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## **Graduate Nurse Education Demonstration Solicitation**

### **I. Introduction**

#### **A. Authority**

The Graduate Nurse Education (GNE) Demonstration is mandated under Section 5509 of the Affordable Care Act (Pub. L. 111-148) which states, “The Secretary shall establish a graduate nurse education demonstration under Title XVIII of the Social Security Act (45 U.S.C. 1395 et seq.) under which an eligible hospital may receive payment for the hospital’s reasonable costs . . . for the provision of qualified clinical training to advance practice nurses”. Reasonable costs are described in section 1861 (v) of the Social Security Act (42 U.S.C. 1395x (v)) as ‘the cost of any services shall be the cost actually incurred, excluding there from any part of incurred cost found to be unnecessary in the efficient delivery of needed health services, and shall be determined in accordance with regulations establishing the method or methods to be used, and the items to be included, in determining such costs for various types or classes of institutions, agencies, and services; except that in any case to which paragraph (2) or (3) applies, the amount of the payment determined under such paragraph with respect to the services involved shall be considered the reasonable cost of such services.’ Reasonable costs pertain to the costs for providing the clinical component of nursing education. The law identifies clinical nurse specialist, nurse practitioner, certified registered nurse anesthetist, and certified nurse midwife programs as the advanced practice registered nurse (APRN) specialty programs to be included in this Demonstration.

#### **B. Purpose**

The Centers for Medicare & Medicaid Services (CMS) is committed to achieving the three-part aim of better care for individuals, better health for populations, and reduced expenditures for Medicare, Medicaid, and Children’s Health Insurance Program beneficiaries. One potential mechanism for achieving this goal is for CMS to provide a source of funding to hospital, school of nursing (SON) and non-hospital community-based care (CCS) partnerships to provide the clinical training component of graduate nursing education programs for APRN students. The primary purpose of the Demonstration is to increase the supply of APRNs in order to provide access to healthcare professional services for the increasing number of Medicare beneficiaries.

### C. Background

The increasing shortage of primary care physicians has created a demand for APRNs across healthcare settings. APRNs are registered nurses (RNs) who are educationally prepared to assume responsibility and accountability for health promotion and/or maintenance as well as the assessment, diagnosis, and management of acute and chronic health care problems, including the use and prescription of pharmacologic and non-pharmacologic interventions, and consulting with or referring patients to other health care providers as appropriate<sup>1</sup>.

In October 2010, the Institute of Medicine (IOM) issued the report *The Future of Nursing: Leading Change, Advancing Health* with numerous recommendations to further transform the nursing profession in order to meet the workforce needs necessary to support healthcare system reforms.<sup>1</sup> The report recognizes the contribution of APRNs providing services across healthcare settings and recommends an increase in APRN clinical training opportunities, especially in community settings. The report also recognized the challenges posed by patients with complex multiple chronic conditions. APRN training programs prepare RNs to attain the skills and competencies necessary to deliver an advanced level of patient centered-care across the health wellness-illness continuum.

As a result of the Affordable Care Act an estimated 32 million additional Americans will have health insurance coverage by 2014, which will result in a marked increase in the demand for primary healthcare services. This increased demand poses a greater imperative to increase the size of the current healthcare workforce given the predictions of existing and future shortages, and the importance of encouraging the use of the nation's entire health workforce to the full extent of their education and training.<sup>2</sup>

The most recent American Association of Colleges of Nursing Survey<sup>3</sup> identified the following barriers that impede efforts to increase the capacity to educate more APRNs:

- Insufficient supply of graduate clinical training sites; and
- Insufficient graduate level faculty and preceptors.

### D. Scope, Definitions and Details

The GNE Demonstration is a 4-year Demonstration, under which eligible hospitals (which includes critical access hospitals) may receive reimbursement for the reasonable cost of

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<sup>1</sup> *Consensus Model for APRN Regulation: Licensure, Accreditation, Certification & Education*, APRN Consensus Work Group and the National Council of State Boards of Nursing APRN Advisory Committee, July 7, 2008.

<sup>2</sup> IOM (Institute of Medicine). *The Future of Nursing: Leading Change, Advancing Health*. The National Academies Press, Washington, DC, 2011.

