**Department of Veterans Affairs** **VHA NOTICE 2000-01**
**Veterans Health Administration**
**Washington, DC 20420** **July 13, 2000**

# REQUEST FOR PROPOSALS FOR PILOT PROGRAMS RELATING TO LONG-TERM CARE

**1. PURPOSE.** This Veterans Health Administration (VHA) Notice announces the opportunity for VHA organizational elements to compete for funding to carry out one of three Pilot Programs for the purpose of determining the effectiveness of different models of all-inclusive care delivery in reducing the use of hospital and nursing home care by frail elderly veterans. This notice represents a mechanism for soliciting and supporting program initiatives to develop and evaluate three model Pilot Programs of integrated, comprehensive care delivery. In selecting locations in which the Pilot Programs will be carried out, the Secretary of Veterans Affairs may not allocate more than one Pilot Program to any given Veterans Integrated Service Network (VISN).

**2. BACKGROUND.** The Acting Under Secretary for Health recently approved a proposal for a task force to coordinate the implementation of the long-term care (LTC) provisions of Public Law (Pub. L.) 106-117, The Veterans Millennium Health Care and Benefits Act. Pub. L. 106-117, Section 102 states, "The Secretary [of Veterans Affairs] shall carry out three Pilot Programs for the purpose of determining the effectiveness of different models of all-inclusive care delivery in reducing the use of hospital and nursing home care by frail, elderly veterans." This notice represents a mechanism for soliciting and supporting program initiatives to develop and evaluate three model Pilot Programs of integrated, comprehensive care delivery that, if shown to enhance the quality or productivity of the health care VHA provides, might be replicated beyond the demonstration site(s).

**3. FUNDING AND DURATION OF PROGRAMS.**

a. **Funding.** VHA Office of Geriatrics and Extended Care Strategic Healthcare Group (SHG) will accept proposals requesting funding for three new Pilot Programs. An applicant is able to submit multiple proposals, but no more than one Pilot Program will be awarded per VISN. Proposals must be submitted by September 22, 2000. Up to $7,000,000 annually is proposed to support three Pilot Programs and their evaluations.

b. **Duration.** Proposals are expected to include requests for 36 months of funding for the Pilot Program. The authority of the Secretary of Veterans Affairs to provide services under the Pilot Program will cease on the date that is 3 years after the date of the commencement of the Pilot Program.

c. **Reports.** Reports from the awarded Pilot Programs are due to the Office of Geriatrics and Extended Care SHG annually and at other specified intervals as outlined in paragraph 8.

**4. REQUIREMENTS**

a. **Letter of Intent (LOI).** A LOI to submit a proposal(s) should be faxed to Ms. Jackie Holmes, Geriatrics and Extended Care SHG (114), at (202) 273-9131 by July 31, 2000. Information should include: VISN and/or VA facility(s) within the VISN planning to submit a proposal, the model or models to be piloted, and the name, title, telephone number and e-mail address of the person coordinating the proposal submission. ***NOTE:*** *A VISN or VA facility(s) within a VISN may submit proposals for more than one of the three pilots, but only one Pilot Program will be awarded to any given VISN, in accordance with Pub. L. 106-117.*

b. **Origination, Required Coordination, and Approvals.** Applications must be coordinated and approved by appropriate facility leadership and the Network Director. Applications may involve more than one site, but leadership must be located clearly at one specific site. Proposals are to be coordinated among parties with significant programmatic or implementation interests, including the appropriate facility clinical leadership, facility Director(s), and Network Director. Each application submitted must propose a Pilot Program implementing only one model. ***NOTE:*** *Applicants are encouraged to consult with other stakeholders such as Veteran Service Organizations.*

c. **Program Requirements and Scope of Services.** Each Pilot Program shall use interdisciplinary care-management teams to provide and/or ensure the required array of services to participating veterans. The Pilot Program within its specified model will be designed to provide participating veterans with a program of all-inclusive, comprehensive medical, health, and social services that integrate acute and LTC. These services must be furnished in the adult day health center, participant's homes, and/or inpatient facilities. The scope of services minimally includes:

(1) Adult-day health care services to be available on an 8-hour per day, 5-day per week basis;

(2) All reasonable and necessary medical services including primary care, preventive services, and nursing home care, as needed;

(3) Coordination of needed services;

(4) Transportation services;

(5) Home care services;

(6) Respite care.

d. **Program Eligibility and Capacity.** Each Pilot Program shall serve a minimum of 50 frail, elderly veterans each year of the funding period.

e. **Standards.** Contracts shall be made only with facilities that meet the standards established in regulations prescribed under Title 38, United States Code (U.S.C.). State Veterans Homes that are able to provide these services may participate as partners with the Department of Veterans Affairs (VA), but because they receive payments from VA under the State Home Per Diem Grant Program, they may not receive additional payments under these Pilot Programs.

f. **Program Evaluation.** The overall program evaluation of the Pilot Program will be coordinated by a Health Services Research and Development (HSR&D) Center for Excellence designated by the Under Secretary for Health. Pilot Program sites are to cooperate with the Center in the design of the pilot evaluations, and the sites are responsible for collection of the required data, as identified by the Center.

