V. Budget Narrative (REVISED 11/12/14)

Summary of Idaho 11/12/14 revisions to address reductions to proposed budget:
Idaho's Healthcare Coalition (IHC) members met twice during the one-week revision period to develop and refine a number of strategies to reduce Idaho's proposed MTP budget by 33%, from $60,870,782, to $39,683,811 as requested by CMMI. Despite the size of the requested reduction the IHC commits to maintaining all aspects of the proposed model and goals in making these reductions. The strategy for determining reductions was to review each budget line item closely and determine what reductions could be made while maintaining the integrity of the model and the anticipated success of the proposed activities.

Key reduction strategies, discussed in detail below include: reducing the number of primary care practices to be transformed from 60 per year to 55 per year for a three year total of 165 practices transformed; reducing the amount of financial incentives awarded to participating practices; reducing technical assistance contracts to assist practices in transformation; reducing the project management/financial analysis contract; reducing proposed equipment to be purchased to support telehealth in rural and frontier communities; reducing proposed IDHW staff from 8.5 FTE to 8 FTE, reducing the overhead allocated to the Regional Collaboratives and reducing the proposed state evaluation to reflect the reduced total budget request.

Idaho's strategy to reach 80% of the population includes the 74% of the population who will be participating in the PCMH model by the end of the model test period, as well as the broader state-wide population that will be impacted through the Regional Collaboratives (RCs), operated by Idaho's 7 public health districts. The 7 RCs, as public health districts, are in a unique position to integrate public health and primary care by mounting population health campaigns focused on specific health issues (diabetes control, childhood immunizations, etc.) as well as campaigns focused on population-wide personal health issues like healthy diet, and exercise. In addition, the Community Health EMS workers (CHEMS) who will be trained to work with individuals in rural and frontier areas of Idaho and can reach a larger population by engaging in public health initiatives, such as Ada County's effort to administer the flu vaccine at county government buildings.

Idaho also recognizes that Medicare must come to the table to participate in this model test in order to impact the health and healthcare of the 15% of Idaho's population that has Medicare coverage and to reach the goal of shifting 80% of healthcare payments from volume to value. Idaho requests CMMI's assistance in facilitating Medicare's involvement in this process.

This four- year budget request anticipates a six- month pre-implementation phase during Year 1 for certain activities while other activities may take up to 12 months to get in place. Year 1 figures reflect anticipated pre-implementation funding, which is detailed in the narrative. The initiative will be managed by the Idaho Department of Health and Welfare (IDHW), with overall program management oversight located in the Office of the Director.

TOTAL REVISED BUDGET BY PROJECT YEAR

	Year 1 Pre-Implementa-tion	Year 2	Year 3	Year 4	Total
Total Costs	$8,351,594	$9,360,899	$10,900,137	$11,071,183	$39,683,813
Total Direct Costs	$8,290,886	$9,300,191	$10,839,429	$11,010,475	$39,440,981
Total Indirect Costs	**$60,708**	**$60,708**	**$60,708**	**$60,708**	**$242,832**

A. IDHW Personnel Costs **$2,213,869**

11/12/1014 Revised Total $1,763,841

IDHW eliminated the .5 Medical Director position for a total reduction of $450,028. This position was proposed to strengthen physician leadership in the Idaho provider community. Without this position the IHC physician leadership will continue to provide leadership to Idaho's healthcare system transformation efforts.

IDHW will recruit **8** new limited-service staff, who will be 100 percent dedicated to this grant. IDHW will develop job descriptions and begin recruitment prior to receipt of award so that these staff can begin their roles immediately. The Program Administrator will be responsible for overall leadership of this major statewide initiative, serve as lead staff to the Idaho Healthcare Coalition (IHC), and report directly to the deputy director at IDHW. The Program Manager will be responsible for day-to-day management of the project, including oversight of the operational plan and contracts, and supervision of the Project Managers. This position will also be responsible for oversight of the project implementation contract. The Grant Manager will be responsible for ensuring that necessary reports and documentation are submitted to Centers for Medicare and Medicaid Innovation (CMMI), and for coordinating resources internally at IDHW to perform all other grant management activities. The Grant Manager will also have responsibility for the contract management of a state evaluator to perform evaluation activities. Three project teams will be formed, with project managers responsible for the following specific contract program areas:

- **Project Manager for PCMH Transformation** will manage the contract(s) for PCMH technical assistance, training, education, outreach, performance reporting training, and transformation incentives to primary care providers.
- **Project Manager for Regional Collaboratives** will manage the contract(s) with the regional Public Health Districts to serve as the Regional Collaboratives, Telehealth services development and training, and the Community Health Emergency Medical Services and Community Health Worker training.
- **Project Manager for Health Information Technology (HIT), Data Analytics, and Payment Redesign** will manage the contract(s) for HIT development, data collection and analytics, and support payment redesign activities.

Project managers will also provide staff support to topic-specific IHC workgroups. One full-time administrative assistant and one full-time technical records specialist will support the initiative team, with assigned responsibilities for supporting specific program areas.

Year 1	Year 2	Year 3	Year 4	Total
$440,960	**$440,960**	**$440,960**	**$ 440,961**	**$1,763,841**

B. Fringe Benefit Cost **$ 907,190**

11/12/2014 Revised Total $760,148

The elimination of the 0.5 FTE Medical Director position reduces the total fringe benefit by $137,042.

Below are the rates for each fringe benefit and the estimated total fringe for each project year. Health insurance at IDHW is a fixed benefit. Given rates for years 3 and 4 are not known at this time, benefit percentages are projected at the SFY2016 rates.

DHW Benefit Information		
	SFY 2015	**SFY 2016**
FICA SSDI rate	0.06200	0.06200
FICA SSHI rate	0.01450	0.01450
Unemployment Rate	0.00170	0.00170
Workers Comp Rate	0.01210	0.01200
Life Insurance Rate	0.00675	0.00675
Unused Sick Leave Rate	0.00650	0.00650
DHR Rate	0.00306	0.00306
Regular Retirement	0.11320	0.12240
Total Variable Benefits	22%	23%
Health Insurance	$10,550	$ 11,500

Year 1	Year 2	Year 3	Year 4	Total
$181,328	**$192,940**	**$192,940**	**$192,940**	**$760,148**

C. Contract and Vendor Services Cost **$ 51,625,307**

11/12/2014 Revised Total $33,088,158

The number of primary care practices to be transformed has been reduced from 60 per year to 55 for a three year total of 165 practices transformed. As a result of this action and other key strategies the associated contracts have been reduced by 36%.

Due to Idaho's procurement rules proposed contract costs are based on estimates developed without conferring with potential bidders. All estimated costs detailed below for each contract are based on past experience with similar contracts or best estimates based on available market rates. For contracts numbered 2, 3, 4, 5, 7, and 8 we have not yet divided out the indirect costs from proposed hourly rates for consultants and other costs. All contracts will be negotiated at the 10% overhead rate if directed by CMS and those costs will be subtracted from the contract rates proposed in this revised budget narrative.

A competitive-bid Request for Proposals (RFP) process will be engaged by the Department of Health and Welfare. A comprehensive scope of work will be published, and proposals will be requested that describe experience and qualifications, a description of how the work will be completed, and a complete budget. The RFP, which is under development, will pose questions to the proposers for each of the components of the work to solicit their responses on qualifications, expertise, and approach. Prospective contractors will submit their proposals by a published deadline, after which a blinded evaluation process will begin, that includes a weighted scoring system.