<sup>3</sup> U.S. Department of Health and Human Services. (2011). Fact Sheet retrieved from <http://www.healthreform.gov/newsroom/primarycareworkforce.html>

providing clinical training to APRN students. Participating eligible hospitals will coordinate with academic and provider entities to provide clinical training for students in the following four APRN specialties: 1) clinical nurse specialist (CNS); 2) nurse practitioner (NP); 3) certified registered nurse anesthetist (CRNA); and 4) certified nurse midwife (CNM) [Note: Henceforth in this solicitation, all references to specialty programs or APRN specialties will be limited to include these four programs.] Participating eligible hospitals will establish formal collaborative written partnership agreements with one or more applicable SONs and two or more applicable non-hospital CCSs, such as federally qualified health centers, rural health clinics, or other non-hospital settings for the provision of clinical training. In accordance with section 5509 any non hospital setting used for clinical training must be in accordance with reasonable cost reimbursement principles.

In addition, as required by law, CMS will conduct an evaluation of the GNE Demonstration.

A Report to Congress is required not later than October 17, 2017.

#### E. Limitations on Amount of Federal Financial Support/Scale of Program

The CMS will select up to five eligible hospitals for participation in this Demonstration. Qualified applications will be evaluated using the criteria outlined in Section VI of this solicitation. CMS is authorized to spend up to \$50 million for each fiscal year 2012 through 2016 from U.S. Treasury funds to support the Demonstration. Demonstration support includes the administration, implementation, monitoring, and evaluation costs, as well as the clinical training costs paid to eligible hospitals participating in this Demonstration.

## **II. Payment**

### A. Medicare Reimbursement

Participating eligible hospitals will be paid for the reasonable costs attributable to the increased number of APRN students enrolled in partner SONs relative to an established baseline. The payment under this Demonstration will reimburse hospitals only for the costs attributable to the clinical training component of the APRN degree requirements. Costs associated with the didactic training component as well as the costs for certification and/or licensure are not eligible for reimbursement under this Demonstration.

The eligible hospital Demonstration awardees will receive interim payments from CMS with an annual audit and settlement process for each cost reporting period under the Demonstration. The GNE Demonstration payments will be an additional and separate payment from the existing payments hospitals currently receive through the Medicare Administrative Contractor (MAC)/Fiscal Intermediary (FI). The Demonstration interim payment will be based on the projected eligible student enrollment, number of student clinical hours, and the estimated net clinical training costs reflected in the proposal application budget described below in Section V. B. 8. a. of this solicitation.

## B. Baseline Determinations and Projected Enrollment

To develop the proposed Demonstration payment rates, proposals must include baseline year (BY) graduation summary statistics by SON and specialty program for academic years 2006-2010. In order to determine the number of students eligible for reimbursement, CMS will determine the difference between the average number of enrolled full time equivalents (FTEs) who graduate in the BY and the projected number of student FTEs for clinical training in the Demonstration year (DY).

The following example illustrates the Medicare payment calculation under the Demonstration. Assume a partner SON graduated an average of 100 students per academic year from all APRN specialty graduate nursing programs during the BY period of 2006 through 2010. In the first DY, the applicant enrolls 250 APRN student FTEs and half of these students have received clinical training that same year. The resulting 125 DY student FTEs is greater than the BY average of 100 student graduates so they will be eligible for Medicare reimbursement. If the applicant DY SON clinical training costs are \$1,250,000 for 125 FTEs, the resulting per student costs are \$10,000/FTE. The calculation to determine the Medicare payment for the above scenario is:

$$125 \text{ FTEs DY} - 100 \text{ graduates BY} = 25 \text{ FTEs} \times \$10,000/\text{FTE} = \$250,000$$

In other words, CMS will reimburse the hospital \$250,000 for APRN clinical training corresponding to this SON in the first DY.

Throughout the Demonstration, CMS will reimburse participating eligible hospitals for the reasonable costs of providing GNE clinical training that are attributable to the incremental increase in the number of enrolled APRN students relative to the baseline average of graduating nurses from each participating SON.

