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**Executive Summary for
the Annual Report of
System and Impact
Research and Technical
Assistance for CMS
FY2005, FY2006, and
FY2007 RCSC Grants**

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Research and Technical
Assistance for CMS
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Executive Summary

This is the first Annual Report prepared for the national evaluation of the FY2005, FY2006, and FY2007 Real Choice Systems Change (RCSC) Grants. This first Annual Report presents findings from October 2005 – October 2007, which includes the first nine months of strategic planning for the FY05 and FY06 Systems Transformation (ST) Grants and the subsequent initial 15-months of implementation (through October 2007) for the FY05 ST Grants. The report focuses primarily on documenting grantees' experiences during the start-up period and grantees' progress during early implementation.

1.0 Background

During the last two decades, a series of Federal laws and/or Supreme Court rulings have supported the rights of individuals with disabilities across the lifespan to be able to live in integrated community settings, particularly the Americans with Disability Act (ADA), signed into law in 1990, as a comprehensive civil rights law that prohibits discrimination by disability in a variety of circumstances, the Olmstead Decision in 1999, which mandated that all States administer services and programs in the most integrated setting, and the New Freedom Initiative (NFI), announced by President George Bush on February 1, 2001, as part of the nationwide effort to remove barriers to community living for people with disabilities.

In addition, Congress has given substantial resources to the Centers for Medicare and Medicaid Services to implement systems change to improve services for individuals with chronic conditions and disabilities to promote consumer choice and control in community-based settings. These resources have funded a variety of State initiatives under a series of “Real Choices” grants to promote independence, dignity, choice and flexibility.

Three types of Real Choice Systems Change (RCSC) Grants were awarded by CMS during FY 2005: (1) Aging and Disability Resource Center (ADRC), (2) Family to Family Health Information and Education Center and (3) Systems Transformation (ST). Thirty million dollars of FY 2005 RCSC funds were allocated by CMS to Family-to-Family Health Information and Education Center and Systems Transformation Grants, which were awarded for a five-year grant period. These grants awarded by CMS provided a greater level of support and time to States to improve the capacity of the nation's long-term support system than was available in prior years' RCSC solicitations.¹ The FY05 and FY06 Systems Transformation grants, in particular, emphasized the need to reform the community long-term support service delivery system infrastructure with the goal of achieving a greater degree of integration across the LTC system. The grants were designed by CMS to provide States with a level of support that would enable them to initiate new and/or further current initiatives that focus on six goals of which grantees were required to address at least three. The six goals, critical to successful systems transformation, are as follows:

¹ Subsequently, in FY2006, a second round of Systems Transformation Grants were awarded, and in FY2007, Money Follows the Person (MFP), (3) Medicaid Transformation (authorized under DRA 2005), and Person-Centered Planning (PCP) Grants were awarded.

1. Improved Access to Long-Term Support Services: Development of One-Stop System;
2. Increased Choice and Control: Development/Enhancement of Self-directed Service Delivery System;
3. Comprehensive Quality Management System;
4. Transformation of Information Technology to Support Systems Change;
5. Creation of a System that More Effectively Manages the Funding for Long-term Supports that Promote Community Living Options; and
6. Long-term Supports Coordinated with Affordable and Accessible Housing.

Abt Associates was awarded a contract in September 2005 to conduct an evaluation at the initiative level of the Systems Transformation (ST) grants. The overall scope of the evaluation centers on three major areas:

1. Examining the start-up phase during which grantees produced strategic plans and evaluation plans;
2. Tracking the implementation of grant efforts and the factors that influence progress; and
3. Assessing grantees' progress toward goal outcomes and achievement of systems transformation.

This first evaluation annual report focuses primarily on the first nine months of strategic planning for the FY05 and FY06 ST grantees, and the subsequent initial 15-months of implementation (through October 2007) for the 10 FY05 ST grantees. Because data on outcomes and changes in system infrastructure cannot be assessed at this early stage, this report largely documents the grantees' experiences during the grant start-up phase and the progress grantees have made during initial implementation. In the future, with more time to implement grant efforts, the evaluation (and subsequent reports) will focus on both implementation and outcomes.