1. PCMH Technical Assistance (TA) Contract **$3,836,000**

11/12/2014 Revised Total $3,406,770

As a result of the reduction of the total number of primary care practices to be transformed the technical assistance and training has been reduced, resulting in a reduction of $429,230 for the PCMH TA contract.

Idaho proposes to contract for technical assistance to primary care practices (PCPs) that commit to transforming into PCMHs and attaining national recognition via NCQA or other nationally recognition models. Prior PCMH transformation initiatives in Idaho and nationally have demonstrated that practice transformation involves PCPs working on change through a number of modalities. PCP participation in a well-coordinated program of technical assistance includes a variety of learning vehicles including on-site or virtual technical assistance from a PCMH expert, provider and staff training in group and individual settings, and team coaching to transform core practice elements like clinic flow, team based care, and patient engagement. All of these proposed activities have been proven to be effective and will be essential to the success of Idaho's plan to transform the healthcare system. These efforts to transform how healthcare is delivered clearly align with the stated SIM goal of "state transformation to accelerate delivery system transformation to provide better care at lower costs." The numbers of primary care practice sites that Idaho proposes to transform over the life of the project will require significant resources to create real change in how care is delivered in this state.

Tasks/Deliverables	Contract Staff Position/% FTE	Annual Salary
I. <u>Project Management</u> **A Project Work Plan and Schedule:** • Develop and implement a detailed Project work Plan and Schedule for roll-out of PCMH TA/T plan for 55 PCMHs per year over the 3 model test year period. The Project work Plan and Schedule will include a detailed plan with identified tasks and subtasks, and a schedule for the performance of each task included in each phase of the contract. • Include responsibilities, milestones, and deliverables outlined in the RFP. • Implement and maintain a Project Work Plan that includes: ° Person-weeks of effort for each task or subtask, showing contractor personnel	1. Project Director/ 1 @ 100% 2. Project Manager/ 1 @ 100%	**36 months = $291,600** **36 months = $194,400**

◦ A network diagram, showing the planned start and end dates for all tasks and subtasks, indicating interrelationships of all tasks and subtasks, and identifying the critical path. ◦ A Gantt chart showing the proposed start and end timeframes for all tasks and subtasks. ◦ Communication Plan for IHC, Regional Collaboratives, participating PCMHs and other PCPs to be recruited for later cohorts.		
II. <u>Project Implementation</u> **A Identify PCPs to participate in each annual cohort for transformation.** Customize and conduct practice assessments/evaluate gaps in PCMH competencies, commitment and readiness to change • Work with IHC and IMHC Practice Transformation committee in the design of assessment process and tools. • Produce assessment tool • Deploy assessment tool with 55 PCMH transformation sites per year for total of 165 over 3 year test period. ◦ Conduct assessment tools. Analyze each practice for transformation readiness. ◦ Accept practice into PCMH transformation program or identify and initiate prep work to be accomplished prior to program entry. **B. Initiate transformation schedule for 55 PCMHs, taking into account practice location, relationship with Regional**	1. PCMH TA Team Leader 1 @ 50% 2. PCMH TA Specialists 2 @ 100%	**36 months = $94,500** **36 months =$310,500**

Collaborative.		
III. Coordinate regional efforts to support PCMH transformation throughout Idaho • Hire and train PCMH transformation coach (FT). • Provide leadership, training and coaching to practices and coordination with regional collaborative efforts in the test project. • Provide on-site, telephonic, and on-line support to practices • Conduct periodic site visits with practices as needed.	1. Team leader 2 @ 100% 2. PCMH Specialists 4 @ 100%	**36 months = $378,000** **36 months = $615,600**
IV. Provider/practice team education and training • PCMH education and training for providers and teams via group and individual on-line sessions • Peer to peer learning and resource sharing via regional brown bag sessions, conference calls, • Participating teams access to transformation tools and online seminars	1. PCMH Specialist 1 @ .63%	**36 months = $97,200**
V. Coach training Train the trainer via Regional Collaboratives to promote spread of the model across the state. • Practice Transformation Coach • Care Management/care Coordination • Population Health Management Coach • Health Coach	1. PCMH Specialist 1 @ 100% and 1 @ 50%	**36 months = $231,300**
VI. NCQA PCMH Recognition Support and Document Review • NCQA subject matter experts provide one hour of telephone consultation per month with each (55) practices • Provide tracking tool for practices to determine which standards have been completed and which need more work	1. NCQA Specialist 2 @ 100% 2. NCQA admin support 2 @ 100%	**36 months =$513,000** **36 months = $270,000**

prior to submission to NCQA.		
VII. Overhead	**@ 10%**	**$299,610**
VIII. Contractor Travel Contractor travel in and out of state		**$110,060**
IX. Total		**$3,406,770**

PCMH Training and TA Contract	Year 1 Pre-Implementation	Year 2	Year 3	Year 4	Total
	$ 579,151	**$ 942,540**	**$ 942,540**	**$ 942,540**	**$3,406,770**

2. PCMH Performance Reporting, Training and TA Contract(s) Total $3,030,084
11/12/2014 Revised Total $1,030,084

The PCMH Performance Reporting, Training and TA contracts have been reduced by $2,000,000. It is anticipated that some of the functions of this contract will be added to the responsibilities of the PCMH TA contractor or the HIT contractor.

Idaho proposes to contract for technical assistance to primary care practices (PCPs) that commit to transforming into PCMHs and attaining national recognition via NCQA or other nationally recognition models. Integral to Idaho's proposal is this request for resources to provide technical assistance to PCPs to develop their HIT systems and processes related to collecting quality data from EHRs. Prior PCMH transformation initiatives in Idaho and nationally have demonstrated that practice transformation involves PCPs working on change through a number of modalities. PCP participation in a well-coordinated program of technical assistance includes a variety of learning vehicles including on-site or virtual technical assistance from a PCMH expert, provider and staff training in group and individual settings, and team coaching to transform core practice elements like clinic flow, team based care, and patient engagement. All of these proposed activities have been proven to be effective and will be essential to the success of Idaho's plan to transform the healthcare system. These efforts to transform how healthcare is delivered clearly align with the stated SIM goal of "state transformation to accelerate delivery system transformation to provide better care at lower costs." The numbers of primary care practice sites that Idaho proposes to transform over the life of the project will require significant resources to create real change in how care is delivered in this state.

Hit Support and Project Facilitation

Year 1 Pre-Implementation	Year 2	Year 3	Year 4	Total
$129,244	**$132,377**	**$462,199**	**$306,263**	**$1,030,084**

3. Incentives to Practices for PCMH Transformation Contract(s) $9,700,000
Revised Total $3,080,000

Financial incentives to primary care providers transforming their practices to PCMH have been reduced dramatically to assist in this budget revision. In discussions regarding how best to make these revisions, primary care providers have indicated that although the one-time incentives are helpful for practice transformation to PCMH, the real incentive will be payment reform that reimburses them for outcomes rather than volume of service. The budget has been reduced to reflect this approach, resulting in a reduction of $6,620,000.

In Idaho and nationally it has been demonstrated and documented that transforming a primary care practice (PCP) to a PCMH is a costly endeavor for practices, requiring time out of clinic for providers and team members. To truly transform a practice requires months and even years of focused technical assistance, training and coaching. The actual transformation of a practice also takes significant time, focus, and leadership from the provider level.