Medicare payment policy allows reimbursement for training that permits an individual to be employed in a new capacity in which he or she could not have been employed without completing the additional training program. Graduation from an accredited APRN program must provide the APRN student with the necessary requirements to achieve any required certification that would allow the APRN graduate to obtain a license to practice. Training that enhances nurse competencies but does not permit an individual to be employed in a new capacity in which he or she could not have been employed without completing additional training would not qualify as GNE under this Demonstration. In other words, individuals who have already been licensed to practice as APRNs are not eligible for further training under the Demonstration. APRN students should possess an active RN license which enables them to practice nursing in the State where they are studying.

The eligible hospital applicant must provide supporting documentation to justify projected enrollment and graduation rates by specialty program for each DY. The BY data, projected increase in student enrollment/DY, and the proposed costs/DY will be used to calculate the Medicare payment rate. CMS will negotiate with the potential awardees based on the proposed budget and make a determination regarding which of the proposed costs appear to

be allowable prior to the final award. The final determination of reasonable costs will be determined through the annual cost report audit process explained below.

C. Cost Report

Eligible hospitals selected to participate in the GNE Demonstration will be required to submit a cost report which will include a separate GNE cost center to allow for reporting Demonstration direct and indirect costs as non-reimbursable line items. For Demonstration purposes, the GNE cost center will be audited to determine allowable Demonstration costs and reconcile Demonstration payments. Hospital payments to their eligible partners (in accordance with each established Demonstration partnership) will reflect the Demonstration costs included in the hospital cost report.

For further information regarding the Demonstration cost report submission, please refer to the Payment Instructions document located on the GNE Demonstration website <http://innovation.cms.gov/initiatives/gne>.

D. Monitoring and Audit Process

The hospital cost report will be just one of several reporting mechanisms used by CMS to monitor payment for this Demonstration. CMS will require eligible hospitals to submit semi-annual, annual, and final reports to monitor awardees' progress during the Demonstration. CMS will schedule semi-annual rate reviews and annual audits of the GNE cost center and other components of the annual hospital cost report as necessary. The audit will serve to assure a consistent interpretation of allowable costs across participating Demonstration sites and as the means to reconcile Demonstration payments.

Eligible hospitals must allow CMS auditors to review hospital accounting records of all Demonstration costs, receipt of Medicare interim payments and other sources of revenue in order to reconcile the Demonstration payments. The GNE Demonstration payment and reconciliation process will occur separately from the MAC/FI cost report settlement process. For the Demonstration, CMS auditors will reconcile reasonable costs for the actual number of student enrollment FTEs with interim payments based on enrollment projections. CMS audit results will be considered final.

### **III. Who May Apply**

The organization eligible to apply for the GNE Demonstration is an “eligible hospital” as defined below that has a written partnership agreement with one or more applicable SON and two or more non-hospital CCSs.

#### **A. Hospitals**

An eligible hospital applicant means an individual hospital (as defined in subsection (e) of Section 1861 of the Social Security Act (42 U.S.C. 1395x)) or a Critical Access Hospital (as defined in subsection (mm)(1) of that section) that has a current valid CMS Certification Number (CCN) and submits a Medicare Hospital Cost Report. Hospitals that are multi-campus hospitals, with one entity submitting a hospital cost report for multiple campuses, will be allowed to participate in the Demonstration. CMS will only make direct payments for up to five eligible hospitals under the GNE Demonstration.

##### **A.1. Expanded Hospital Configurations**

To increase the number of APRNs and follow the Demonstration parameters set forth in Section 5509 of the Affordable Care Act, CMS will support an expanded configuration of hospital relationships under certain circumstances. Eligible hospital applicant can provide clinical training under arrangements with additional hospitals and their corresponding SONs. We will recognize only those costs under arrangement that are incurred by the hospitals participating in the demonstration and only to the extent that those are reasonable and documented by the participating hospital.

The agreement between the eligible hospital applicant and each additional hospital shall define the obligations of each entity with respect to the provision of qualified clinical training including but not limited to clinical experiences, costs, and the personnel required for the training. The agreement shall also define the obligation of the hospital applicant to reimburse each additional partner hospital for the corresponding training costs and the mechanism that will be used to reimburse for the costs of clinical training attributable to each participant SON and non-hospital CCS participating with the hospital. All participating SONs and non-hospital CCSs must meet the same criteria as those applicable to Demonstration hospitals.

