



Request for Applications (RFA)
NGA Policy Academy

**Leveraging Medicaid to Create Statewide
Health Care Transformation**

IMPORTANT INFORMATION

Purpose:	To work with a group of states seeking to transform their health systems by facilitating the development of agreements in concept between states and the federal government on individual, global Medicaid waivers, state plan amendments, or other authorities that facilitate transformation.
RFA Release Date:	July 17, 2014
Bidders Conference Calls:	August 6th, 2014, 4:00-5:00pm EST August 18th, 2014 4:00-5:00pm EST (Dial in: 1-800-531-3045; Passcode: 9763-316 #)
Applications Due:	August 22, 2014 5:00 p.m. EST
Selection Announcement:	September 10, 2014
Project Period:	September 2014 – August 2015
First Policy Academy Meeting:	October 15-16, 2014 (<i>Tentative</i>)
Eligibility:	States, Commonwealths, and U.S. Territories with full National Governors Association membership benefits
NGA Contacts:	Frederick Isasi, Health Division Director fisasi@nga.org or 202-624-7872 Carol Backstrom, Program Director cbackstrom@nga.org or 202-624-5399

PURPOSE

Governors continue to lead in efforts to improve the quality of the health care delivery system, improve the health of their constituents, and reduce the cost of health care for the government, private sector, and individual families. At the forefront of those efforts are broad, statewide reforms to Medicaid programs that can serve as the catalyst for even further-reaching changes across both the public and private sectors. Working in conjunction with a small, bipartisan cohort of states and the relevant federal agencies, the NGA Center for Best Practices (the NGA Center) is offering a policy academy that aims to assist governors in creating a Medicaid transformation framework that includes individual “agreements in concept” tailored to the specific needs of each participating state (consistent with federal parameters). The agreements in concept might take the form of waivers, state plan amendments, performance partnerships, or other mutually agreed-upon arrangements between a state and the federal government, but must include the following core elements:

- The potential for systemic payment and delivery reform across a state that is focused on improving health outcomes, improving the delivery of care, and lowering health care costs;
- Shared risk between states and the federal government including, for example, the ability for states to benefit from the savings generated in Medicaid, Medicare or other federal programs; and
- A comprehensive quality and accountability strategy.

A second goal of the policy academy is to strengthen states’ abilities to submit successful proposals and to identify ways to expedite and coordinate the federal review and approval process for statewide Medicaid transformation. The policy academy could, therefore, provide a “blueprint” for states not participating in the policy academy to seek global Medicaid reforms that could shift the negotiation starting point and result in more efficient and faster negotiation processes for the state and federal governments.

BACKGROUND

Medicaid provides health and long-term care coverage to more than 66 million low-income Americans. Medicaid accounts for one in six dollars of all health care spending in the United States but is the primary payer for long-term care services and supports (LTSS) and a major source of revenue for safety-net providers.¹

States have harnessed Medicaid’s leverage as a major source of coverage and financing to drive innovation and improvements in care, including more patient-centered and coordinated care, wider use of community-based alternatives to institutional long-term care, and better alignment of incentives to improve quality and health outcomes.²

Momentum continues to build across the country to significantly transform the health care system by shifting from a system focused on volume-based care to one that focuses on improving health

¹ Smith, VK, Gifford, K, and Ellis, E of Health Management Associates, Rudowitz, R and Snyder, L. *Medicaid in a Historic Time of Transformation: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2013 and 2014*, The Henry J. Kaiser Family Foundation, October 7, 2013. <http://kff.org/medicaid/report/medicaid-in-a-historic-time-of-transformation-results-from-a-50-state-medicaid-budget-survey-for-state-fiscal-years-2013-and-2014/>.