The Idaho Medical Home Collaborative (IMHC) surveyed PCPs participating in the current IMHC pilot regarding costs related to practice transformation. Participating clinics responded that transformation will cost them from $70K to $120K depending on the size of the practice and complexity of the transformation. The IMHC providers have been in ongoing conversations with IMHC payers regarding which comes first, funding to transform practices or payment to reimburse for PCMH services. Idaho payers have agreed to pay for PCMH services but not for the transformation costs. Most Idaho practices are not in the financial position to invest in transformation without incentive funding, as proposed in this Model Test. The proposed PCMH incentives are designed to incentivize practices participating in the model test to continue the transformation process towards NCQA Level 3 recognition. Specific incentivized steps toward transformation are detailed below.

The PCMH TA contractor will be responsible for distributing the incentive payments to participating PCMHs as they qualify for each of the performance levels outlined below. This will require the PCMH contractor to design and implement a PCMH performance tracking system, tracking the progress of each practice participating in the Model Test and awarding incentive payments as performance goals are attained.

Distribute incentives to practices for PCMH Transformation. Rationale for Incentive Payments
In Idaho and nationally there is strong recognition that transforming a PCP to a PCMH is a costly endeavor for practices, involving time away from seeing patients for providers and team members for technical assistance, training and coaching. The actual transformation of a practice takes significant time, focus, and leadership from the provider level.

The Idaho Medical Home Collaborative (IMHC) surveyed PCPs participating in the current IMHC pilot regarding costs related to practice transformation and received responses ranging from $70K to $120K depending on the size of the practice and complexity of the transformation. The IMHC providers have been in ongoing conversations with IMHC payers regarding which comes first, funding to transform practices or payment to reimburse for PCMH services. Idaho payers want to pay for PCMH services but not for the transformation costs. Idaho practices are not in a position financially to invest in transformation without incentive funding, as proposed in this Model Test. The proposed PCMH incentives are detailed in Contract #3, Incentives to Practices for PCMH Transformation.

The PCMH contractor will be responsible for distributing the incentive payments to participating PCMHs as they qualify for each of the performance levels outlined in Contract #3. This will require the PCMH contractor to design and implement a PCMH performance tracking system, tracking the progress of each practice participating in the Model Test and awarding incentive payments as performance goals are attained.

PCMH Incentives Contract	Year 1 Pre-Implementa-tion	Year 2	Year 3	Year 4	Total
Practice Transformation		**$ 550,000**	**$ 550,000**	**$ 550,000**	**$ 1,650,000**
National Recognition Incentives					
Level 1		**$ 165,000**	**$ 165,000**	**$ 165,000**	**$ 495,000**
Level 2		**$ 135,000**	**$ 135,000**	**$ 135,000**	**$ 405,000**
Level 3		**$ 60,000**	**$ 60,000**	**$ 60,000**	**$ 180,000**
Incentive Program Management Costs	**$ 50,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 350,000**
TOTAL	**$ 50,000**	**$1,010,000**	**$1,010,000**	**$1,010,000**	**$3,080,000**

4. CHWs and CHEMS Staff Training Contract(s) **$1,168,280**

11/12/2014 Reduced Total $722,424

Key reduction strategies in the innovative CHW and CHEMS initiatives include the elimination of regional stakeholder educational sessions and a reduction in on-site mentoring in rural clinics to establish new programs. These activities are modified to align with other Regional Collaborative initiatives to reduce costs.

To support the establishment of the virtual PCMH, the rural clinic will work with the Regional Collaborative (RC) to expand their primary care reach and capacity. The RC will support the rural clinic to transition into a PCMH and identify opportunities for program development through telehealth, community health worker (CHW), and community health EMS programs (CHEMS). The RC is the area expert in supporting PCMH program development and understanding the need and limited capacity of the medical neighborhood in designated shortage areas. When the RC and PCMH identify the need to establish a virtual PCMH, the RC will link the clinic to opportunities and support their efforts to establish telehealth, CHW, or CHEMS programs. Grant funds will be used for establish these new virtual PCMH resources and tools within the rural clinic. CHWs and CHEMS are part of the primary care team and their efforts are integrated within the PCMH. Participants are required to submit quality and performance data to assess improvement and capture Triple Aim progress. These programs directly support Idaho's strategy to reach 80% of the population by the end of the model test period by integrating population health initiatives in the PCMH and linking them to the RC. **Community Health EMS initiatives include on-site employer vaccine clinics, wellness initiatives, blood pressure evaluation, cardiac risk panels, and other screening and referral programs, improve patient and population health at a reduced cost.**

PARAMEDIC STAFF TRAINING	# of staff	Course fee	Agencies per year	Training cost per year	# grant years			Total
yrs. 2, 3, 4	4	43,000	3	$36,000	3			
TOTAL PARAMEDIC TRAINING COSTS								**$108,000**

EMT STAFF TRAINING (ILS/BLS AGENCIES)	# of staff	Course fee	Agencies per year	Training cost per year	# grant years			Total
yrs. 3, 4	4	$3,000	2	$24,000	2			
TOTAL EMT TRAINING COSTS								**$48,000**

CHW TRAINING	# of students per site	Monthly course fee	Training cost per year	Instructor fee @$1,000 per day * 2 days* 7 sites	Instructor travel @ $350 + lodging @ $100/night *3 nights*7 sites/year	Per diem @ $18.50/person + instructor per diem @ $30/day * 7 sites	# grant years	Total
yrs. 2, 3, 4	20	$99	$1,188				3	$3,564
two day in-person training in regional locations with support from RCs @ 7 locations/year. Monthly fee of $99/month for 0-25 students.	20			$14,000	$4,550	$6,070	3	$73,860
TOTAL CHW TRAINING COSTS								**$77,424**

ON-SITE TRAINING VISITS BY MENTORING TEAM	# of team members	Stipend @ $750 per person per day * 2 days	Travel @ $350+2 nights lodging @ $100/night* 3 team members	Per diem @ $18.50/ person (est. 20 attendees/ site) + team member per diem @ $30/day * 3 days	on-site project specific supplies	# of sites/year	# grant years	Total
yrs. 2, 3, 4 Provides on-site technical assistance to establish CHW and CHEMS as part of the virtual PCMH. Helps assure the integration and coordination of CHW/CHEMS in PCMH.	**2**	**$3,000**	**$1,100**	**$600**	**$603**	**11**	**3**	
TOTAL TEAM MENTORING COSTS								**$175,000**

DEVELOP AND IMPLEMENT ONE-DAY CONTINUING EDUCATION TRAINING CONFERENCE FOR CHWs/CHEMS	# participants	Travel @$350 /person	Lodging @ $100/night /person	Per diem conference meals @ $18.50 /person /day	Presenter honorarium @ $1000/day* 8 presenters	Presenter travel @$500 each plus lodging @ $100/ night*2*8 presenters	Conference room/AV@ $1,200/day	Total
yrs. 3, 4 (separate tracks for CHWs/CHEMS). Align with annual PCMH summit. Could be offered regionally through RC, depending on the number of virtual PCMHs in the region.	100	$350	$100	$37	$8,000	$5,600	$1,200	
TOTAL COST OF ONE CONFERENCE								**$63,500**

VIRTUAL PCMH INCENTIVE PAYMENT	# PCMHs CHW/ CHEMS programs	Virtual PCMH payment						Total
data collection and reporting tools; one-time payment per participating entity	75	$2,500						
TOTAL ONE-TIME PCMH PAYMENTS								**$187,500**

TRAINING PROGRAM DEVELOPMENT	CHW program develop-ment	CHW instructor training	ILS/BLS program development					Total
Costs to develop, adapt, and adopt program models	$29,000	$14,000	$20,000					
TOTAL PROGRAM DEVELOPMENT								**$63,000**

TOTAL FOUR YEAR TRAINING COSTS		**$722,424**

CHW/CHEMS Staff Training	Year 1 Pre-Implementation	Year 2	Year 3	Year 4	Total
	$63,000	**$182,641**	**$206,641**	**$270,141**	**$722,424**

5. Telehealth Technical Assistance Contract(s) **$447,800**

11/12/2014 Revised Total $338,850

As a result of the reduction in PCMHs and other reduction strategies related to the virtual PCMH, the Telehealth Technical Assistance Contract has been reduced by $108,950.

