Direct Contracting Model

Application Best Practices & Checklist

CMS appreciates the time and effort that applicants put into the application process. This resource is intended to help applicant Direct Contracting Entities (DCEs) highlight key strengths that they can bring to the model participant community. For a more detailed description of what should be included in the application, please reference the RFA.

General Tips to Writing a Direct Contracting Application

- ✓ Confirm the DCE meets the eligibility criteria described in Section V of the RFA.
- ✓ Use specific examples of previous success and data, when applicable.
- ✓ Demonstrate commitment to the goals of the Direct Contracting Model in the application.
- ✓ Use spacing and formatting (e.g., paragraph and section divisions) to improve readability and clarity.
- ✓ Include thorough detail to make the applicant's plan and capabilities clear and feasible.
- ✓ Run a final grammar and spell check before submitting the application.

What makes a strong Direct Contracting application?

Keep these considerations in mind when drafting application responses. While this information may appear across a number of separate application questions, it is important that the applicant DCE ensure their application provides a comprehensive story across answers to help CMS determine the applicant's strength in succeeding as a model participant.

- ❑ Provide the applicant's planned or existing implementation approach consistent with the goals of the Direct Contracting Model (i.e., not recycled language from other applications; not simply restating the model's requirements without demonstrating how they would be implemented).
  - ❑ Use specific examples of previous success and data where applicable. Data points should be specific to the applicant's efforts (vs. data points from the general population or studies published by other organizations) and should include benchmarks where possible to provide context.

- ❑ Describe in detail the applicant's financial experience, noting their experience and scope of the risk-sharing arrangements/outcomes-based contracts and include:
  - ❑ How payments are tied to outcomes (e.g., quality bonuses, upside only arrangements, upside and downside arrangements, capitation / sub-capitation, bundled payments).
  - ❑ Scope of outcomes based contracts including number of patients/lives covered, focus of the contract (episodic / bundles vs. longitudinal risk), and scope of quality and/or financial risk (e.g., all of Part A and B spend, Part D, specific set of services focused around an episode, etc.), and number of years of experience.
  - ❑ Approach (planned or existing) to contracts with downstream providers (e.g., quality bonuses, upside only arrangements, upside and downside arrangements, capitation/sub-capitation, bundled payments).

- ❑ Describe in detail the applicant's care delivery experience, which include:
  - ❑ Explanations of care management resources, operations, interventions, and relationships (planned or existing) with partnering providers or other key stakeholders.
  - ❑ Relationships with providers across care settings and the ability to serve beneficiaries across care settings (e.g., in the home, in both outpatient and institutional settings).
  - ❑ Descriptions of their utilization of data (e.g., contracts with hospital systems to receive patient notifications for admissions, etc.).
  - ❑ Experience providing population health management to high-needs populations, if applicable.

For more information on the Direct Contracting Model, please visit the website: https://innovation.cms.gov/initiatives/direct-contracting-model-options/.

For questions about the Direct Contracting application, please email DPC@cms.hhs.gov.

Are the following items in the application?

The checklist outlined below contains key considerations for the applicant to include in their application aligned with application scoring criteria. A list of required attachments is also below. These considerations do not replace guidance or the additional requirements listed in the RFA or online application. To view the scoring criteria see Appendix D of the RFA or Appendix E for the application template.

Scoring Criteria	Key Considerations	
Organizational Structure (10 points)	Is it clear how the proposed organizational structure will promote patient-centered care and fulfill the goals of the Direct Contracting Model?	❑
	Have you provided a comprehensive organizational structure? (E.g. More than one person is identified)	❑
	Have you demonstrated a plan or history of collaboration and care coordination between the providers and suppliers within the DCE?	❑
	If applicable (for High Needs DCEs only), have you provided history of working with high needs and dually eligible populations?	❑
Leadership and Management (20 points)	[Eligibility Requirement] Is the governing body separate and unique to the DCE?	❑
	Is there a clear description of the roles and responsibilities of DCE leadership, what each is responsible for and how they interact with the governing board?	❑
	[Eligibility Requirement] Does your application comprise a multi-stakeholder board as required by the RFA to include: 1) at least one Medicare beneficiary served by the DCE; 2) at least one consumer advocate; and 3) at least 25% (or three, whichever is greater) DC Participant Providers. 4) For High Needs DCEs, at least one dually eligible beneficiary served by the DCE. *Note: Applicants should not label members of their DCE as their Medicare beneficiary or consumer advocate representatives.*	❑
Financial Planand Risk-Sharing Experience (20 points)	[Eligibility Requirement] Does your application present a clear plan to repay potential losses?	❑
	Have you included any experience with risk-sharing arrangements or identified a clear plan for participating in a risk sharing model?	❑
	Have you included thorough descriptions of most recent experiences in outcomes-based arrangements including the focus of the contract, amount of financial responsibility, evaluation of patient experiences of care, longevity, types of partners, and substantial quality performance incentives?	❑
	Have you clearly documented the reductions in medical expenditures achieved through outcomes-based contracts?	❑
	Have you included a description of how payments will be tied to outcomes (e.g., quality bonuses, upside only arrangements, upside and downside arrangements, capitation / sub-capitation, bundle payments)?	❑
	Have you demonstrated a credible plan for using the preponderance of revenue from the capitated payment to the DCE to fund outcomes-based contracts with DC Participant Providers and Preferred Providers?	❑
Patient Centeredness & Beneficiary Engagement (25 points)	Does the DCE have a feasible plan to conduct patient outreach and care coordination?	❑
	Does the DCE demonstrate a feasible plan to engage beneficiaries to recruit them into the model?	❑
	Have you clearly articulated existing or planned system to evaluate beneficiary experience and implement changes to improve care?	❑
Clinical Care (25 points)	Does the DCE demonstrate previous or future plans for care improvement interventions?	❑
	Does the application include a description of how the applicant will coordinate care with its providers across care settings and their ability to serve beneficiaries across those care settings (e.g., in the home, in both outpatient and institutional settings)?	❑
	Does the DCE demonstrate a clear capacity to coordinate care under an interdisciplinary team structure and in collaboration with major stakeholders in the community?	❑
	Does the DCE demonstrate an understanding of the care coordination approach that would be needed to address the needs of the complex set of beneficiaries that would be served under the model?	❑
	If applicable (for High Needs DCEs only), did you include experiences providing population health management to high needs populations?	❑
	Does the DCE provide a plan for how it will use data and technology to improve care (e.g., through population health management tools, performance feedback to DC Participant Providers and Preferred Providers, etc.)?	❑

Required Application Attachments

The applicant DCE must include the following required attachments. Note: There are several additional *optional* attachments not listed below that may be applicable to your DCE.

- ❑ Certificate of Incorporation
- ❑ Signed DC Participant Provider Notification Attestation
- ❑ Provider Participant List Template
- ❑ Organizational Chart
- ❑ Compliance Plan
- ❑ Sample or Current Contract between the DCE, DC Participant Providers, and Preferred Providers