2.0 Evaluation Overview and Summary Findings

Given the scope of the evaluation contract, the foundation for the evaluation was established with an effort to bridge strategic planning, evaluation planning, and process and impact analyses. Key evaluation components were identified that serve as indicators of systems change and support the process and outcome evaluation. Data collection tools – Strategic Plans, Evaluation Plans, Grantee Semi-Annual/Annual Reports, Telephone Interviews/Site Visits – ensure that consistent information (i.e., a minimum data set) is tracked for key evaluation components over time.

Data collected through these tools allow the national evaluation to examine information over time at three levels: grantee level, goal level, and initiative level (across all goals and grantees). The focus of the national evaluation is to examine the “success” of the system transformation initiative across grantees; therefore this report focuses primarily on the goal and initiative levels by building on information collected at the grantee level.

Although it is too early to make any conclusions, we present early suggestions of trends and findings that may influence the ability of grantees to complete a goal over the course of the grant period. We have identified key themes that the evaluation team has hypothesized will be related to grantee achievement of goals and successful transformation. These themes were observed during grantee

start-up and early implementation and will be tracked in each of the annual reports to monitor the work and achievement of grantees and the ST initiative overall.

2.1 FY05 and FY06 ST Grantees' Start-Up Phase

For the start-up period, the national evaluation team (Abt Associates) created templates for the Strategic Plan and Evaluation Plan, which were completed by grantees during their initial start-up phase. These plans were designed to lay the groundwork for all other data collection activities and tools, as they established a baseline from which to track process and outcome indicators of systems change over time. As a result of the strategic and evaluation planning processes, which included technical assistance site visits conducted by Abt and grantee presentations of their strategic plans to CMS in Baltimore, we observed that the investment of time and resources into a start-up period, including the presentation of the Strategic Plan to CMS, improved the quality of the Strategic Plans and Evaluation Plans. However, it is too early to determine if these plans will have an impact on grantees' ability to achieve their desired outcomes.

In addition, we noted important characteristics and lessons of successful strategic and evaluation planning based on the FY05 and FY06 ST grantees' experiences. Such lessons learned will also help inform CMS's decision-making about the structure of future initiatives. These lessons include are included in Exhibit 1 below.

Exhibit 1. Lessons Learned from FY05 and FY06 ST Grantee Strategic and Evaluation Planning Experiences

- Strategic Planning involves developing a broad vision for systems change that extends beyond the specific scope of the grant effort;
 - Specifying how grant efforts will integrate with and support the broader long-term care system's goals for change is a key element of the vision statement included in the Strategic Plan. For example, the vision articulates how activities of the grant:
 - integrate with or build on other ongoing or completed initiatives in the state;
 - support and link with other changes/reforms related to the long-term care system (e.g., an ADRC grant).
 - Meaningful involvement of stakeholders at multiple levels and across multiple sectors must occur during strategic planning, since the assumption is that systems transformation cannot fully be executed without the support of consumers and other stakeholders.;
 - Educating and supporting consumers and others to be active members of the Strategic Planning process helps to achieve full and meaningful participation;
 - Grantees that considered the timeframe for the Strategic Planning process to be somewhat short found it essential to build in adequate time for stakeholder input and to develop a schedule that allowed sufficient time for preparing each section of the plan, for reviewing the plan, and then revising as necessary;
 - Early selection of an evaluator, specifically, during the strategic planning phase, is optimal, as it enables evaluation to be integrated into planning as soon as possible;
 - Since it can be challenging for grantees to develop complete, coherent evaluation plans, they benefited from having technical assistance and more time available to revise initial plans;
 - Acquisition or engagement with staff and/or consultants with the appropriate management and technical skills to support all phases of work is critical. Key grant staff, should be in place as early as possible;
 - Support from key agency leadership during the planning process ensures early buy-in and creates champions for systems change who will continue to support the grant effort during implementation; and
 - Dedicated staff (either internal or on contract) to manage the planning process keeps the process focused and on schedule.
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2.2 Tracking Early Implementation of FY05 ST Grant Efforts and the Factors that Influence Progress

For the process evaluation, the evaluation team created grantee-level logic models tailored to the specific characteristics of each grant program. These logic models serve as a “road map” for implementation and achievement of outcomes and will be updated over time to document the dynamic nature of systems change within unique grant environments. Data from the grantee-level models are used to create logic models at the goal level and ultimately, the initiative level. Web-based Semi-Annual and Annual Reports allow grantees to update their experience with implementation at six-month intervals and provide a basis for assessing progress towards achieving outcomes and change goals. Qualitative data collected through key informant interviews with grantees and stakeholders (via annual site visits or telephone interviews conducted by two-person evaluation teams) supplements data collected from grantees’ web-based reports and provides the evaluation with a fuller understanding of the relationships among contextual influences, design and implementation issues, and achievement of outcomes.