Idaho proposes to contract for technical assistance to primary care practices (PCPs) that commit to transforming into PCMHs and attaining national recognition via NCQA or other nationally recognition models. Prior PCMH transformation initiatives in Idaho and nationally have demonstrated that practice transformation involves PCPs working on change through a number of modalities. PCP participation in a well-coordinated program of technical assistance includes a variety of learning vehicles including on-site or virtual technical assistance from a PCMH expert, provider and staff training in group and individual settings, and team coaching to transform core practice elements like clinic flow, team based care, and patient engagement. All of these proposed activities have been proven to be effective and will be essential to the success of Idaho's plan to transform the healthcare system. These efforts to transform how healthcare is delivered clearly align with the stated SIM goal of "state transformation to accelerate delivery system transformation to provide better care at lower costs." The numbers of primary care practice sites that Idaho proposes to transform over the life of the project will require significant resources to create real change in how care is delivered in this state.

Telehealth Training	Year 1 Pre-Implementa-tion	Year 2	Year 3	Year 4	Total
Training	**$ 84,713**	**$ 84,713**	**$ 84,713**	**$ 84,713**	**$ 338,850**

6. Regional Collaboratives Contract(s) **$9,207,930**

11/12/2014 Revised Total $7,422,780

The overhead for the Regional Collaboratives contract has been reduced to 10% as required by CMS. This decrease resulted in a total reduction of $1,785,150.

Tasks/Deliverables	Contract Staff Position/% FTE	Annual Salary/ Rate/ # of Months
I. <u>Provide support to local PCMHs in transformation,</u> • pre-transformation communication with practices • coordination of TA with PCMH TA contractor • continued TA support to transforming PCMHs in subsequent years of Model Test	1. Public Health Integrator/ 7 @ .25FTE = 1.75 FTE 2. QI Consultant/ 7@ .5FTE =3.5 FTE	$89,577/$43.07 per hour/42 months times 1.75 FTE = $548,659 $66,772/$32.10 per hour/42 months times 3.5 FTE = $817,957
II. <u>Convene and provide leadership to Regional Collaborative</u>	1.Public Health Integrator/ 7 @ .25FTE = 1.75 FTE 2. RC liaison/ 7@ .5 FTE/region = 3.5FTE	$89,577/$43.07 per hour/42 months times 1.75 FTE = $548,659 $60,369/$29.02 per Hour/42 months times 3.5 FTE = $739,520
III. <u>Develop and support the Medical Neighborhood,</u> developing service coordination networks	1. Public Health Integrator/ 7 @ .25FTE = 1.75 FTE 2. RC liaison/ 7@ .5FTE =3.5 FTE	$89,577/$43.07 per hour/42 months times 1.75 FTE = $548,659 $60,369/$29.02 per hour/42 months times 3.5 FTE = $739,520
IV. <u>Regional Quality Measures</u> • Assist PCMHs in the collection of quality data • Review aggregated quality data for region and work with RC membership to identify regional population health issues and develop strategies to address at regional and local levels.	1. Public Health Integrator/ 7 @ .25FTE = 1.75 FTE 2. QI Consultant/ 7@ .5FTE =3.5 FTE	$89,577/$43.07 per hour/42 months times 1.75 FTE = $548,658 $66,772/$32.10 per hour/42 months times 3.5 FTE = $817,957
V. <u>Provide Admin and Financial</u>	1. Admin Asst @	$44,655/$21.47 per

Support for all RC activities • including meeting support, support to participating PCMHs, support for quality data collection and reporting.	1 FTE/region =7 FTE 2. Fiscal support @ .25 7 FTE/region=1.75 FTE	hour/42 months times 7 FTE = $1,094,047 $56,220/$27.03 per hour/42 months times 1.75 FTE = $344,347
VI. Project Overhead for 7 Regional Collaboratives @ 10%		**$674,798**

Regional Collaboratives	Year 1 Pre-Implementation	Year 2	Year 3	Year 4	Total
	$1,855,695	**$1,855,695**	**$1,855,695**	**$1,855,695**	**$7,422,780**

7. Idaho Health Data Exchange (IHDE) Contract **$8,401,066**

11/12/2014 Revised Total $7,009,689

IHC members identify connectivity between the PCMH and the broader IHDE as critical for improved patient care and development of the medical neighborhood. The IHDE contract will be modified to take into account the decreased number of practices to be transformed from 180 to 165. The budget has been reduced by $1,391,377.

Tasks/Deliverables	Contract Staff	Salary/Costs
I. IHDE Expansion-Core Solution **Program 1** – Organizational Model/ Governance. IHDE resources are engaged with support. **Infrastructure Build** This project engages Solution, Technical, and Data Architects, with level-of-effort tapering off in 2017. Includes facets of implementing an ETL (extract, transform, load) solution on the Data Warehouse and Data Marts solution. Involves merging of Clinical, Payer, and Patient Engagement data for data feeds, reports, and analysis. The project contains patient engagement transactions and data collection (e.g., portals, messaging, healthcare pathways, business intelligence reporting, etc.) and annual support costs. **EHR builds.** Adoption by sites at the rate of 55/year over the three year program. One-time EHR connection costs assume $20K/connection for both IHDE and EMR vendor. Assumes the acquisition of added functionality software with annual support/maintenance. Additional functionality may include ACO support mechanisms, Direct MU capabilities, Public Health MU (Registries, Immunizations, Syndromic Surveillance), Claims	Personnel • EHR1 & 2 = **$724,850** • Infrastructure = **$677,516** • Reporting = **$ 49,163** Fringe (32% Benefits Load) • Program & Infra = **$216,805** • EHR1 & 2 = **$231,952** • Reporting = **$15,732** Travel (avg. 6 trips/year @ $1,000) • Program 1 = **$16,000** • EHR1 & 2 = **$31,000** • Infra 4 = **$ 4,800** • Infra 5 = **$ 124,000**	Personnel = **$1,451,528** Fringe = **$464,489** Travel = **$178,050**

