



FACT SHEET

FOR IMMEDIATE RELEASE

Contact: CMS Media Relations Group

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We Can't Wait: Health Care Innovation Challenge Will Improve Care, Save Money, Focus on Health Care Jobs

On November 14, 2011, the Department of Health and Human Services released a funding opportunity announcement for the Health Care Innovation Challenge. Under this Challenge, up to \$1 billion dollars will be awarded to innovative projects across the country that test creative ways to deliver high-quality health care services and lower costs. Priority will be given to projects that rapidly hire, train and deploy new types of health care workers.

The Health Care Innovation Challenge will support public and private organizations including clinicians, health systems, private and public payers, faith-based institutions, community-based organizations and local governments. Innovative approaches from these organizations that can begin within six months of award and demonstrate a model for sustainability post-award will also be given priority.

Innovative Solutions to Improve Care for Patients

Funded by the Affordable Care Act, the Health Care Innovation Challenge will award grants to applicants who will implement the most compelling new ideas to deliver better health, improved care and lower costs to people enrolled in Medicare, Medicaid and CHIP, particularly those with the highest health care needs.

Awards, which will be announced in March 2012, will range from approximately \$1 million to \$30 million for a three-year period. Applications are open to providers, payers, local government, public-private partnerships and multi-payer collaboratives. Each grantee project will be monitored for measurable improvements in quality of care and savings generated.

Applicants interested in participating in the Health Care Innovation Challenge are invited to propose models that provide innovative approaches to improving care and lowering costs for high risk/high opportunity patient populations. These proposals are expected to describe innovative ways to organize and pay for health care services.

The Health Care Innovation Challenge will encourage applicants to include new models of workforce development and deployment that efficiently support their service delivery model

proposal. Enhanced infrastructure to support more cost effective system-wide function is also a critical component of health care system transformation, and applicants are encouraged to include this as an element of their proposals.

Priority Areas for Proposals

All proposals should include the following elements:

- **Workforce Development and Deployment:** Proposed models should include the development and/or deployment of health care workers in new, innovative ways. The review process will favor innovative proposals that demonstrate the ability to create the workforce of the future.
- **Speed to Implementation:** All proposed models must be operational or capable of rapid expansion within six months.
- **Model Sustainability:** All proposals are expected to define a clear pathway to sustainability, and should consider scalability and diffusion of the proposed model.

Monitoring and Evaluation

The awardees of the Health Care Innovation Challenge must participate in comprehensive monitoring and evaluation activities. For example, they will provide regular updates on their program progress to the Innovation Center in addition to reporting improvements in quality indicators on a scheduled basis. Each model will be monitored for a measurable movement towards higher quality care in addition to the generation of savings for the patients they serve. These reports will include data on their actual performance compared to forecasted performance. Awardees will be required to provide necessary data elements to CMS.

In addition to this self-monitoring and self-evaluation, CMS will also collect from awardees a standard minimum set of performance indicators through its monitoring and evaluation contractors. CMS will contract with independent entities to assist in monitoring the programs and to conduct an independent evaluation. Awardees will be required to cooperate in providing the necessary data elements to CMS. More details are provided in Section VI.4.A of the funding opportunity announcement.

As with all Innovation Center initiatives, awardees will also participate in learning sessions about how care delivery organizations can achieve performance improvements quickly and effectively. They will also have opportunities to share their experiences with one another and with participants in other Innovation Center initiatives.

Cooperative Agreement Structure

Awards will be made through the use of cooperative agreements for a three-year implementation period. Up to \$1 billion will be available for this initiative. Awards will be expected to range from approximately \$1 million to \$30 million over three years, depending on the size and proposed activities of the individual project, with the expectation that this investment will result in lower costs and improved health care.

Prohibited uses of the initiative's funds include:

- Matching any other Federal funds.
- Services, equipment, or supports that are the legal responsibility of another party under Federal or State law (e.g., vocational rehabilitation or education services) or under any civil rights laws.
- To provide infrastructure for which Federal Medicaid matching funds are available at the 90 / 10 matching rate, such as certain information systems projects
- To supplant existing State, local, or private funding of infrastructure or services, such as staff salaries.

For a complete description of allowable and prohibited uses of funds, please refer to the funding opportunity announcement on www.grants.gov.

Eligibility for Initiative

The intent of this initiative is to engage a wide variety of innovators. Interested parties of all types who have developed innovations that will meet the initiatives goals of improving care, lowering costs, and creating health care jobs are welcome to apply. Examples of the types of organizations expected to apply are: provider groups, health systems, payers and other private sector organizations, faith-based organizations, local governments, and public-private partnerships.

In addition, certain organizations are eligible to apply as conveners to assemble and coordinate groups of participants. Conveners could serve as facilitators or could be direct award recipients. States are not eligible to apply under this funding opportunity.

All applications must be submitted electronically through www.grants.gov. Applicants are strongly encouraged to use the review criteria information provided in the "Application Review Information" section in the funding opportunity announcement, to help ensure that the proposal adequately addresses all the criteria that will be used in evaluating the proposals.

Important Deadlines

Letter of Intent: December 19, 2011
Applications are due, January 27, 2012
Anticipated Award Date: March 30, 2012

Commitment to Improving Care

The Innovation Center, created by the Affordable Care Act, has worked to solidify the partnership opportunities with public and private sector stakeholders to help improve care and lower costs in health care. Since the Innovation Center opened its doors in late 2010, it has received hundreds of ideas from patients, clinicians, purchasers and payers of health care, information technology experts, pharmaceutical and medical device companies, and others to help inform the design and development of initiatives. These initiatives include the [Pioneer Accountable Care Organization](#) model, the [Comprehensive Primary Care](#) initiative, the [Bundled Payments for Care Improvement](#) initiative and the [Partnership for Patients](#).

Prior Innovation Center initiatives have generally been focused on testing the efficacy of and spreading selected, promising initiatives across multiple regions. The Health Care Innovation Challenge initiative is focused instead on identifying and supporting local, new models that, if successful, can be shared widely and on a larger scale.

For More Information

For more information on this initiative, please refer to the Health Care Innovation Challenge initiative funding opportunity announcement found at: www.innovation.cms.gov

For specific questions, please send an email to InnovationChallenge@cms.hhs.gov

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