(1) Evaluation will include the:

(a) Assessment of the accessibility and acceptability of each model to frail, elderly veterans;

(b) Use of institutional care and other services;

(c) Health and functional status of veterans;

(d) Satisfaction of veterans and their caregivers;

(e) Total costs of care; and

(f) Assessments of both program participants and selected comparison groups of veterans.

(2) Because the Pilot Program will require prospective data collection from individually identifiable enrolled veterans and comparable veterans not receiving services through the Pilot Program, applicants will be expected to assist HSR&D in seeking local Institutional Review Board (IRB) approval for study evaluation, and may request exemption from written informed consent.

g. **Co-Payments.** Upon enrollment into the Pilot Program, the Pilot Program participants are to be informed that when co-payment regulations are finalized, they will be subject to such.

**5. DESIGN OF PILOT PROGRAMS.** Three models of an all-inclusive system of integrated, comprehensive services are to be funded. Each Pilot Program must use interdisciplinary care-management teams to ensure the required array of services to participating veterans. The three models are as follows:

a. **Model I (VA as Sole Provider).** This Pilot Program model directs that the all-inclusive system of integrated, comprehensive services shall be provided directly by VA personnel and through VA facilities and programs. In this model, the VA is the only provider for the full range of integrated, comprehensive services.

**Example:** In this model a veteran requiring radiation treatment, nursing home care, cataract surgery, kidney dialysis, adult day health care, hip replacement, home health care services, transplantation, prosthetics, etc., must be provided these services by VA facilities and personnel. Any use of external providers or payment sources is prohibited.

b. **Model II (VA Partnership).** This Pilot Program model directs that VA provide the all-inclusive system of integrated, comprehensive services through a combination of services provided by VA personnel, facilities and programs, as well as selected care provided under contract with appropriate public and private entities. In this model, VA provides some services and contracts for others to ensure the required scope of services is met.

(1) **Limitation.** For services provided in this model, VA will pay for services only to the extent that payment for such services is not otherwise covered (notwithstanding any provision of

title XVIII or XIX of the Social Security Act) by another Government or non-government entity or program.

(2) **In-kind Assistance.** For services provided in this model, VA may, subject to reimbursement, provide in-kind assistance (through the services of VA employees and the sharing of other VA resources) to a facility furnishing care to veterans. Such reimbursement may be made by reduction in the contract charges.

(3) **Example.** Within this model the Pilot Program might contract with a community-based program of all-inclusive LTC, while VA provides traditional acute medical service; or a proposed Pilot Program might contract for a component or components of the comprehensive services in order to ensure that the all-inclusive system of comprehensive services is available.

c. **Model III (VA as Care Manager).** This Pilot Program model directs that VA will arrange for the provision of the all-inclusive system of integrated, comprehensive services through cooperative arrangements with appropriate public and private entities and VA personnel and services. All services will be coordinated by VA.

(1) **Limitation.** For services provided in this model, VA will pay for services only to the extent that payment for such services is not otherwise covered (notwithstanding any provision of title XVIII or XIX of the Social Security Act) by another Government or non-government entity or program.

(2) **Example:** Within this model all services specified in the Program Requirements are to be provided by community providers with VA providing only the care management function; or, VA pays the Medicaid portion of a community Program of All-inclusive Care for the Elderly (PACE) program for a veteran who would not otherwise be eligible and VA then provides only care management.

**6. PROPOSAL CONTENT.** Proposals are to contain the following information in indicated order and are to be no greater than fifteen pages in length (excluding abstract, table of contents, transmittal letter, and any letters of support). Proposals should be typed on standard-sized (8 ½ by 11 inch) white paper, single-spaced, with a font size no smaller than 12 characters per inch.

a. **Abstract.** The first page of the proposal should be an abstract of the overall proposal, page numbered "i." The abstract should not exceed one page. It should include the following information in the order specified:

(1) Program identification to include name of VHA organizational entity directing the proposed Pilot Program and model proposed to be implemented.