### **IV. Partnerships**

The eligible hospital applicant is required to have a partnership with SONs to provide clinical training and shall enter into written partnership agreements with one or more applicable SON as defined in Section 801 of the Public Health Service Act (PHSA), and two or more applicable non-hospital CCSs, such as federally qualified health centers, rural health clinics, and other non-hospital settings (e.g., primary care practices) in accordance with section 5509 any non hospital setting used for clinical training must be in accordance with reasonable cost reimbursement principles.

The written agreements with each eligible partner organization shall define the obligations of each partner with respect to the provision of qualified clinical training including but not limited to, clinical experiences, costs, and the personnel required for the training. The agreement shall also define the obligation of the eligible hospital to reimburse each eligible partner for the training costs and the mechanism that will be used to reimburse for the costs of clinical training attributable to each eligible partner.

The CMS understands that SONs may have existing partnership agreements in place with providers in order to provide students the necessary clinical training opportunities. Eligible hospitals will recognize these existing SON clinical training partnerships under the Demonstration as long as they are properly reflected in their written partnership agreement.

A. Applicable SON

An applicable SON is defined by Section 801 of the PHSA. The SON must be accredited by a nursing accrediting organization recognized by the U.S. Department of Education (ED) and/or the Council for Higher Education Accreditation. These accrediting agencies include the Commission on Collegiate Nursing Education, the National League for Nursing Accrediting Commission, the Council on Accreditation of Nurse Anesthesia Educational Programs of the American Association of Nurse Anesthetists, and the Commission on Midwifery Education of the American College of Nurse-Midwives. In addition to meeting the criteria defined in Section 801 of the PHSA, the SON must also enter into a written partnership agreement with the eligible hospital participating in the Demonstration.

CMS understands that training related to CRNAs and CNMs may be conducted in association with schools of allied health or other programs that are not located within a SON. Other training entities will be considered as SONs under the Demonstration only if the provider of the training meets the definition in Section 801 of the PHSA for providing graduate nursing education, the proposal application includes proof of the program's current accreditation, and the applicant hospital includes a letter of intent from the program to enter into a partnership agreement with the applicant hospital to provide qualified APRN training. CMS further understands that some of the designated specialties offer degrees that do not require participants to have a nursing degree. Students who are not RNs or are not seeking a nursing degree will not be eligible to participate in the Demonstration; only RN students seeking graduate nursing education will be counted in the enrollment numbers used to determine reimbursement.

B. Applicable Non-hospital CCS

The Affordable Care Act mandates that at least 50 percent of the clinical training covered under the Demonstration must be conducted in non-hospital CCSs. This requirement may be waived for rural or medically-underserved areas.

An applicable non-hospital CCS is a community-based care setting that provides ambulatory or primary healthcare services to the community. The non-hospital CCS may be operated

by or affiliated with a hospital but the distinction is that a CCS does not provide inpatient acute care services. Non-hospital CCSs may include federally qualified health centers, rural health clinics, primary care practices, nurse-run clinics, pain management centers, hospice, home health agencies, long-term care settings, ambulatory surgical centers, dialysis facilities, and other non-hospital settings that have entered into a written agreement with an eligible hospital applicant. The non-hospital CCSs must be approved by a partner SON as a clinical nursing training site. The eligible hospital applicant may propose other non-hospital settings; however, the hospital applicant must justify that the non-hospital setting meets the non-hospital CCS criteria.

The CMS understands that it is not common for SONs to reimburse non-hospital CCSs for clinical training and consequently there may be no formal reimbursement agreement between the SON and the non-hospital CCS for clinical training costs. Under the GNE Demonstration, eligible hospital applicant may choose to create direct formal written partnership agreements with non-hospital CCSs that are already affiliated with partner SONs or they may choose to create partnership agreements with other non-affiliated non-hospital CCSs, or both. In either case, CMS is looking for at least two direct written partnership agreements between the hospital applicant and the non-hospital CCSs.

