

## **Supporting Statement for Beacon Community Cooperative Agreement Program**

### **A. Justification**

#### **1. Circumstances Making the Collection of Information Necessary**

The Office of National Coordinator for Health Information Technology (ONC) is requesting emergency action for this clearance by the Office of Management and Budget no later than 11/30/2009. ONC is requesting emergency processing procedures for this application because this information is needed immediately to assure that ARRA funds are used timely and effectively to support healthcare quality and systems improvement through the use of health information technology.

In order to demonstrate the potential of health information technology in advanced communities, Section 3011 of the Public Health Service Act (PHSA) as amended by the American Recovery and Reinvestment Act of 2009 (Pub. L 111-5) (ARRA) authorizes the creation of programs to promote the electronic exchange and use of health information and disseminate best practices for the integration of health information technology to affect health systems improvements. The Beacon Community program will build upon a foundation of health IT infrastructure and exchange to improve care coordination and performance monitoring and feedback loops, all brought to bear on achieving specific patient and community health improvements. In so doing, the program will satisfy statutory obligations by measurably improving health outcomes and system efficiency for involved communities, while demonstrating methods and approaches by which other communities can achieve comparable progress using health IT.

#### **2. Purpose and Use of Information Collection**

The Beacon Community Program will fund innovative proposals to utilize a foundation of health information technology to promote performance monitoring and feedback, practice redesign and care coordination efforts in order to achieve sustainable, specific and measurable health outcome improvement goals and health system cost-savings. The Beacon Communities will demonstrate the feasibility of achieving these goals, and each Community will provide a compelling example of the specific, measurable and achievable gains enabled by standards-based interoperable health information technology systems in the short term, thereby demonstrating in selected communities by 2012 some of the health system improvements the nation intends to achieve by 2015. As such, this work is critical for national health care reform efforts and the federal stimulus initiative.

The data collected before, during, and at the conclusion of the program will be used by ONC to 1) select from applicants across the country those that will serve as Beacon Communities; 2) monitor each Community's progress towards its specific and measurable health outcome and health systems improvement goals; 3) comply with ARRA quarterly reporting requirements; and 4) conduct an overall program evaluation.

**3. Use of Improved Information Technology and Burden Reduction**

Because all eligible applicants must be able to demonstrate baseline excellence in one of three critical areas: health information technology and exchange infrastructure, practice redesign and care coordination, or performance monitoring and feedback, the number of communities who will be qualified to submit applications will be restricted. Of approximately 50 applications anticipated, 15 will be selected to receive funding as Beacon Communities.

ONC will mandate electronic Letters of Intent, which will be required for review of an applicant's proposal. All documents for Letters of Intent must be submitted via email to [BeaconCommunityGrants@hhs.gov](mailto:BeaconCommunityGrants@hhs.gov). All documents for Beacon Community applications must be submitted electronically using grants.gov. ONC staff will analyze the data electronically and communicate with applicants using email.

**4. Efforts to Identify Duplication and Use of Similar Information**

Since this is a new program that was created through ARRA, the information that will be collected in order to evaluate applicants has not previously been collected by the federal government.

**5. Impact on Small Businesses or Other Small Entities**

No impact on small business.

**6. Consequences of Collecting the Information Less Frequent Collection**

This is a one time data collection. Applicants who submit the application will have already submitted a Letter of Intent; however, the application requires different and more detailed information.

**7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5**

No special circumstances.

**8. Comments in Response to the Federal Register Notice/Outside Consultation**

Due to the emergency nature of the program announcement OMB has waived the FRN requirements for this collection.

**9. Explanation of any Payment/Gift to Respondents**

Not applicable

**10. Assurance of Confidentiality Provided to Respondents**

No personal health information will be collected. All grant information will be kept private to the extent allowed by application laws/regulations.

**11. Justification for Sensitive Questions**

No sensitive information will be collected.

**12. Estimates of Annualized Burden Hours (Total Hours & Wages)**

The lead applicant will need to: identify and recruit collaborators; conduct an environmental analysis on the current state of health IT usage in their community; develop detailed programmatic goals/objectives; identify specific strategies/services to achieve health IT enabled health outcome and efficiency improvements; create a program management plan; and create a business sustainability plan. Strict page limits will be imposed to keep applications within the scope of the program.

Because all eligible applicants must be able to demonstrate baseline excellence in one of three critical areas: health information technology and exchange infrastructure, practice redesign and care coordination, or performance monitoring and feedback, the number of communities who will be qualified to submit applications will be restricted. Of approximately 50 applications anticipated, 15 will be selected to receive funding as Beacon Communities.

It is estimated that it will take four full week’s work (35 hours) for six staff members, including a senior manager, clinical leader, two program managers, and two program assistants, for a cumulative total of 840 hours to complete the application. The 840 hour estimate was developed after taking into consideration the complexity of the application and the need for programs to coordinate community stakeholders and align their community-wide health IT infrastructure, quality, cost-efficiency, and population health improvement goals. This estimate is consistent with those developed for other ARRA funded health IT initiatives.