² *Medicaid: A Primer, Key Information on the Nation’s Health Coverage Program for Low-Income People*, The Henry J. Kaiser Family Foundation, March 2013, <http://kff.org/medicaid/issue-brief/medicaid-a-primer/>.

outcomes. Governors are uniquely situated to meet that challenge and look across their states' entire health systems to create solutions that span across both the public and private markets. Through collaborative efforts between state agencies, communities, stakeholders, payers, and providers, governors can steer action towards a common vision of a transformed health care system for a state. Additionally, governors can use their roles as payers, administrators, regulators and conveners to drive development of cross-sector metrics and workforce training, to provide the many parties involved with incentives to achieve mutual accountability for outcomes, and to develop sustainable funding streams to support new policies.

POLICY ACADEMY DESCRIPTION

A NGA Policy Academy is a highly interactive process meant to serve as a catalyst for policy change. Participating states work with experts within the NGA Center, other national experts, and peers to produce action plans based on research and the practical experience of state policymakers facing similar issues across the country. Policy academy success requires a substantial commitment on the part of state teams. By the end of the policy academy, states will have developed and negotiated with the federal government the parameters of the state's Medicaid statewide transformation plan. Past policy academies have resulted in executive orders, new legislation, changes in regulations, pilot programs, and the creation of formal working groups.

The NGA Policy Academy, *Leveraging Medicaid to Create Statewide Health Care Transformation* will last 12 months, during which the NGA Center will work with three to five state teams to move beyond vision statements and preliminary plans to reach agreement in concept with the federal government on individual, global Medicaid reforms designed to improve health outcomes, improve the delivery of care, and lower health care costs. Those agreements in concept also will link system transformation improvements with quantifiable savings to the state. Importantly, states also may propose to share in some of the savings accruing to the federal government through Medicaid, Medicare, and other federal programs.

As a result of the ambitious scope of this policy academy, selected states will be expected to commit significant time and resources from their most senior health care leaders. State teams will attend three policy academy meetings; host two in-state policy workshops; receive ongoing direct technical assistance from NGA Center staff, consultants, and a national expert panel; participate in ongoing discussions with federal partners; and join in peer learning activities.

The NGA Center anticipates states participating in the policy academy will include both State Innovation Model (SIM) and non-SIM states. The project offers SIM states an ideal vehicle to seek and receive federal approval for waivers or other agreements that are necessary building blocks for their SIM design efforts. The project also offers an important opportunity to non-SIM states interested and engaged in transformation of their Medicaid programs to potentially reach agreement with federal agencies on statewide Medicaid reforms.

Major topics that will be addressed during the Medicaid Transformation Policy Academy are described below.

- *Financing of Reforms*: What is the current thinking on budget neutrality and return on investment for innovative programs? What do states need to demonstrate to the federal government in order to increase savings or decrease spend in their Medicaid or other programs? How should states think about their own commitment to financing transformation and future reinvestments? What is the role of states in aligning provider payments across payers?

- *Stakeholder Relations:* How can the state meaningfully engage with stakeholders who are key to the success of statewide transformation efforts? What are the best practices around ongoing stakeholder feedback?
- *Data Analytics:* How can the state use health care data to drive sound policy decisions? Is a data collection infrastructure in place that will measure results from transformation efforts?
- *Quality Reporting:* How can the state create a statewide quality strategy that ensures that goals of transformation are met in terms of improved health outcomes, delivery of care, patient experience and lowered health care costs?
- *Performance Metrics and Evaluation:* What systems and processes will the state use to ensure that they are meeting health, quality, and cost targets made in a statewide transformation proposal?
- *Role of Managed Care:* What role can the state play to ensure that Medicaid managed care partnerships are effective in improving health outcomes and value? What are the implications of expanding managed care to more non-traditional managed care enrollees such as those who are dually eligible and people with disabilities?
- *Workforce Development:* What does the state need to consider to build a workforce that effectively responds to health needs under a modernized Medicaid program and health care delivery system?

The NGA Center will work with HHS leaders who have agreed to commit time and resources to accelerate innovation in states. It is important to note that reaching agreement before the end of the project is not a guarantee. Progress will depend on state readiness and the specific elements of the state’s proposal(s).