## **V. Proposal Submission Instructions**

### **a) Proposal Submission**

Each proposal shall contain no more than 50 pages of narrative and shall have no more than 15 pages of supporting documentation (attachments). Proposal narratives shall be double spaced in Times New Roman 12 pt font, 1 inch margins on left and right, top and bottom, and pages numbered. Each interested hospital shall submit an original in hard copy with 10 CDs of their proposal. Electronic submission of proposals will not be accepted. Applicants may, but are not required to, submit a total of 10 copies to assure that each reviewer receive a proposal in the manner intended by the applicant (for example, collated, tabulated color copies). Hard copies and electronic copies must be identical. Proposals shall be sent to:

Centers for Medicare & Medicaid Services  
Center for Medicare & Medicaid Innovation  
Attention: Alexandre Laberge  
Mail Stop: WB-06-05  
7500 Security Boulevard  
Baltimore, MD 21244-1850

The deadline for submission of all proposals is 5 p.m. EST on May 25<sup>th</sup>, 2012

### **b) Application Format**

The proposal shall provide details about the hospital's eligibility (to include but not limited to, documenting proof of eligibility, proof of compliance with corresponding accrediting bodies, structure and administrative capacity to support the Demonstration, documentation



of letters of intent from all the partners to enter into partnership agreements, corresponding information from each participant SON and non-hospital CCS that will provide the clinical training component of GNE). The application will include the calculation of student baseline enrollment thresholds by SON(s) and APRN specialty program, a cumulative total of all participating organizations included in the application, detailed budgets with proposed interim payment rates, and a statement of agreement to abide by Demonstration terms and conditions.

The proposals shall be organized using the following format:

1. Cover Letter (not included in page limit)

The applicant should provide a narrative describing the hospital's interest and reasons for applying for and participating in the Demonstration. The cover letter should be signed by the Hospital Director acknowledging support of this proposal. The cover letter should also include the following:

- Name of Applicant Hospital;
- Contact person name and title;
- Contact person telephone, fax number, and email address; and
- CMS Certification Number.

2. Introduction

The proposal introduction should describe the proposed hospital, academic and community partnerships as well as hospital partnerships if applicable. The narrative should address how the proposed network will increase the APRN supply and achieve the specified purpose, goals, and objectives of the Demonstration. Applicants are encouraged to provide information regarding recent APRN graduates, their employment settings, and geographic distribution. Examples of successful collaborations between the key partners should also be included in this section. A description of the eligible hospital applicant's ownership, governance, and affiliations should be included along with the Medicare National Provider Identifier (NPI) or CCN as appropriate for each entity. The hospital name, address, CMS CCN, along with the names, email addresses, and telephone numbers of two key staff contacts should be provided to facilitate CMS communication with the applicant.

3. Background

The background section provides more specific information about the applicant hospitals and its partners, the need for APRNs and the barriers to increasing the APRN supply that the Demonstration will address.

- a. The eligible hospital applicant should describe the location, number of beds, service area and demographics, special designations (health professional shortage area, medically-underserved area), and types of services provided (critical care,

surgery, outpatient services, etc.). As part of the background section, the applicant shall include a discussion of local, State, and regional needs for APRNs as well as the barriers to increasing the supply of APRN students, and the expected impact that could result from Demonstration implementation.

- b. For each non-hospital CCSs that will directly partner with the eligible hospital applicant and that has been approved as a clinical training site by partnering SON, the applicant should provide name, location (full address), population served (identifying whether this includes a Medicare population), healthcare services provided, number and degrees of permanent staff, hours of operation, and clinical training specialty areas, how training will be monitored, staff responsible to coordinate training, methods for reporting training, and the costs for providing training. These hospital and non-hospital CCSs should also provide the SON APRN programs with which they have existing training relationships.
- c. For each of the partnering hospitals included in the expanded hospital configuration, the eligible hospital applicant should include name, location (full address), population served (identifying whether this includes a Medicare population), service area and demographics, special designations (health professional shortage area, medically-underserved area), types of services provided (critical care, surgery, outpatient services, etc.). The application should also provide the same information as requested in Section 5 below to describe each partnering hospital arrangement. The application should also include the related costs for each of these entities and the number of projected downstream enrollments.

#### 4. Partner SON

The proposal shall identify each partner SON individually including the following specific information: school name, the names of two key staff contacts to include the dean of the school, and the contact with whom CMS may communicate throughout the Demonstration, location (full address), number of graduates FTEs for academic years 2006-2010, number of graduate nursing student enrollment FTEs and graduates by year for academic years 2006-2010, documentation of all current accreditations with reference to the official ED list,<sup>4</sup> lists of all graduate programs available, description of programs for the identified APRN specialties, description of arrangements with other schools, and arrangements with non-hospital CCSs and other clinical training settings.