**12A. Estimated Annualized Burden Hours**

Estimated Annualized Burden Table

Forms (If necessary)	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Average Burden hours per Response	Total Burden Hours
Application	Not-for-profit organization or government entity	50	1	840	42,000

**12B. Cost Estimates for a Single Respondent to Submit the Application**

Staff	Number of Respondents	Number of Responses per Respondent	Average Burden Hours	Hourly Wage Rate	Total Respondent Costs
Senior Manager	50	1	140	\$100.00	\$700,000
Clinical leader	50	1	140	\$100.00	\$700,000
Program manager (x2)	50	2	140	\$35.00	\$490,000
Program assistant (x2)	50	2	140	\$20.00	\$280,000
Total			840		\$2,170, 000

**13. Estimates of other Total Annual Cost Burden to Respondents or Recordkeepers/Capital Costs**

There are no additional recordkeeping/capital costs.

**14. Annualized Cost to Federal Government**

The program will use the following format for objective review of the application:

Type Federal employee support	Total Burden Hours	Hourly Wage Rate (GS 15 step 5)	Total Respondent Costs
First level reviewer	35	\$65.62	\$2,296
Second level reviewer	35	\$65.62	\$2,296
Second level reviewer	35	\$65.62	\$2,296
Total	105		\$6,890

Salaries are based on a 15 Grade/Step 5 in Washington DC area.

**15. Explanation for Program Changes or Adjustments**

This is a new data collection.

**16. Plans for Tabulation and Publication and Project Time Schedule**

Data collection will begin as soon as clearance is received.

**17. Reason(s) Display of OMB Expiration Date is Inappropriate**

Not applicable.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

There are no exceptions to the certification.

**B. Collection of Information Employing Statistical Methods If statistical methods will not be used to select respondents and item 17 on Form 83-I is checked “No” use this section to describe data collection procedures.**

The applications will be reviewed but the data will not be analyzed using statistical methods.

## ***Reporting Requirements Identified in the FOA for the Beacon Community Application***

### **1. Letter of Intent to Apply**

Applicants must submit a letter of intent to apply for this funding opportunity. The purpose of this letter is to inform ONC about the potential geographic diversity, health improvement goals, and readiness of communities that intend to apply. These letters will give ONC a preliminary indication if there are a group of communities that could collectively meet the geographic diversity objectives and other selection criteria described in this Funding Opportunity Announcement. This letter must be submitted electronically via e-mail by the organization that will act as the lead applicant on behalf of the proposed Beacon Community. The letter of intent must be no longer than 5 pages. The letter of intent must be received by 11:59 pm, EST, January 8, 2009. Letters of intent and all attachments should be emailed to [BeaconCommunityGrants@hhs.gov](mailto:BeaconCommunityGrants@hhs.gov).

This Letter of Intent must contain the following (the following can be found in Appendix K of FOA):

- Identification and justification of specific and measurable health systems improvement goals
- Identification of the geographical area that served by the proposed Beacon Community Program, including all applicable zip codes by Zip 5 (geographical service area should include, at minimum, a defined Hospital Referral Area (see [www.dartmouthatlas.org](http://www.dartmouthatlas.org)), political jurisdiction, geographical border, or Metropolitan Service Area)
- Organizational Mission, Capability, and Experience
  - A cover letter signed by the designated authorized representative of the lead applicant organization, which includes the organizational mission statement.
  - Current Service Offerings: If the applicant (or any members of the applying consortium) is currently offering the services listed below, indicate whether the service is currently offered (Y/N), which organization is providing it, the number of Full-Time Equivalent (FTE) staff dedicated to each, and the number of practices and providers served in the 12 month interval: July 1, 2008 to June 30, 2009.
    - EHR adoption and meaningful use assistance
    - Functional, Standards-based Health Information Exchange
    - Technical Assistance around federal and State Privacy and Security requirements
- Ability/Intent to leverage existing programs and resources

- o Federal and ONC opportunities: Intent to collaborate with other ONC/federal grant-funded programs (Regional Extension Center, VA, DoD, including Virtual Lifetime Electronic Record; IHS, HRSA, CMS demonstrations, Medicare Quality Improvement Organization, other)
- o Multi-stakeholder and Community Commitment: Indicate the Beacon Community's intent to involve community organizations by providing a table with the names of community partners in each of the following categories:
  - State Primary Care Association(s)
  - Health Professional Societies
  - Health Center Controlled Networks (HCCNs) (for more information about HCCNs, go to: <http://www.hrsa.gov/healthit/healthcenternetworks/default.htm>)
  - Health Plans
  - Hospital Systems
  - Community Colleges

## **2. Proof of the applicant's status as a non-profit entity.**

If an applicant is a US-based non-profit entity it must provide documentation of its 501C status or IRS determination letter, IRS tax exemption certificate, or letter from state taxing body verifying tax-exempt status. If the proposal is on behalf of a consortium, there must be letters of commitment from all members of the consortium which include their tax status.

