomes**

- i. Description of the ability of the State to monitor, collect and track data on key metrics related to the model's quality and cost outcomes for the target population, including beneficiary experience, access to care, utilization of services, etc., in order to ensure beneficiaries receive high quality care and for the purposes of the evaluation.
- ii. List potential improvement targets for measures such as potentially avoidable hospitalizations, 30-day readmission rates, etc.
- iii. Discussion of the expected impact of the proposed demonstration on Medicare and Medicaid costs, including specific mention of any effect on cost-shifting occurring today between the two programs and detailed financial projections over the next three years for Medicare, Medicaid, and total combined expenditures, including estimates of how much savings are anticipated.

*Please note that CMS anticipates working with States on these issues and will have resources to support these efforts.

G. Infrastructure and Implementation

- i. Description of State infrastructure/capacity to implement and oversee the proposed demonstration. States should address the following: staffing, expected use of contractors, and capacity to receive and analyze Medicare data as part of a linked database.
- ii. Initial description of the overall implementation strategy and anticipated timeline, including the activities associated with building the infrastructure necessary (e.g., systems changes) to implement the proposed demonstration. States should identify key tasks, milestones, and responsible parties, etc. (See attached Word template)

H. Feasibility and Sustainability

- i. Identification of potential barriers/challenges and/or future State actions that could impact the State's ability to successfully implement the proposal and strategies for addressing them.
- ii. Description of any remaining statutory and/or regulatory changes needed within the State in order to move forward with implementation.
- iii. Description of any new State funding commitments or contracting processes necessary before full implementation can begin.
- iv. Discussion of the scalability of the proposed model and its replicability in other settings/States.
- v. Letters of support from Governor's Office and any other relevant governmental and non-governmental stakeholders as appropriate, such as Congressional delegation; other relevant State agencies (e.g., departments of aging, mental health, disabilities, etc.); community-based organizations; provider associations; and advocacy organizations. (Will not count against page limit.)

I. Additional Documentation (as applicable)

Depending on the model proposed, States may be asked to provide additional documentation such as draft waiver applications, State plan amendments, etc. as part of the demonstration proposal. Such documents will not be counted against required page limit.

J. Interaction with Other HHS/CMS Initiatives

Over the last several months, the Department of Health and Human Services has launched a number of initiatives aimed at improving health and health care for Americans that would be beneficial in developing programs aimed at improving care for Medicare-Medicaid enrollees. Please describe any initial plans for incorporating and/or building upon these priorities/initiatives as part of the demonstration. (Please note that CMS plans to also work with States on inclusion of these initiatives as part of the implementation process as well.)

- **Partnership for Patients:** Among its goals, the Partnership aims to reduce all hospital readmissions by 20% between 2010 and 2013. (See <http://www.healthcare.gov/center/programs/partnership/index.html> for more details);
- **HHS Action Plan to Reduce Racial and Ethnic Health Disparities:** The Action Plan outlines goals and actions HHS will take to reduce health disparities among racial and ethnic minorities, including increasing proportion of people with person-centered health homes and advancing translation for people with limited English proficiency (See http://www.minorityhealth.hhs.gov/npa/files/Plans/HHS/HHS_Plan_complete.pdf for more details) and
- **Million Hearts Campaign:** Million Hearts is a national initiative to prevent 1 million heart attacks and strokes over the next five years by promoting the “ABCS” of clinical prevention (appropriate aspirin therapy, blood pressure control, cholesterol control, and smoking cessation) as well as healthier lifestyles and communities (See <http://millionhearts.hhs.gov/> for more details).