<sup>4</sup> U. S. Department of Education. (2011). Accreditation Data Files. Available from <http://ope.ed.gov/accreditation/GetDownloadFile.aspx>

5. Letters of Intent

The proposal shall include letters of intent to participate in the Demonstration and support of the application proposal from all identified partners who will have a direct relationship with the hospital applicant and with the SON (in the case of the non-hospital CCSs). The letters should address the partner's commitment to sign a formal partnership agreement if the hospital applicant is selected to participate in the Demonstration. Examples of past successful collaborations primarily between the hospital applicant and SONs should also be included in this section.

6. Recruitment Strategy

The proposal shall describe the recruitment strategy designed to achieve an increased enrollment of APRN students who will receive clinical training under the Demonstration. The recruitment strategy shall establish a target number of APRN students to be recruited by each participating SON above the average number of graduate APRNs by SON for the academic years 2006-2010, as described in Section 5509(a)(2)(B) of Affordable Care Act. Recruitment statistics should explain how proposed enrollment projections translate into FTEs. The recruitment strategy shall also address the following: 1) evidence of an available student pool to meet increased enrollment targets; 2) recruitment messaging; 3) recruitment channels; 4) recruitment responsibility; 5) when and how often recruitment messages and activities will be conducted; 6) and the expected results of recruitment activities. The strategy should describe any efforts to recruit a diverse student population that may be currently underrepresented in APRN Programs.

7. Clinical Training

a. GNE Curriculum

Each hospital applicant shall provide a brief description of the GNE curriculum content by APRN specialty. This description shall include the entire curriculum broken down into clinical and non-clinical components, how the components are delivered (classroom, hands on, lab, lecture, online methodologies, etc.), the program length, the program plan of study (full time or part time), the number of clinical and didactic hours required for graduation, and instructor experience and degrees for each specialty area. If the applicant is proposing an innovation in a participating SON's existing GNE model, for example, an inter-professional team-based educational model, the proposal shall fully describe its integration into the program and plan to evaluate the innovation.

b. Clinical Training

Under this Demonstration, CMS expects that the greatest portion of clinical training will include face-to-face patient encounters and/or direct patient care. Each application proposal shall identify the proposed network for the delivery of the

clinical portion of the training for each of the four Demonstration specialty areas. The proposal shall describe what percentage of the clinical training, in terms of total clinical training hours, is conducted in non-hospital CCSs as compared to inpatient care settings. The proposal narrative and budget shall describe the institutional resources that will be available from each participating SON, such as training facilities, existing and proposed clinical resources, computer resources, current collaborative relationships, and a summary of faculty/preceptors/administrative staff/ and community support.

## 8. Demonstration Budget and Finances

### a. Budget

The proposal shall present an overall consolidated budget for providing GNE clinical training under the Demonstration. The budget shall describe the cost associated with the overall GNE training for the four APRN specialty areas, as well as the cost associated with only the clinical training portion of the curriculum. The budget year should cover the same period as the hospital cost reporting year. For example, the proposal shall identify the overall cost of GNE training by specialty per student, for all students. The budget should also breakout the per student clinical training cost. The proposed budget shall show the total expenses for which the hospital is seeking to be reimbursed and should describe how each expense was determined and justified. Specifically, the proposed budget shall describe:

- i. The total costs of the APRN program breaking out the didactic and clinical cost components;
- ii. The anticipated or projected number of APRN student FTEs that the hospital will enroll (Section II, Part B);
- iii. The total budget request broken down by SON academic year; and
- iv. The anticipated program revenues (tuition, student fees, and community support).

The proposal should provide separate worksheets with specific line item justifications for each DY. The cost categories should illustrate the costs referenced in the project narrative and under the broad categories of direct and indirect Demonstration costs that the hospital will submit as non-reimbursable costs in the GNE Cost Center of the Medicare cost report.

Budget attachments should include hospital applicant projections for student enrollment measured in FTEs, student plan of study (full time or part time), rotation schedules, the number of student clinical hours, and the method to translate clinical hours into FTEs by semester and by year for the incremental number of students participating in the Demonstration.