Please note that the scope of this policy academy is limited to discussions and possible agreement between states and the federal government and will not involve technical assistance or other support for state legislative action.

TIMELINE

The following is a tentative schedule for the policy academy.

August 6 & 18 4:00-5:00pm EST	Bidders’ Calls (applicants are not required to participate in bidders’ calls)
August 22, 2014 5:00 p.m. EST	Applications Due via Electronic Submission
September 10, 2014	State Selection Announcement
October 15-16, 2014 (Tentative)	First Policy Academy Meeting Objectives:

	<ul style="list-style-type: none"> • States will have a clear understanding of the elements that comprise a comprehensive Medicaid transformation plan; and • States will identify next steps and areas of discussion with federal officials about their Medicaid transformation plan.
November 2014 – January 2015	<p>First In-State Site Visits</p> <p>Activities:</p> <ul style="list-style-type: none"> • Address state-specific issues • Convene stakeholders
February 2015	<p>Second Policy Academy Meeting</p> <p>Objectives:</p> <ul style="list-style-type: none"> • States will have initial discussions with federal officials about potential parameters for care delivery and payment models and accompanying quality and budget targets; and • States will have a clear idea of areas for refinement and further modification.
March – May 2015	<p>Second State Site Visits</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Address state-specific issues • Convene stakeholders
July 2015	<p>Third Policy Academy Meeting</p> <p>Objectives:</p> <ul style="list-style-type: none"> • States will continue discussions with federal officials about potential parameters for care delivery and payment models and accompanying quality and budget targets; and • Ideally, states and federal partners will be able to articulate areas for potential future “agreements in concept.”
August 2015	Summary report due to the NGA Center
Ongoing	Monthly Call with NGA Center Staff and expert faculty
Ongoing	Conference calls with peer states, webinars

POLICY ACADEMY ACTIVITIES

The policy academy requires active participation from states and a strong commitment to developing, refining, and negotiating the transformation plan produced through the process. States participating in the policy academy will:

1. **Organize a core high-level policy academy team and broader stakeholder team.** States must identify a core team of 5-8 people who can influence the creation of statewide Medicaid transformation. Due to the ambitious scope of this policy academy, selected states will be expected to commit significant time and resources from their most senior health care leaders. Core team members must include the governor's health policy advisor, the state's public health or Medicaid agency commissioner, and the state's Medicaid or CHIP director. Teams also may include state budget, health, or other human services officials and representatives of other relevant state agencies. The core team will be responsible for continuing work in the state throughout the policy academy, including forming a broader group of stakeholders necessary to carry out effective Medicaid reform planning and implementation. These can include representatives from payer entities, providers, professional associations, quality reporting and/or improvement organizations, major employers, higher education, and others. The state should be able to articulate existing or future plans for Medicaid transformation as part of the policy academy application (see further discussion below) and should plan on holding a core team meeting before the kick-off meeting.
2. **Attend three policy academy meetings:** The policy academy meetings will bring together teams of three individuals from each of the participating states. The first of three two-day meetings will be held in October of 2014. That meeting will consist of hearing from states that have successfully negotiated global waivers and implemented, with federal approval, system transformation initiatives. Discussion will include payment and delivery system reforms, quality strategy and metrics, and expenditure arrangements. Participants also will meet with key leadership the Health and Human Services (HHS) who will work with state teams throughout the year-long project. Shared learning also would include take-aways about the negotiation process and budget calculations. During the meeting, common themes and elements would be identified that could apply to alternative approaches that states might choose to pursue. The second set of two-day meetings in Washington D.C. will provide technical assistance, shared learning, and broad negotiation opportunities. That could include a focus on promising payment and care delivery reform models and possible return on investment scenarios, and how these models might be replicated in other states. Invitees would include decision-makers from the Office of Management and Budget (OMB), CMS, and other HHS leadership as well as national experts on these topics.