(2) A brief program description articulating primary objectives of the proposal. Describe the health care region (unique characteristics, system readiness for the pilot, etc.) in which the Pilot Program is proposed to be carried out. Briefly note the key elements of the proposed Pilot Program and identify proposed key methods of Pilot Program evaluation. At the bottom of the abstract list specify the total projected cost.

b. **Table of Contents.** This is to be page number "ii." List all sections of the application (including all appendices) and the initial page number for each section.

c. **Proposal Narrative.** The narrative should include the following sections:

(1) **Objectives.** Articulate the goals and/or objectives of the proposed Pilot Program relating to LTC.

(2) **VISN Description and Capability.** Include in this section:

(a) A summary description of the demographic characteristics of the VISN, the facilities, and sites that would be involved;

(b) Characteristics of the population to be served, including the level of functioning in Activities of Daily Living (ADL);

(c) Characteristics of the population to be served, including the level of functioning in Instrumental Activities of Daily Living (IADL);

(d) Social and mental status; and

(e) How this Pilot Program fits within the overall continuum of care offered within the VISN.

(3) **Description of Specifics.** Address the following in detail:

(a) Delineate the Pilot Program implementation activities, plans, timeline and milestones;

(b) Describe the role of each member of the Pilot Program team (including evaluation personnel) and how coordination will be accomplished;

(c) Describe the availability and accessibility of the range of integrated, comprehensive services specific to the model applying for;

(d) Describe the plan for transition of the veteran to alternate payment sources in order to assure continued care at the appropriate level upon discontinuation of the pilot;

(e) Delineate the process for identification, recruitment, and continued evaluation of participants in the pilot;

(f) Delineate the process for identification of comparable veterans not receiving services through the Pilot Program;

(g) Describe the methods, instruments and reporting processes to ensure required data collection;

(h) Describe previous experience in implementing aspects of the proposed model.

(4) **Coordination.** Describe which VA and other program resources have been involved in developing and/or reviewing the proposal and which are in support of the proposal. Reference appended letters of support where appropriate. ***NOTE:*** *Letters of support from elected officials or potential vendors are not to be solicited nor submitted.*

d. **Program Evaluation.**

(1) The Pilot Program evaluation must minimally include:

(a) A comparison of use of institutional, acute and other care services;

(b) Participant and caregiver satisfaction;

(c) Health and functional status of the veteran; and

(d) Cost and benefits of the proposed model among both veterans receiving services through the Pilot Program and comparable veterans not receiving services through the Pilot Program.

(2) The program evaluation will be coordinated by a HSR&D Center for Excellence designated by the Under Secretary for Health, with which study sites will collaborate. In addition to proposing an effective mechanism for collaboration with the Center, proposals should:

(a) Delineate the process for identification of comparable veterans not receiving services through the Pilot Program;

(b) Describe any particular advantages of the site for provision of evaluation data, including availability of and access to administrative data sources. Particular attention should be paid to measuring the use and cost of non-VA services receiving Federal funding.

(3) The proposal may also recommend:

(a) Additional measures useful for evaluation of the pilot, describing the proposed methodology and its feasibility;

(b) Measures of program benefits that can be contrasted with program costs, in addition to the core evaluation components.

e. **Resource and Workload Plan.** Comprehensively present the requested budget and proposed workload (number of veterans to be served) for the Pilot Program, differentiating clearly the types of expenditures (e.g., Full-time Employee Equivalent (FTEE), equipment and/or supplies, direct service and/or contract expenses, evaluation activities, etc.), timing of expenditures (e.g., start-up only versus annual commitment), and workload goals over the duration of the Pilot Program. ***NOTE:*** *Pub. L. 106-117 requires that funding for these Pilot Programs be based on the complex care category under the Veterans Equitable Resource Allocation (VERA) system.* This plan should explicate cost sharing (in cash or in-kind)

committed to the Pilot Program by the health care region(s), including evidence of facility and/or Network support in provision of space, equipment, technology, and other resources needed to accomplish this Pilot Program.

f. **Appendices.** Appendices will include only:

(1) **Transmittal Letter.** A transmittal letter approved and signed by the VISN Director and appropriate facility Director(s). This letter is to articulate support for the program. ***NOTE:*** *Any proposal without a signed letter of support from the VISN Director where the pilot is planned will be returned without review.*

(2) **Letters of Support.** Letters of support (e.g., from important program participants and/or consultants). ***NOTE:*** *Letters of support from elected officials or potential vendors are not to be solicited nor submitted.*

**7. PROPOSAL SUBMISSION.** An unbound original and 12 copies of each application must be submitted by September 22, 2000, to:

Chief Consultant, Geriatrics & Extended Care SHG (114)
Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