Proposals should also provide information regarding the projected program revenues from tuition, student fees, and other types of community support.

b. Reasonable Cost

The proposed budget shall provide written justification of the reasonableness of the proposed Demonstration costs. For example, references to current CMS reimbursement for nursing education expenses might be used to justify why the hospital is including certain expenses for CMS reimbursement. Some examples of the types of reasonable costs for clinical training that may be considered under the Demonstration are:

- Clinical site preceptor, mentor, faculty or administrative staff compensation;
- Equipment, software, and licensing costs for telemedicine-based clinical training and internet-based clinical training;
- Meeting space for case review, performance evaluation and skills practice; and
- Legal and/or insurance costs that cover students/preceptors while practicing in the training sites.

Some examples of the types of costs that CMS will not consider reasonable under this Demonstration include:

- Formal didactic training in a classroom setting;
- Dependent care while students are in training;
- Lost work time or wage subsidies during training;
- Professional licensure and certification fees;
- Orientation and on-the-job training (nurse residencies);
- Part-time education for bona fide full-time hospital employees where the hospital is already reimbursed through pass-through payments;
- Educational seminars, workshops, and continuing education programs in which the employees or trainees participate that enhance the quality of medical care or operating efficiency of the provider and, effective October 1, 2003, do not lead to the ability to practice and begin employment in a nursing or allied health specialty; Maintenance of a medical library; and
- Any tuition payments or other revenue sources that are designated to cover the costs of the clinical training component of the APRN degree requirements.

9. Funding Disbursement and Reconciliation

The proposed budget shall describe the process the hospital will use to pay partners and the methodology the hospital will employ to reconcile payments against actual expenses for APRN clinical training. The proposed budget shall describe how the hospital will assure that not less than 50 percent of the clinical training, as identified in terms of total clinical training hours, is conducted in non-hospital CCSs.

## 10. Administration and Management

Eligible hospital applicants must demonstrate that they have adequate infrastructure to implement the Demonstration requirements. At a minimum, the applicant must describe each of the following aspects in detail, also addressing their adequacy and availability.

- A detailed implementation plan describing tasks and timelines.
- Staffing, organization, roles, training and qualifications (with an attached summary table), discussion of the extent additional staffing resources are necessary to accommodate projected increase in student enrollment.
- The information, reporting, and payment systems that will be used in the Demonstration.
- A discussion of monitoring activities between the hospital and other Demonstration participants.
- Evaluation of training programs and outcomes including, but not limited to, APRN enrollment (both full time and part time) by specialty, length of time to program completion, clinical training sites, APRN graduations, licensure, certification, and tracking employment after graduation.

## 11. Reporting

In order for CMS to monitor awardees' efforts toward reaching the Demonstration goals, awardees will be required to submit semi-annual, annual and final reports during the course of the Demonstration. CMS will want such reports to include APRN enrollment, curriculum changes, distribution of clinical training sites/settings, graduations, certifications, licensure, and place of employment for APRN graduates.

## VI. Review Process

Awards will be made to five eligible hospitals. Applications will be reviewed by a panel of experts drawn from within CMS and the Department of Health and Human Services to determine whether applicants meet the basic eligibility requirements outlined in Section III of this solicitation. The qualified applications will be evaluated by the review panel according to the criteria outlined below in section B.

### A. Mandatory eligibility criteria

The hospital must agree to all Demonstration terms and conditions. In addition, each hospital proposal will be reviewed for the following mandatory criteria:

1. Does the hospital meet the statutory eligibility requirements?
2. Does the hospital have a letter of intent and/or written, signed partnership agreement with at least one SON and at least two non-hospital CCSs?

3. Does the partner SON meet the eligibility requirements to participate in the Demonstration?
4. Does the partner non-hospital CCS meet the eligibility requirements to participate in the Demonstration?
5. Does the Demonstration proposal provide sufficient assurance that at least 50 percent of the clinical training hours will be conducted in non-hospital, non-hospital CCSs?
6. Does the inclusion of additional partnering hospitals provide sufficient information to explain how these will increase the number of APRNs?

B. Evaluation criteria for qualified applications

The qualifying applications will be evaluated to identify those proposals that; are most likely to increase the number of graduate nursing students enrolled in APRN training programs, have the strongest APRN clinical training curricula, demonstrate the greatest need for APRNs, and have the most complete and efficient budget proposals.