To examine the status of implementation to date, we reviewed grantees’ progress implementing the objectives laid out in their strategic plans and their spending of grant resources on implementation activities. With just under one-third of their five-year grant periods completed:

- most grantees have made progress on their objectives close to the rate of time elapsed in the grant period;
- all grantees had spending rates less than expected when compared to the implementation period elapsed.

As the evaluation continues to monitor implementation status, we will explore in greater detail why discrepancies between the pace of grant implementation and the rate of spending may be occurring. For example, are some grant activities more resource intensive than others?

We have observed that very few grantees are targeting populations aged 21 and under and very few are focusing on all disability groups at the same time. In addition, with the exception of ST grantees that are integrating with ADRC Grants, few grantees are expanding their target populations beyond those already being addressed through existing efforts (e.g., LTC state plans, waivers, etc.) in their state LTC systems.

We have also observed that grantees have been faced with a set of challenges and facilitators, or opportunities, that are related to both “external” factors, such as community partnerships, as well as the “internal” capacity of the grantee agency, such as grant management and leadership. Some of these challenges and opportunities observed by Abt and/or reported by grantees are the same factors, with some slight variations, that played a role in the planning and start-up period of the grant. Furthermore, some of these factors are universal to successful planning and implementation of any grant effort, and the ST grantees are no exception. For the purposes of our evaluation, these factors will continue to be examined for their potential influence throughout implementation and for their influence on the achievement of outcomes. These factors are included in Exhibit 2 below.

Exhibit 2. Factors Influencing Planning and Start-Up Period for FY05 Systems Transformation Grantees

- **Overall Scope of Work (Project Vision):** The breadth of grantees' efforts reflect both the readiness or status of system transformation within the state at the time of the grant award, and leadership support for the grant's overall vision. Some states have benefited from key leadership support for their grant's overall vision and scope of work and by aligning the vision for the grant to broader systems transformation efforts within the state. In contrast, other states are using the ST grant to fund a discrete set of tasks, focusing on one population or on making incremental progress on fairly narrow goals making broader support more tenuous.
- **Adaptive Planning and Implementation:** The grantees have all experienced external changes that have required adaptation in their original plans. For example, all grantees received smaller ST grant awards than planned in their original applications, and were expected to adjust their strategic plans to coincide with their new grant budgets. Grantees have also had to adapt to a range of other changes in their environments, from changes in political or statewide leadership, to statewide environmental disasters, and varying degrees of community support.
- **Staffing:** All grantees were expected to have dedicated leadership on board during the planning phase and to have the internal and external resources to accomplish implementation of the grant. Some states have had a full-time director, staff, and outside consultants from the beginning of the project, which has facilitated the planning and implementation process. In other states, grant staff have had to adapt to staff turnover and vacancies, and to working with outside consultants to complete grant tasks, which has delayed progress on some grant activities.
- **Consumer Engagement:** All grantees were expected to engage consumers from the Strategic Planning period of the grant onwards. Some states are using pre-existing consumer engagement processes to create buy-in for their ST grant, while others are experimenting with a range of strategies to increase the engagement of consumers in their grant planning and implementation processes. In some cases, states have been challenged by the requirement to engage consumers in all aspects of grant planning and implementation because of geographic constraints, lack of pre-existing structures for consumer participation, or few organized advocacy networks within the state.
- **Community Partnerships:** Several ST grant goals require external partnerships with state agencies and community organizations, sometimes outside the traditional scope of long-term care. Success in achieving these goals depends, in part, on grantees' ability to work collaboratively with a range of external partners. Several states have succeeded in developing strong partnerships with key administrative and advocacy agencies to achieve ST goals, while others are leveraging long-standing relationships with state agencies and community partnerships to further a joint agenda for collaborative action. In some cases, grantees that depended on other state agencies and community partners to complete grant tasks have experienced implementation delays.
- **Grant Integration:** In their applications for ST funding, prospective grantees were encouraged to describe past ST efforts, including previous RCSC grants within the state. Many of the states that were awarded ST grants are building on, or coordinating with, other CMS grants – MIG, MFP, ADRC, QC, IT and others. In some states, department-wide or statewide planning processes are being used to integrate multiple RCSC-related grants and initiatives and/or grant teams are also working closely with other grant managers at an operational level. For some grant managers who are dividing their time between their state's ST and other grants (e.g., MFP), ST grant activities may have slowed for a limited time. (Appendix C illustrates the integration of FY05 Grantees with other initiatives in their states).
- **Evaluation Plan Requirement:** The **requirement** for an external evaluator (implicit in the FY05 grant terms and conditions, and made explicit in the FY06 grant solicitation) is a mechanism to ensure that grantees have aligned the strategies and action steps of their grants to measurable, relevant, outcomes. Grantees were required to submit an Evaluation Plan outlining a comprehensive plan to track the progress and outcomes of their grant activities. Some states had already hired an external evaluation team at the start of the ST grant and were ready to begin the project's evaluation during the strategic planning stage, while other states faced challenges with the timely hiring of evaluators or with securing enough dedicated time for evaluation.