Integration, Bidirectional Capabilities, etc. **Reporting.** This project contains OLAP/Data Mart SW and annual support costs. NOTE: This SW is leveraged in the Reporting and Analytics Projects under the assumption that the OLAP/Mart/Reports/Analytics can be procured as a package. This project stages the Clinical, Payer, and Patient Engagement Data for reporting and analytics. It is contractor-heavy during design, build, QA, and implementation tapering off to a support structure by both IHDE and Contractor resources. Implementation of slice/dice/drill-down capabilities of the Data Marts with pictorial representation at the user level, and assumes that the web interface is accessible to members of IHDE. Technical assistance/training is a heavy component of this component.	• Reporting = **$2,250**	
II. IHDE PCMH Connections -One-time setup (EMR vendors and IHDE/Orion) -Annual Ongoing (IHDE Annual Fee)	PCMH # Sites -Year#1 = **55** -Year#2 = **55** -Year#3 = **55** One-Time Setup Fees -Year#1 = **$ 1,722,101** -Year#2 = **$ 1,334,500** -Year#3 = **$ 1,525,800** Annual Ongoing Fees -Year#1 = **$ 86,520** -Year#2 = **$ 99,450** -Year#3 = **$ 147,250**	1 time set-up = **$4,582,401** Annual ongoing fee = **$333, 220** Total = **$4,915,621**

IHDE Contract	Year 1 Pre-Implementa-tion	Year 2	Year 3	Year 4	Total
IHDE expansion	**$ 238,004**	**$ 238,004**	**$ 814,987**	**$ 803,074**	**$ 2,094,068**
PCMH connections	**$ 904,311**	**$ 904,311**	**$ 1,433,950**	**$ 1,673,050**	**$ 4,915,621**
Total	**$ 1,142,314**	**$ 1,142,314**	**$ 2,248,937**	**$ 2,476,124**	**$ 7,009,689**

8. **Data Collection and Analytics Contract(s)** **$8,708,147**

11/12/2014 Revised Total $6,559,561

The Data Collection and Analytics contract has been reduced by 25%. The IHC prioritizes this activity as essential but recognizes that some reductions in activities will be necessary to address budget reductions. The budget has been scaled back to reflect the reduced funding available, but will remain an essential function going forward.

Assumptions

- Clinics are sites (treated separately); Example: CDA Pediatrics (one org. with 3 sites)
- Year #1 adoption includes crosswalk of PCHM pilots & IHDE clients + adds to make up "55" sites/year
- Waiver of IHDE 1st annual fees as condition of PCMH participation
- Subsidize one-time IHDE/Orion costs

One-Time Setup Charges

- EMR vendor connection = $20k
- IHDE Bi-directional interface connections (e.g., $7k/direction, $3k Send To My EMR)
- Analytics

Annual Ongoing

- Patient Portal
- HC Pathways
- Direct
- Business Intelligence Reporting

DIRECT Messaging –secure e-mail tool enabling providers ability to send messages and patient documents (with or without an EMR solution) to securely exchange messaging & documents. It's a transport mechanism for transmittal of care summaries and referral documents at transitions of care for Meaningful Use (Stage#2).

Patient Portal – web portal site for patients enabling coordination of their care with their providers with such features as messaging, scheduling, document exchange and education.

Healthcare Pathways–provides care managers and the entire multi-disciplinary care team with a robust care coordination workflow tool to deploy consistent clinical pathways across an organization or region. Pathways are evidence-based and leverage the assembled patient and population data, making it available at the point of care. Integrates with an organization's HIE at the user interface and data levels. It is highly configurable to support a broad range of applications that use clinical pathways. Guided, evidence-based clinical workflows and robust reporting enable clinicians to access the information they need to effectively manage their patients. Care coordinators now have the tools they need to track patient adherence to protocol and intervene when necessary in any healthcare setting.

Business Intelligence Reporting - can help determine trends within broad populations or specific communities.

Contract	Year 1 Pre-Implementation	Year 2	Year 3	Year 4	Total
Data Collection and Analytics	**$1,591,420**	**$1,591,420**	**$1,670,213**	**$1,706,508**	**$6,559,561**

9. Project Management and Financial Analysis Contract Total $7,126,000

11/12/2014 Revised Total $3,518,000

The project management and financial analysis contract has been reduced by half, as a means to generate savings in Idaho's proposal. Significant savings will be created by reducing reliance on contractor for subject matter expert support. Most IHC workgroups have SME representation in the membership or through IDHW staff. These Idaho stakeholders will provide needed expertise in most areas. Idaho anticipates it will still require outside subject matter expertise in the more technical areas of HIT and data analytics.

Per page 73 of the Federal Opportunity Announcement, Required Information for Consultant Hiring, Contractual costs, "If the above information is unknown for any contractor at the time of the application is submitted, the information may be submitted at a later date as a revision to the budget". At this time, the consultant has not been identified, and the contract has not been completed. What is not known at this time includes; Name of Contractor, Itemized budget and Justification. IDHW will identify a consulting company through a Request for Proposals (RFP) process. All reporting requirements for consultant hiring will be met when this consultant becomes known. IDHW expects the consultant to facilitate the work of this project using their project management expertise, subject-matter expertise, and group facilitation expertise. The consultant is expected to have expertise in health care transformation, and to be able to assist Idaho with implementation of a complex, multi-faceted statewide transformation of the healthcare system.

The Method of Contractor Selection: A competitive-bid Request for Proposals (RFP) process will be engaged by IDHW. A comprehensive scope of work will be published, and proposals will be requested that describe experience and qualifications, a description of how the work will be completed, and a complete budget. The RFP will pose questions to the proposers for each of the components of the work to solicit their responses on qualifications, expertise, and approach. Prospective contractors will submit their proposals by a published deadline, after which a blinded evaluation process will begin, that includes a weighted scoring system.

The period of performance for the contract will be 42 months from the date of award notification. At the time a Consultant is identified, an updated itemized budget will be submitted to CMS and all reporting requirements for consultant hiring will be met.

Proposed Scope of Work and Estimated Budget:

The following estimated budget is based upon fully-burdened rates for components of the project that includes, but is not limited to, all operating and personnel expenses, such as: overhead, salaries, supplies, travel, and quality improvement. Estimates are based on what the Department has paid for services in the past, as well as averages for national –level F100 firms that provide a broad range of services and expertise in the health care transformation arena. The following itemized budget is our best guess effort. The level of detail in the RFP scope of work will

generate more refined itemized budgets from prospective contractors. The estimates are based on one of several work strategies that may emerge from the RFP process. They should not be considered a final budget. Once a contract is entered into, a final budget will be reported to CMS as required.

Proposed Scope of Service	Justification and Basis for Budget Estimate
I. Project Management: A. <u>Project Work Plan and Schedule</u>: • Develop and implement a detailed Project work Plan and Schedule. The Project work Plan and Schedule will include a detailed plan with identified tasks and subtasks, and a schedule for the performance of each task included in each phase of the contract. • Include responsibilities, milestones, and deliverables outlined in the RFP. • In addition to submitting their proposed Project Work Plan and Schedule with the proposal, the contractor may be required to update and revise the Project Work Plan and Schedule within thirty (30) calendar days of the effective date of the contract and on a weekly basis, as determined by the Idaho Medicaid Contract Monitor. o Implement and maintain a Project Work Plan that includes:Person-weeks of effort for each task or subtask, showing contractor personnel and DHW personnel efforts separately. o A network diagram, showing the planned start and end dates for all tasks and subtasks, indicating interrelationships of all tasks and subtasks, and identifying the critical path. o A Gantt chart showing the proposed start and end timeframes for all tasks and subtasks. o A plan for updating the Project Work Plan and Schedule on a weekly basis throughout the project. • Communication Plan.	Project Management: Project managers are responsible for the day-to-day management of a project. They oversee the project schedule, ensure achievement of targets, assign resources to tasks and communicate project status to management, stakeholders and clients. Project managers also handle issues and manage the scope of a project so they do not become barriers to implementation. The multiple activities that will be occurring during Idaho's Model Test will require focused management to keep the process on-target and remove barriers. Communication must be consistent across a variety of diverse groups, and frequent. In an environment of diverse points of view, and a steep learning curve for cultural change, experienced, professional and neutral third-party project management will help keep the process on track. **Project Work Plan development and**