**8. PROPOSAL REVIEW PROCESS**

a. **Review Committee.** A committee of both field and VHA headquarters personnel, reflecting appropriate subject matter expertise and knowledge of the VHA health care system, will be selected to review applications. Reviewers generally will be asked to review all criteria, but selected reviewers will emphasize issues identified in parentheses; the Office of Finance will review all the financial sections of all the proposals; the Chief Network Officer representative will review all proposals in terms of potential individual and across-Network contribution. The Chief Consultant Geriatrics and Extended Care SHG, or designee, will chair the review committee. The committee consists of representatives from the:

(1) Office of Geriatrics and Extended Care SHG (clinical aspects);

(2) Office of Policy and Planning (linkage to current planning activities);

(3) Field facilities including Geriatric Research Education and Clinical Centers (GRECCs);

(4) Office of Research and Development (state of the art and/or science in the area);

(5) Office of Finance (finance and budget);

(6) Office of the Chief Network Officer (coordination with specific Network and overall Network plans);

(7) External reviewers (e.g., from Geriatrics and Gerontology Advisory Committee, National PACE Association, etc.).

b. **Review Criteria.** Proposals are expected, at a minimum, to be responsive to this announcement, complete, clear, and well organized. The Review Committee may change, with the permission of the applicant, the model category initially indicated if the specific design is more appropriate to another model. Proposal review criteria are to emphasize:

(1) Significance, originality, and appropriateness of objectives in terms of implementing the Pilot Program in accordance with Pub. L. 106-117;

(2) Quality and feasibility of specific Pilot Programs; consideration of this issue includes:

(a) How well Pilot Program is defined;

(b) Evidence of comprehensiveness of services to be provided;

(c) Evidence of appropriate coordination and collaboration;

(d) Evidence of creativity in program design;

(f) Evidence of appropriate integration within the continuum of care; and

(g) The rationale supporting the possibility for the Pilot Program to meet the articulated goals and/or objectives.

(3) Evidence of facility and/or Network support, including space, equipment, technology, and other resources needed to support the program;

(4) Quality and appropriateness of proposed Pilot Program plan for collaborating with HSR&D and for collecting evaluation data;

(5) Evidence of availability and accessibility of a range of integrated, comprehensive services;

(6) Evidence of appropriate transition plan following the end of the pilot period;

(7) Appropriateness of proposed budget.

c. **Review Process Timeline.** Proposals will be reviewed and the proposals recommended for approval will be forwarded to the Policy Board, which will make recommendations to the Under Secretary for Health. Subject to the availability of funds, the final funding decision for the Pilot Programs will be made by the Under Secretary for Health and announced by November 30, 2000.

**9. REPORTS.** The health care regions awarded the Pilot Programs will work cooperatively with the designated HSR&D Center in the development of the reporting formats and processes to transmit the data in order to facilitate the development of information needed for the following required reports.

a. **Annual Reports.** The designated HSR&D Center will prepare evaluation reports within 30 days of the 12th month and 24th month of the Pilot Program implementation. To support these efforts, the Pilot Programs will submit data in the negotiated format by agreed-on deadlines to include:

(1) A description of the implementation and operation of the program.

(2) An analysis comparing the use of institutional care among participants in the Pilot Program with the experience of comparable patients who are not enrolled in the program.

(3) A progress report to include number of patients served, program costs to date, and patient and vendor satisfaction data.

b. **Final Report.** A final report for each Pilot Program is required no later than 90 days after the end of the Pilot Programs. To support these efforts, the Pilot Programs will submit data in the negotiated format by agreed-on deadlines to include:

(1) A description of the implementation and operation of each such program;

(2) An analysis comparing use of institutional care and use of other services among enrollees in each of the Pilot Programs with the experience of comparable patients who are not enrolled in one of the Pilot Programs;

(3) An assessment of the satisfaction of participating veterans with each of those programs;

(4) An assessment of the health status of participating veterans in each of those Pilot Programs and of the ability of those veterans to function independently;

(5) An analysis of the costs and benefits under each of the programs.

c. **Report Submission.** Each report submitted will be accompanied by a transmittal letter approved and signed by the VISN Director and appropriate facility Director. All reports are to be submitted to:

Chief Consultant, Geriatrics and Extended Care SHG (114)
Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

**10. RESPONSIBILITY:** The Office of Geriatrics and Extended Care SHG (114) is responsible for the contents of this Notice. ***NOTE:*** *For information about proposal procedures and review, contact the Chief Consultant for Geriatrics & Extended Care SHG (114).*

**11. RECISSIONS:** This Notice expires December 31, 2004.

S/ Melinda Murphy for
Thomas L. Garthwaite, M.D.
Acting Under Secretary for Health

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