To evaluate individual applications, each will be measured against the following criteria:

1. **Need for project.** 10 points. The strength of the statement of need and supporting documentation for additional APRNs and justification how the proposed partnership will meet those needs. Reference to the patterns of APRN graduate employment settings, geographic distribution of employed graduates, and proposed changes will also be considered.
2. **Applicant program description.** 25 points. The description should focus on the scope of the program and how the program is going to achieve its goals. More specifically, applicants are to describe the necessary infrastructure changes, relationships with partnering entities and are to provide details of the key processes that will ensure success of the program
3. **Program efficiency.** 20 points. The efficiency and justification of the proposed project resources required for the project's scope. This section also examines the budget, costs and the ability to replicate the program in other sites with other SON and non-hospital CCS.
4. **Operational capacity.** 25 points. The capacity of the eligible hospital applicant institution to implement and operate the GNE Demonstration. Demonstrated evidence of a successful history of collaboration between proposed partners will also be considered.
5. **Increased number of APRNs.** 20 points. The projected percentage increase in the number of enrolled GNE students in participating SONs and the justification of the assumptions that are the basis for each projection. Preference will be given to hospital applicants who create partnerships and agreements in order to significantly increase the number of APRNs. The strength of the student recruitment plan will also be evaluated with an eye toward increases in enrollment of diverse student populations currently underrepresented in graduate programs.

## V. Selection Process

### A. Award Information

After completion of the review, CMS intends to award up to five participating eligible hospitals based on the recommendations of a technical review panel. Congress has appropriated \$200,000,000 from Treasury Funds over a 4-year period for all aspects of this Demonstration. CMS expects the costs of administering, monitoring, and evaluating the Demonstration to be approximately \$13,000,000 with \$187,000,000 of funding available for actual GNE payments. Once CMS reviews estimated costs, CMS will closely monitor actual costs, and if over the course of the Demonstration, it is determined that costs will exceed the \$46,500,000 in any given year, the payment rate will be prorated accordingly in order to ensure that participants do not exceed the total available funding.

The CMS Administrator will make the final selection of Demonstration projects from among the most highly qualified applicants, taking into consideration a number of factors including panel recommendations, geographic diversity, and serving diverse populations.

The CMS anticipates that the projects will be awarded in fiscal year 2012 and that project start-up activities will begin immediately after. The Demonstration funding cycle will correspond with each SON's established academic period beginning in the Federal government fiscal year 2012. The dominant role and prime responsibility for the GNE Demonstration resides with each individual awardee for the project, although specific tasks and activities in carrying out the studies will be shared among the awardees and CMS. CMS shall be represented by a CMS Contracting Officer's Technical Representative.

### B. Terms and Conditions

To be eligible for participation, awardees must agree to all terms and conditions prior to the Demonstration implementation. The terms and conditions may include, but are not limited to, such things as participating in any data collection for evaluation purposes and following prescribed reporting and accounting instructions. By submitting a Demonstration proposal the awardee agrees to the following terms and conditions:

- The awardee agrees to implement the Demonstration as proposed in its application for the entire 4 years of the Demonstration.
- The awardee agrees to establish and maintain formal written partnership agreements with at least one SON and at least two non-hospital CCSs for the duration of the Demonstration.
- The awardee agrees to reimburse all partnering hospitals, partner SONs and non-hospital CCS providers according to the terms established in their Demonstration agreements.



- The awardee agrees to work with SON, CCS and partnering hospitals to significantly increase the enrollment of APRN students.
- The awardee agrees to provide at least 50 percent of clinical training hours in a non-hospital CCS.
- The awardee agrees to provide the necessary documentation to the CMS designated auditor and evaluator including documentation of supporting payments made to the SON(s) and non-hospital CCSs under the Demonstration.
- The awardee is expected to collect, secure and provide the data necessary for evaluation of the impact of the program.
- The awardee is required to cooperate with the independent evaluator allowing for site visits. Failure to cooperate with the evaluator is considered grounds for termination.
- If the awardee withdraws before the end of the Demonstration, the awardee must provide all documents, research, and monies that would have been due at the normal close of the project.
- The government reserves the right to terminate the Demonstration agreement for its sole convenience or for cause in the event of default by the awardee.

**NOTE:** Additional background information regarding this solicitation may be found at the following GNE Demonstration website, <http://innovation.cms.gov/initiatives/gne>.