Note: The first policy academy meeting is tentatively scheduled for October 15-16, 2014. Please include the names of the three attendees for that meeting in your application including the name, title and email for each participant.

3. **Participate in in-state workshops:** In order to better understand the state-specific markets, stakeholder interests, and Medicaid program history, NGA Center staff and other national experts will meet with state teams individually twice during the year. The meeting will allow the teams to discuss elements of a comprehensive plan, the foundation of which will be a "deep dive" on the state's Medicaid data and existing reform efforts. Using that data to drive informed decision making, the team will use a tool (a blueprint or planning guide) to sketch out possible care delivery and payment reforms, financing, and accompanying quality strategy that aim to create more sustainability in the state's Medicaid program. The first meeting would occur between November 2014 and January 2015 and the second in-state site visit would be held between April and June 2015 to help states finalize their proposal and move it through the negotiation process.

4. **Engage in Peer-to-Peer Learning and Networking Activities:** The NGA Center will facilitate ongoing networking activities such as conference calls and webinars. Those activities will be used to highlight successes and address common challenges. Webinar speakers will provide expertise on challenges identified by the state teams.
5. **Communicate technical assistance needs and participate in monthly calls.** NGA Center staff and national experts will provide customized technical assistance throughout the policy academy. That assistance could include budget analysis, conducting research, telephone consultations, facilitating meetings with other states or experts, providing presentations, or reviewing state plans. State team leads will participate in monthly calls with NGA Center staff to assess their progress, discuss challenges, and identify technical assistance needs.

Through the completion of the aforementioned activities, our objective is to achieve:

1. Agreement in concept by HHS on as many elements as possible within statewide Medicaid transformation proposals, including:
 - The potential for systemic payment and delivery reform across a state that is focused on improved health outcomes, improving the delivery of care, and lowered health care costs;
 - Shared risk between states and the federal government including, for example, the ability for states to benefit from the savings generated in Medicaid, Medicare or other federal programs; and
 - A comprehensive quality and accountability strategy.
2. Identification of ways to ensure strong state proposals and to improve and expedite the state/federal negotiation process for statewide Medicaid transformation; and
3. Systematically develop and disseminate the themes, findings, and lessons learned to all states. States participating in the policy academy will be expected to participate in and support these shared learning activities.

REQUIRED APPLICATION CONTENT

All states and territories with full NGA membership benefits may apply to participate in the policy academy. Inquiries regarding membership should be directed to Bill Gainer, Director of the Office of Administration & Finance, at 202.624.5329 or bgainer@nga.org.

- **Cover Sheet**

Please include state name and team leader contact information (including title, mailing address, phone number and email address). Please also include the name of the administrative coordinator for the project. This person will serve as the main point of contact for logistics and correspondence between the NGA Center and the state.
- **Letter of Support from Governor**

The letter must include the names of the individuals the governor is appointing to serve on the state policy academy team. Additionally, the letter should indicate who the governor is designating as the team leader. Teams must include a representative from the governor's office. This representative should be named in the letter of support if he or she is not serving as the team leader. The letter also must expressly request the assistance of NGA Center for

Best Practices in the state’s Medicaid transformation proposal development. In doing so, the language must include the following sentences: “The state of XXX requests technical assistance from the NGA Center for Best Practices in the area of Medicaid transformation as outlined in the NGA Center for Best Practices Request for Applications released on July 17, 2014 titled “Leveraging Medicaid to Create Statewide Health Care Transformation” (RFA). The information received related to this work from the NGA Center for Best Practices directly, or through any of its contractors, will be distributed to all state staff working on this issue.”

- **Application Narrative**

The narrative must include all of the components described in the selection criteria. The total narrative should not exceed 6 to 8 single-space pages with standard one inch margins and 12 point font (the cover sheet, letter of support, and requested attachments do not count against page limits).