	management for 42 month period=$300,000
B. Project Management • Manage and execute the project, ensure the project adheres to the Project Work Plan and Schedule and utilize project management processes, including; o Issue Management- to ensure issues, requests, and decisions are recognized, agreed upon, assigned to an owner, incorporated into an issue log, monitored, documented and managed through resolution; o Project Coordination between IDHW staff and other contracts to insure Model Test roll out and implementation are well coordinated in terms of timelines, deliverables, etc. o Change Management – to identify the impact of any change or correction that modifies scope, deliverables, schedule, or resource allocations, and determine the disposition of the requested change or correction; o Quality Management – to ensure the quality of work products and deliverables. ▪ Provide Weekly Project Status reports and Monthly Project Status Reports to DHW Project Manager. ▪ Prepare agendas for all assigned meetings and distribute agendas at least twenty-four (24) hours before a scheduled meeting. ▪ Document minutes at all assigned meetings and publish minutes on a shared electronic document management site within five (5) business days of each meeting. ▪ During project initiation, finalize the project management processes, communication and documentation formats, content and standards, and present for Department approval.	**Project Management for 42 month period= $590,000**

▪ Meet the requirement for the Project Manager to be present in Idaho to the extent required to fully conduct and participate in the activities for which he/she is proposed and assigned. ▪ Meet the requirement to have adequate project staff with experience and subject-matter expertise and technical expertise in the following areas: - Project planning, resource planning, work plan development, and project management processes, including executive reporting, status reporting, issue, change and quality management; - Standard project management methodology and in using various project management tools in developing project plans, delivering tasks, and tracking timelines and resources. - Facilitation of subject-matter workgroups with broad stakeholder representation. - The development and conduct of subject-matter focus groups with different constituent groups (e.g., physicians, consumers).	
C. <u>Project Initiation (6 month pre-implementation period)</u> • During the project initiation, the Contractor will: • Meet with Department staff to obtain information about the Department, Idaho Medicaid, and other Idaho stakeholders participating in the MTP. • Conduct a project initiation meeting with the Department staff to present an overview of the project, goals and objectives, Contractor project team identification, state participation, data requirements, methods of collecting information, other key tasks, deliverables, and project timeline. • Finalize the Project Work Plan and Schedule and present for Department review and approval. • Finalize processes for issue management, change	**$340,000 for project start-up staffing, planning, support**

management, quality management, and other Contractor recommended processes and present for Department review and approval. • Finalize formats for project status reports, meeting agendas, minutes, Executive Meeting summaries, documentation standards, and electronic project library naming standards and folder structure and present for Department review and approval. • Identify the type of resources needed from the Department of Health and Welfare for each activity, a general timeline the resource type will be required, and the estimated level of effort; and • Establish an electronic document management system that can be easily accessed by all stakeholders, with appropriate permissions and a plan for providing those permissions, and training end-users.	
II. Provide Subject Matter Expertise and Research Services: Provide subject-matter expertise in the area of focus for the Idaho Healthcare Coalition (IHC) and associated work groups to help them perform the needed analysis, develop implementation strategies and manage on-going changes to health care system. The Idaho Healthcare Coalition (IHC) is composed of talented stakeholders from a number of healthcare system related arenas. The IHC has a number of workgroups that formed during the SHIP development phase in 2013 and continue to meet to further refine the Idaho model. Active IHC workgroups needing SME expertise through this proposed contract include: 1. **Idaho Medical Home Collaborative** --PCP Practice Transformation to PCMH. This workgroup will benefit from SME support in PCMH model and transformation strategies and techniques. 2. **PMCH Integration with Medical Neighborhoods**: medical home integration with other aspects of the health care system will improve health outcomes and access through care management and coordination across the system. This workgroup will benefit from SME support in	**Subject Matter Expert Support to IHC Workgroups:** Subject matter expertise is needed to achieve work group outcomes within the four year Model Test. **IDHW SME staff will work with the Project Management and Financial Analysis Contractor reducing the need for both the subject matter expertise and workgroup committee facilitation and planning that was originally budgeted for the contractor.** • Continued development and refinement of workplan for each of

healthcare system development and various techniques for enhancing PCMH-Medical Neighborhood care coordination. 3. **Health Information Technology (HIT) and Data Analytics Workgroup**: This work group will guide the development of a statewide health information technology system that permits the analysis of clinical quality and utilization data throughout the health care system. The proposed system must be capable of collecting, aggregating and analyzing clinical data from primary care practices and other service providers, as well as claims data from participating payers, for purposes of monitoring clinical quality and outcomes, population health status, service utilization and health care cost savings. The system must be able to collect data at the individual patient level. Analyses shall be possible at the primary care provider level, the clinical practice level, the Regional Collaborative level, and the statewide level. SME support in the areas of HIT capacity expansion, quality data collection, data analytics and application for patient care as well as population health management will be critical. 4. **Payment Reform Workgroup** : This workgroup, composed of payers and providers, proposed a payment model during the SHIP planning process for the new health care delivery and payment system that would sustain PCMHs throughout the State and move the payment model away from fee for service towards a PMPM and shared savings model. This workgroup will continue to meet during the Model Test to refine the payment model, implement with PCMHs participating in the Model Test, and study impacts on costs during the Model Test period 5. **Telehealth Council**: This Council, established by the Idaho legislature is charged with developing recommendations for the telehealth system in Idaho and forwarding those recommendations to the IHC. The Council is composed of healthcare stakeholders from across the state. They will be developing models of telehealth that function well in both urban and rural settings. Of particular interest to Idaho's MTP is the development of the Virtual PCMH model, which the Telehealth Council will advise on. SME support with expertise in emerging telehealth technology and strategies will be critical.	7 work groups. • Manage group discussions in such a way as to maximize the contribution of all members. • Create a team process that is efficient and outcome focused. • Keep an accurate record of team members' ideas and decisions. • Provide assistance and feedback to group members so that they are able to assess their progress and follow their work plan. • Maintain an environment that allows members to work productively and collaboratively. • Conduct research to support the group work. **42 month planning period times 6 workgroup meetings/ month times $4,000/meeting = $1,008,000**

7. Behavioral Health/Primary Care Integration: This workgroup will be composed of stakeholders from both the Idaho Behavioral health system and primary care providers. The workgroup will work closely with the Idaho Medical Home Collaborative to refine strategies for integration of behavioral health care into the PCMH setting, whether a large urban primary care setting, or a very rural primary care clinic.	
III. Financial Analysis: The Consultant firm will plan, coordinate, and conduct analyses to enable the work groups to consider the Idaho's population health status, incidence of chronic diseases in the population, special needs populations, population demographics, and all-payer (public and private) performance trend and factors. Analyses associated with system cost, quality and population health performance targets will also be include in the analytics. The Contractor will coordinate with the Payers to conduct this work.	These analyses are crucial for understanding the current health status of Idaho's population, how it relates to special populations and other demographic characteristics of our population, and where performance targets can be developed. The analysis of this data is important to developing a shared understanding about how Idaho's current health system is working, or not, and how the new system must build capacity to monitor and target quality improvements for improved health of our communities. Information garnered from the Data Analytics Contractor and increased participation from IDHW financial staff will reduce the analyses needed from the Project Management and Financial Analysis Contractor. **Total = $880, 000**

