

New State Innovation Models (SIM) Funding Opportunity Announcement

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Today, the Centers for Medicare & Medicaid Services (CMS) is announcing a new Funding Opportunity Announcement for a second round of funding for the State Innovation Models (SIM) initiative. The State Innovation Models initiative will provide financial and technical support to states to design or test innovative payment and service delivery models that will improve health, improve care and lower cost for Medicare, Medicaid, and Children's Health Insurance Program beneficiaries. CMS will award up to \$30 million for up to 15 Model Design cooperative agreements and up to \$700 million in funding for up to 12 state-sponsored Model Test cooperative agreements through this funding announcement.

In 2013, CMS awarded the first round of SIM funding to 25 states. In addition, CMS partnered with six Model Test states to implement state-wide health transformation plans and funded awards to 19 states to design and refine State Health Care Innovation Plans. These partnerships have provided states and their stakeholders with the opportunity and resources to accelerate health transformation across the state. The six Round One Test states are implementing innovative payment and delivery models including accountable care organizations, accountable care communities, patient centered medical homes and bundled payments. All Round One Model Test states have implemented innovative approaches to Medicaid and have plans to expand to commercial payers.

Based on lessons learned and best practices gleaned from the first round of the SIM initiative, Round Two updates the initiative in ways that CMS believe correlate with successful state-wide health transformation. Round Two requires state applicants to articulate a broad vision for state-wide health care transformation; describe ambitious, realizable programs in identified areas; commit to using the full range of regulatory, payment, and policy authorities available to facilitate transformation; and commit to sustain their model after the design and/or test period concludes. Second, states may propose to authorize a public-private partnership to receive and administer the Model Design or Model Test award on behalf of the governor's office. Notably, all Round One Model Design states must apply for Round Two of the State Innovation Models initiative.

For more information, please visit: <http://innovation.cms.gov/initiatives/state-innovations/>