SELECTION CRITERIA

All states, commonwealths, and territories interested in this policy academy are strongly encouraged to apply. In order to be competitive, however, states should be able to demonstrate existing work underway in health system transformation by describing the following:

- **Demonstrated commitment from relevant leaders across state government and the private sector– 25 points**

The core team must include the governor’s health policy advisor, the state’s public health or Medicaid agency commissioner, and the state’s Medicaid and/or CHIP director. Core teams also may include state budget, health, or other human services officials and representatives of other relevant state agencies. Include titles and contact information for core team members, the rationale for including them on the core team, and an assessment of the team members’ ability to commit time and resources to the policy academy. Note that this section also must include a confirmation that three designated team members (including the team leader) are available to attend the October 15-16 kick-off meeting in person.

This section also should describe non-core team members who will be supporting the project representing either government or non-government interests. States also will be scored based on their inclusion of relevant individuals representing non-government entities (either on the core team or as part of the larger team of supporters) such as Medicaid managed care organizations, Medicaid providers, health systems, insurance companies, and the business community.

- **A clear plan for existing and future Medicaid transformation efforts – 30 points**

Successful applicants will present articulate, comprehensive, and data-driven plans for Medicaid transformation including how existing efforts support the goals of comprehensive system change and a description of the state resources that will be used to achieve the goals of the project. For example, the state should have some level of service delivery and payment reforms currently underway and plans to measure population health improvement, an existing or recent effort to meaningfully and regularly engage stakeholders including payers, providers, consumers and patient advocates as well as the state’s legislature (including any necessary legislative authority necessary to begin negotiations with the federal government), and a process in place for developing and

refining the state's Medicaid quality strategy. The application should also include a description (if applicable) of the state's current Medicaid managed care enrollment, plans for managed care expansion, and efforts to report on cost and quality metrics within managed care contracts. The application should also discuss the state's plans to develop their healthcare workforce under a reformed Medicaid system. Please include any authorizing legislative language that directs the state to undertake health reform efforts, as well as the most up-to-date and detailed version of the state's Medicaid transformation plan (for example, roadmaps or draft proposals).

- **Data sources and analytic capabilities – 15 points**

Describe the state's capabilities for comprehensive data collection and analysis. The state should be developing data consistent with the Centers for Medicare and Medicaid Services (CMS), Center for Medicaid and CHIP Services' (CMCS) T-MSIS data reporting efforts, which will serve as the foundation for quality and cost reporting on the state's transformation plan. Please include data and financial analyses already complete, such as Medicaid spending by target population, projected savings associated with delivery and payment reforms, and quality/accountability targets, etc.

- **Description of preliminary goals and expected outcomes – 30 points**

Please answer: How will the policy academy activities move your state forward? What specific transformation efforts will this policy academy address for your state? How open is the state to considering cost and quality targets for specific initiatives within its Medicaid program? How do those activities dovetail with ongoing efforts in your state at statewide Medicaid reform as well as broader statewide reforms (for example, state employee and retiree health, large employer and small employer reforms)? How does your proposal meet the triple aim of improved health of populations, improved health care delivery, and reduced health care costs?

SELECTION PROCESS

A committee of outside experts will read and score the state applications. States that have applied will be notified about their award status by September 10, 2014.

SUBMISSION INFORMATION AND DEADLINE

All applications must be received by **5:00 p.m. EST on August 22, 2014**. Applications must be submitted through the governor's office. Please combine all application materials into a single PDF document and email to Carol Backstrom at cbackstrom@nga.org. All questions should be directed to Carol Backstrom at 202.624.5399.

This request for applications (RFA) is not binding on the NGA Center, nor does it constitute a contractual offer. Without limiting the foregoing, the NGA Center reserves the right, in its sole discretion, to reject any and all applications; to modify, supplement, or cancel the RFA; to waive any deviations from the RFA; to negotiate regarding any application; and to negotiate final terms and conditions that may differ from those stated in the RFA. Under no circumstances shall NGA be liable for any costs incurred by any person in connection with the preparation and submission of a response to this RFA.