PM &Financial Analysis Contract	Year 1 Pre-Implementation	Year 2	Year 3	Year 4	Total
Project Workplan and Schedule	**$400,000**	**$100,000**	**$100,000**	**$100,000**	**$700,000**
Project Management	**$140,000**	**$150,000**	**$150,000**	**$150,000**	**$590,000**
Project Initiation (pre-implementation period)	**$340,000**	**$0**	**$0**	**$0**	**$340,000**
Subject Matter Expert Support and Research	**$252,000**	**$252,000**	**$252,000**	**$252,000**	**$1,008,000**
Financial Analysis	**$220,000**	**$220,000**	**$220,000**	**$220,000**	**$880,000**
Total	**$1,352,000**	**$722,000**	**$722,000**	**$722,000**	**$3,518,000**

D. IDHW Project Staff Equipment Cost **Total $883,749**

11/12/2014 Revised Total $638,346

The amount of equipment to be purchased in support of telehealth activities in rural communities has been reduced, to assist in reducing the overall budget. This proposal will still allow significant investment in telehealth in Idaho's rural and frontier communities.

PCMHs will be incentivized to develop new telehealth programs and expand existing programs to improve access to healthcare services in rural and underserved areas. Areas of focus include specialty care and behavioral health services. In Idaho, 97.7% of the state is a federally-designated shortage area in primary care and 100% in mental health. IDHW will purchase telehealth equipment and provide to designated virtual PCMHs to establish and expand telehealth services. This is a key strategy for connecting patients in rural and remote communities with much-needed and distant healthcare services. The expansion of telehealth services is an integral component of team-based care, especially for small rural practices, and the new service delivery model.

Revised 10/6/14 Equipment Description and Justification	Cost	Quantity	Total
Transportable Exam Station- provides portable telehealth access to connect from the patient's home to the PCMH. Includes tele-stethoscope, otoscope, exam camera, store-and-forward capability, speaker, and microphone.	$28,736	**6**	**$172,416**
Telehealth equipment to provide specialty services, such as tele-dermatology, tele-oncology, and tele-cardiology from the rural PCMH to urban specialty care. Includes telemedicine cart, cables, video screen, router for T1 line, and peripheral devices, such as a stethoscope or ultrasound.	$23,196	**18**	**$417,528**
Telehealth equipment to provide mental/behavioral health services from the rural PCMH to urban health services. Includes a laptop, pan/zoom/tilt webcam with noise canceling microphone, and HIPAA secure software.	$2689	**18**	**$48,402**
Equipment Total			**$638,346**

Telehealth Equipment	Year 1 Pre-Implementation	Year 2	Year 3	Year 4	Total
Equipment		**$ 212,782**	**$ 212,782**	**$ 212,782**	**$ 638,346**
Total		**$ 212,782**	**$ 212,782**	**$ 212,782**	**$ 638,346**

E. IDHW Project Staff Travel, Training, Per Diem Cost Total $116,732

Out-of-State Travel $80,000: Funding for out-of-state travel is requested to support participation by IDHW staff in CMMI national meetings, conferences, and workshops. Idaho proposes to have 4 staff members attend a total of 2 events per year (for a total of 8 trips per year). The average per-trip cost is $2,500, including $1,100 in airfare, $85 ground transportation, $135 in allowed miscellaneous travel expenses, $224 per night lodging and $71 meal reimbursement (assuming a 4-day trip).

Out-of-State Travel the DC area per trip:	**$2500** per trip
Airfare	$1100
4 days per diem	$71/day = $284
4 nights lodging	$224/night = $896
Ground transportation	$85
Allowed misc travel expenses	$135

	Year 1 Pre-Implementation Year	Year 2	Year 3	Year 4
Deputy Director Denise Chuckovich	2 trips @ $2500= $5000	2 trips @ $2500= $5000	2 trips @ $2500= $5000	2 trips @ $2500= $5000
Program Administrator (vacant)	2 trips @ $2500= $5000	2 trips @ $2500= $5000	2 trips @ $2500= $5000	2 trips @ $2500= $5000
Program Manager (vacant)	2 trips @ $2500= $5000	2 trips @ $2500= $5000	2 trips @ $2500= $5000	2 trips @ $2500= $5000
Project Manager (vacant)	2 trips @ $2500= $5000	2 trips @ $2500= $5000	2 trips @ $2500= $5000	2 trips @ $2500= $5000

Out of State Travel	Year 1 Pre-Implementation Year	Year 2	Year 3	Year 4	Total
Total Costs	$20,000	$20,000	$20,000	$20,000	$80,000

In-State Travel $36,732:
Costs for lodging are calculated using http://www.gsa.gov/portal/content/104877. Idaho's rate of meal reimbursement is $30 per day for in-state travel. The travel costs in the table are a combination of visits to primary care practices that are transforming to PCMHs, trips to participate in IHC and RC activities, professional conferences and stakeholder meetings to provide education and stakeholder outreach. These trips are comprised of travel to Regions 1, 2, 3, 4, 5, 6 and 7. Trips to Regions 1 and 2 (Northern Idaho will require air travel). Trips to

Regions 3, 4 and 5 are day trips. Staff will have access to a state vehicle for these day trips so no travel costs will be incurred. Travel to Regions 6 and 7 (Eastern Idaho) will require overnight lodging, staff will have access to a state vehicle. No airfare or car rental charges will be incurred.

In-State Travel Trips
Regions 1 and 2 (Northern Idaho) per trip: **$609** per trip (January-May, September-December)
$650 per trip (June-August)

Airfare	$275
2 days per diem	$30/day = $60
1 nights lodging	$85/night (January-May, September-December)
1 nights lodging	$124/night (June-August)
Car rental	$140
Fuel for car rental	$25
Airport parking	$12/day = $24

In-State Travel Trips
Regions 6 and 7 (Eastern Idaho) per trip: **$146**

2 days per diem	$30/day = $60
1 nights lodging	$86/night

Travel per month where expense is incurred. (Region 1 or 2 $609 or $650 (high season) and Region 6 or 7 $146)

	Year 1 Pre-Implementation Year	Year 2	Year 3	Year 4	Total
Project Managers (3 FTE)	12@ $1752 9@ $5481 3@ $1950	12@ $1752 9@ $5481 3@ $1950	12@ $1752 9@ $5481 3@ $1950	12@ $1752 9@ $5481 3@ $1950	$36,732
In State Total Costs	$9,183	$9,183	$9,183	$9,183	$36,732

F. IDHW Project Staff Supplies and Miscellaneous

Total $62,475

Revised Total $59,716

IDHW eliminated the .5 Medical Director position. Project staff supplies have been recalculated using 8 FTEs.

IDHW requests funding for Year 1 purchase of office furniture (desks and chairs), desk telephones, and computer equipment for project staff, at a cost of $40,767 for **8** FTE. This request also includes supplies for workgroup meetings, office supplies and monthly conference call charges to support project staff, at an annual cost of $7,236, for a total cost of $62,475.

