



# Value Driven Health Care and Transformation Grants

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# Background

- Section 6081 of the DRA of 2005 authorizes the Medicaid Transformation Grants program. This legislation authorizes new grant funds to States for the adoption of innovative methods to improve the effectiveness and efficiency in providing medical assistance under Medicaid.
- The program spans a 2-year period and appropriates a total of \$150,000,000. The awards will be paid in two parts. The Federal fiscal year (FFY) 2007 appropriation was \$75,000,000. The FFY 2008 obligation is \$75,000,000 and availability is contingent upon FY 2008 appropriation.

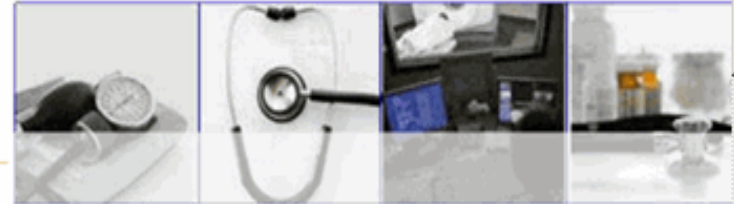
# Background

- In the first round of awards announced on January 25, 2007, CMS awarded 32 Medicaid Transformation Grants to 26 States totaling \$98,059,694.
- The second Medicaid Transformation Grant solicitation was released on April 26, 2007 to award the remaining \$51,940,306. The second solicitation closed on June 15, 2007.



## Value-Driven Health Care

*Transparency: Better Care Lower Cost*



- Secretary Leavitt challenged State Medicaid programs to partner in a value driven health-care initiatives centering around four cornerstones:
  - Intraoperatable health information technology
  - Measuring and publishing quality information
  - Measuring and publishing price information
  - Creating positive incentives for high quality health care purchasers
- Several of the transformation grants help to achieve these aims

# CMS is Interested in Working with States to learn:

- Whether the project is proceeding as expected and what are the challenges and successes. Examples of successes and challenges in:
  - Establishing the most appropriate governance structure for an information exchange;
  - Addressing data security and privacy concerns;
  - Identifying the most appropriate software to facilitate the goals of project;
  - Garnering participation of required stakeholders or others involved in similar transformation projects;
  - Establishing relationships with parties responsible for vital records;
  - Identifying appropriate clinical measures of quality; or
  - Staffing of the project.

# CMS is Interested in Working with States to learn:

- How the State has incorporated the concept of interoperability and use of nationally recognized standards in the development of projects involving HIT.
- How the project is progressing in achieving transparency and value in such areas as
  - collecting and reporting quality measures;
  - creating a common, secure, electronic infrastructure to expand information sharing;
  - creating broad-based health care coalitions to promote valid, comparable measure to drive quality improvement;
  - promoting beneficiary involvement;
  - developing verifiable measures for public reports;
  - reducing risks associated with medication errors;
  - or reducing waste, fraud and abuse under Medicaid.

# CMS is Interested in Working with States to learn:

- What collaborative efforts are employed to move the project forward such as working with regional or multi-state partners, private-employers, Medicare or Veteran's Administration projects where appropriate.
- The number of Medicaid beneficiaries in the State that are directly impacted or served by the MTG
- Implementation lessons learned and promising practices

# CMS is Interested in Working with States to learn:

- At the conclusion of the project
  - Specific uses of the MTG funds during the project period;
  - Qualitative and quantitative information on whether the goals and objectives of the project were achieved and the factors that led to goals being achieved or not achieved;
  - Best practices and lessons learned through the project;
  - Aspects of the project that could be replicated at a national level;
  - Findings that could inform future policy efforts;
  - Number and percentage of all Medicaid beneficiaries in the state were directly impacted or served;
  - Cost efficiencies and savings identified through the efforts; and,
  - Sustainability of the project after the end of the grant cycle.