Source: Abt Associates Inc.

2.3 FY05 ST Grantees' Progress toward Goal Outcomes and Achievement of Systems Transformation

As noted earlier, the evaluation team created six goal-level logic models, which serve as a “road map” for implementation and achievement of outcomes for each specific goal. These logic models were synthesized from grantee-level data and will be updated over time to document the dynamic nature of systems change within unique grant environments. The initiative-level logic model, which builds on data from the goal level, is depicted in Exhibit 3 below.

For this report, the initiative-level logic is based on data from the start-up phase and the first 15-months of implementation for the FY05 ST grantees. For this time period, the model presents the contextual factors that were influential across goals, the similar types of strategies that were implemented across goals, and the common set of individual-level and system-level outcomes that are being addressed across all six goals. At this stage of the evaluation, we are not able to assess any linkages or causal relationships among the components of the logic model – that is, we cannot determine if and how strategies specific to objectives, and/or certain objectives within goals further the achievement of particular outcomes and ultimately systems transformation. This will be the focus of future reports.

Exhibit 3. Initiative-Level Logic Model for FY05 ST Grantees



Source: FY05 ST Grantee 2007 Annual Report and key informant interviews

For the outcome evaluation, the initiative-level approach is to examine the “status” of state systems for each of the six goals and then to track the change in status over time. The status is determined by a set of system-level outcome measures, which are based on grantee responses to the following evaluation questions:

- Do the states have one or more systems in place?
- Do the systems serve the entire population across the lifespan?
- What is the stage of development of this/these system(s)?
- Do the systems have certain features of a transformed infrastructure in place?
- Do the systems collect data on certain individual-level measures (access, utilization, quality, and satisfaction) as indicators of systems change?

The hypothesis is that there are different stages of transformation that occur in states. First and foremost the systems infrastructure must be in place in order to support long-term changes/improvements in individual-level outcomes resulting in “a long-term support system that maximizes individuals’ independence, dignity, choice, and flexibility” (CMS, 2005). For the initiative-level evaluation, as indicated in the bulleted list above, the system-level measures/indicators examine the extent of such infrastructure by reporting on the existence of state systems across the six goal areas specific to the ST grant. For each system that exists for a goal area, the initiative-level evaluation then collects data on the target populations served by the system and the stage of development of the system:

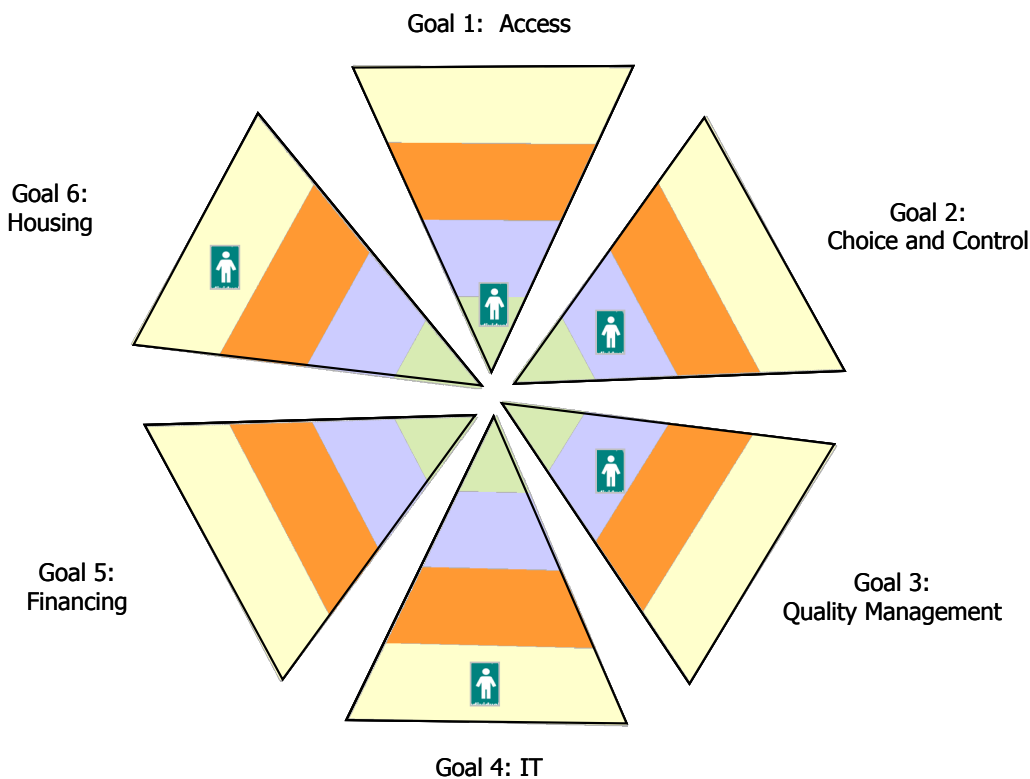
- Stage 0 = no system exists within a state;
- Stage 1 = a state system is in the planning or pilot phase;
- Stage 2 = a state system is in partial implementation; and
- Stage 3 = a state system is in full implementation.

Across the six transformation goals, the result of this staging is a “coherent systems management” model that has been adapted to systems transformation. Exhibit 4 depicts this model and builds on the key elements of coherent systems management (from the CMS FY05 and FY06 RCSC grant solicitation) to include all six ST goals. The figure presented here as an initiative-level “map” shows the stage of state systems within and across goals. The aim is to transform state systems by moving them towards the center to Stage 3. Stage 3 is closest to the individual living in the community, signifying that state systems in full implementation for a goal area are most likely to result in improved outcomes for individuals with disabilities. All goals at Stage 3 would signify that the six ST goals are fully developed and better able to coordinate and integrate to support a consumer-directed system.

At this stage of the outcome evaluation, we are able to report baseline information for the overall status of FY05 state systems across the goal areas, as of October 2007. The status is based on grantees’ self-reported stage of development for each goal, as presented in the goal-level sections of Chapter 4.² This model indicates that systems transformation is more developed for Goals 1, 2 and 3 than for Goals 4 and 6.

² There are exceptions to be noted for Goals 2 and 5. For Goal 2, only those grantees that elected to implement the Choice and Control goal (as opposed to all grantees) were required to report on the status of the LTC Choice and Control system(s) within their state. For this reason, the development stages for Goal 2 includes only MA, NH, and OR. Further, for Goal 5, grantees were not required to report on the LTC

Exhibit 4. Status of FY05 STG State Systems across Systems Transformation Goals



- Stage 0 = A state system for the goal area does not exist
- Stage 1 = A state system is either in a planning or pilot phase
- Stage 2 = A state system is in partial implementation
- Stage 3 = A state system is in full implementation

Source: FY05 ST Grantee 2007 Annual Report

It was observed that the goal areas of Access (Goal 1), Self-Direction (Goal 2), and Quality Management (Goal 3) have all been integrated with or addressed through other Federal initiatives in the past – more so than IT (Goal 4) and Housing (Goal 6). This may help explain why there has been greater “movement” towards more developed and integrated systems (e.g., towards Stage 3) for these three goals. Over time, with additional data collection, the evaluation will track changes in the stages of development and examine how grantee-specific efforts are supporting such changes within a state system.

funding system(s) because the complexity of these systems and the variation between each state cannot adequately be captured in the development stages. Review of secondary sources, future site visits and interviews will allow Abt to collect information about each state’s funding systems, which will be described in future evaluation reports.