Pre-Implementation Year 1 - One Time Cost Furniture and Equipment				**Ongoing Costs Supplies**	**Year 2**	**Year 3**	**Year 4**
Computer Equipment	**Number Needed**	**Unit Cost**	**Total Cost**	Supplies for Workgroup Meetings (6 wrkgrps x 1 mtg per month x $50 per mtg. x 12 mos.)	$3,600	$3,600	$3,600
Personal Computer Hardware	**8**	$2,050	**$16,400**	Supplies per 8 employee x $20 x 12 mos.	**$1920**	**$1920**	**$1920**
Flat Panel Monitors (2 each)	**16**	$175	**$2,800**	Conference Calls (19 calls p/mo x 12 mos. X $7)	$1,596	$1,596	$1,596
Personal Computer Software	**8**	$650	**$5,200**				
Total Computer Equipment			**$24,400**				
Furniture							
Desks	**8**	$900	**$7,200**				
Chairs	**8**	$575	**$4,600**				
Phone	**8**	$195	**$1,560**				
Office Supplies	**8**	$76	**$608**				
Total Office Furniture			**$13,968**				
Total Cost Year 1			**$38,368**	**Total Cost Years, 2,3,4**	**$7,116**	**$7,116**	**$7,116**
Total 4 year Project Equipment, Furniture and Supplies			**$59,716**				

G. System and/or Data Collection Cost **Total $0**

System and data collection costs are budgeted in the Data Collection and Analytics contract.

H. State Evaluator Cost **Total $4,684,584**

Revised Total 2,939,542

The proposed budget for the state evaluation has been reduced to reflect 8% of Idaho's total budget request. Required staff to support the evaluation will be reduced proportionately.

Tasks/Deliverables

Idaho State Healthcare Innovation Model Evaluation.

I. Evaluation Plan:

A. Work closely with the State to develop a comprehensive evaluation plan that includes process, implementation and outcome description, monitoring, analysis and reporting.

- Set up the evaluation timeline.
- Identify key evaluation questions.
- Develop the program logic model.
  - Clarify program objectives and goals.
  - Identify criteria that must be reached for the program to be considered successful.
  - Set standards of performance on the criteria.
  - Set evidence to gauge performance is met.
- Identify evaluation measures (ensuring that quality measures are aligned with PCMH data collection requirements in order to reduce work for PCMHs participating in the program).
- Develop evaluation methods.
- Develop a feasible and robust evaluation design (coordinated with the State and CMMI).

II. Collect and Analyze Information as planned.

A. Decide what to celebrate, and what to adjust or change.

III. Monitoring and Reporting.

A. Provide regular reports that demonstrate the success to date of reaching milestones, actions or accomplishments, or addressing evaluation questions.

- Report on implementation issues/risks and resolution.

I. Other **Total $74,496**

Includes travel expenses for IHC and workgroups (Telehealth Council, Behavioral Health Integration Workgroup, PCMH Transformation Workgroup, Payment Redesign Workgroup, and HIT/Data Analytics Workgroup), for members. The request is calculated at one IHC meeting/month and 5 workgroup meetings/month. This anticipates that approximately one IHC or workgroup member will travel per meeting. The meetings are usually held at the IDHW Boise office. Mileage is paid at .056 cents per mile and Idaho's meal reimbursement is $30 per day. Most meetings, the traveling participant would not be spending the night. The average reimbursement for a participant per day travel, no overnight needed, is $50 ($.056/mile x 350 miles + $30 meal reimbursement). The cost for one participant traveling per month, per six workgroups, times 48 months is $14,400. We anticipate over the 48 month period air travel at $550 per trip, would be limited to 4 times per year, per one participant, per workgroup over the four year grant - $52,800. The total estimated travel for workgroup members over the four year grant is $$67,200.

The average reimbursement for a participant per day travel, no overnight needed, is $226 ($.56/mile x 350 miles + $30 meal reimbursement). Please note the calculation from the previous page is incorrect (It was figured using $.056 rather than $.56). Travel would be limited to 4 times per year, per one participant, per workgroup over the four year grant. The total for ground travel is $21,696. We anticipate over the 48 month period air travel at $550 per trip, would be limited to 4 times per year, per one participant, per workgroup over the four year grant - $52,800. The total estimated travel for workgroup members over the four year grant is $74,496.

	Year 1	Year 2	Year 3	Year 4	Total
Idaho Healthcare Coalition – meets monthly on the 2nd Wednesday	$3104	$3104	$3104	$3104	$12,416
Telehealth Council – meets monthly on the 2nd Friday	$3104	$3104	$3104	$3104	$12,416
HIT/Data Analytics Workgroup – Meets monthly on the 3rd Monday	$3104	$3104	$3104	$3104	$12,416
Behavioral Health Integration Workgroup – monthly	$3104	$3104	$3104	$3104	$12,416
PCMH Transformation Workgroup – monthly	$3104	$3104	$3104	$3104	$12,416
Payment Redesign Workgroup – monthly	$3104	$3104	$3104	$3104	$12,416
Total	$18,624	$18,624	$18,624	$18,624	$74,496

J. IDHW Overhead Charge to the Project **Total $302,380**

11/12/2014 Revised Total $242,832

IDHW Overhead	Year 1 Pre-Implementation	Year 2	Year 3	Year 4	Total
	$ 60,708	**$ 60,708**	**$ 60,708**	**$ 60,708**	**$ 242,832**

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program Support Center
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MAR 0 6 2014

Jodi Osborn, Financial Executive Officer
Idaho Department of Health & Welfare
450 West State Street, 9th Floor
Boise, Idaho 83720-0036

Dear Ms. Osborn:

This letter provides approval of the Idaho Department of Health & Welfare Cost Allocation Plan (Plan) amendment which was transmitted to our office on September 26, 2013, and subsequently revised on November 21, 2013. The Plan amendment is effective October 1, 2013.

Acceptance of actual costs in accordance with the approved Plan is subject to the following conditions:

1) The information contained in the Plan and provided by the State in connection with our review of the Plan is complete and accurate in all material respects.

2) The actual costs claimed by the State are allowable under prevailing cost principles, program regulations and law.

3) The claims conform with the administrative and statutory limitations against which they are made.

This approval relates only to the methods of identifying and allocating costs to programs, and nothing contained herein should be construed as approving activities not otherwise authorized by approved program plans or Federal legislation and regulations.

Implementation of the approved Cost Allocation Plan may subsequently be reviewed by authorized Federal staff. The disclosure of inequities during such reviews may require changes to the Plan.

If you have any questions concerning the contents of this letter, please contact Stanley Huynh of my staff at (415) 437-7829.

Sincerely,

Arif Karim, Director
Division of Cost Allocation

cc: Carol Peverly, CMS Teresa Trimble, ACF Francisco Lebron, FNS
Joann Simmons, ORR

K. Other grants, revenues, or in-kind services or resources that will be applied to the implementation and testing of the model
Total $0

Additional in-kind resources not costed out include leadership support from the IDHW department director and deputy director, and meeting space and support for IHC and related sub-committees meetings, IDHW contracting, budgeting, and HR support, etc.

L. Expected or needed funding from other federal sources **Total $0**

IDHW does not expect to need funding from other federal sources to support this effort. There are numerous efforts funded by other sources with which the MTP will partner and leverage opportunities, but the funding will not be directly mixed with this effort.

M. Attestation that the Innovation Center funding will not supplant any other funding sources

Financial support provided to the State of Idaho for model implementation through this cooperative agreement will not result in supplanting any other existing funding sources for the activities described in this Model Testing Proposal.

N. Budget to collect data and perform continuous QI rapid cycle evaluation **Total $0**

Data collection and quality improvement costs are budgeted in the Data Collection and Analytics contract.