## **3. Project Abstract**

Applicants shall include a one-page abstract (no more than 500 words) of the application. This abstract is often distributed to provide information to the public and Congress and represents a high-level summary of the project. As a result, applicants should prepare a clear, accurate, concise abstract that can be understood without reference to other parts of the application and that provides a description of the proposed project, including: the project's goal(s) (including description and justification of healthcare improvement goal), objectives, overall approach, anticipated outcomes, products, and duration.

The applicant shall place the following information at the top of the Project Abstract (this information is not included in the 500 word maximum):

- Project Title
- Service area included in the application, described by county and USPS zip codes: zip-three code(s) for one or more entire counties, zip-five codes for any partial-county areas included in the proposed service area

- Applicant Name
- Address
- Contact Name
- Contact Phone Numbers (Voice, Fax)
- E-Mail Address
- Web Site Address, if applicable

#### 4. Project Narrative

The Project Narrative must be double-spaced, formatted to 8 ½” x 11” (letter-size) pages with 1” or larger margins on top, bottom, and both sides, and a font size of not less than 12 point. The maximum length allowed for the Project Narrative is 50 pages. A full application with a Project Narrative that exceeds 50 pages will not be accepted. The Sustainability Plan (see Section IV. B. 7.), Letters of Support and resumes of Key Personnel are not counted as part of the Project Narrative for purposes of the 50-page limit, but all of the other sections listed below are included in the limit.

The Project Narrative is the part of the application that will offer the most substantive information about the proposed project, and it will be used as the primary basis to determine whether or not the project meets the minimum requirements for awards under ARRA. The Project Narrative should provide a clear and concise description of your project.

(Note: a concise resource offering tips for writing proposals for HHS grants and cooperative agreements can be accessed via the Web at:

<http://www.hhs.gov/grantsnet/AppTips.htm>)

##### a. Current State and Gap Analysis of EHR Adoption and Meaningful Use

Applicants are expected to complete a current analysis of the state of EHR adoption and meaningful use and determine gaps within their service areas. The applicant should propose a detailed geographic service area (by county and zip 5) and the distribution of providers (by practice/facility type and size) which will be involved in the project. The geographical area that composes the proposed Beacon Community should include, at minimum, a defined Hospital Referral Area (see [www.dartmouthatlas.org](http://www.dartmouthatlas.org)), political jurisdiction, geographical border, or Metropolitan Service Area. The service area will be finalized as part of the cooperative process between HHS and applicants. Considerations for HHS will include the desire for geographic diversity, as well as the:

- Number of providers targeted for direct assistance, and the proportion this number represents of the total number of providers in the proposed service area.
- Uninsured, underinsured, medically underserved and minority individuals as a proportion of the service area’s total population.

- Number of Federally Qualified Health Centers (FQHC) and public and non-profit Critical Access Hospitals (CAH) in service area at which primary-care professionals with prescriptive privileges furnish outpatient primary-care services, and the proportion of these facilities participating.
- Partnership or collaboration with a community college or other institution of higher education offering a certificate or associates degree program(s) in health information technology or related field (please specify).
- Presence within or in close proximity to the service area of a VA hospital, DOD medical facility, IHS or other Tribal health facility.
- Presence of organization(s) to provide for and/or extent of existing infrastructure(s) providing the secure electronic exchange of health information within the geographic service area (please specify and briefly describe).
- Labs, pharmacies, diagnostic centers, and other entities targeted for collaboration

#### **b. Goals and Objectives**

The applicant should demonstrate in this section the vision, short term/long term goals and objectives that it will use to guide its operations. Specifically, applicants must provide a detailed description of the specific and measurable health IT infrastructure and exchange, cost-efficiency, quality and population health improvement goal(s) of the proposed services, as well as background justification for its prioritization (note that every applicant must identify at least one cost-efficiency goal, at least one quality improvement goal, and at least one population health improvement goal in order to be considered for funding. These goals need not be mutually exclusive (e.g., a proposal to improve blood pressure control in minority and underserved populations can be tied to fewer acute events and reduced morbidity and mortality as well as reduction in health disparities)). This section should include the baseline (or best estimate) for the selected cost-efficiency and health outcome(s) goals in the community and the degree of improvement which the Beacon Community hopes to accomplish through the use of coordinated health IT systems. Applicants must also reinforce herein their commitment to reduce healthcare systems costs through the proposed interventions and document their specific and measurable financial goals and objectives.

#### **c. Proposed Strategy**

Every applicant must be able to demonstrate baseline excellence in Health Information Technology and Exchange Infrastructure, Practice Redesign and Care Coordination, or Evaluation, Performance Monitoring and Feedback. Baseline excellence in health IT and exchange infrastructure should be demonstrated in this section by providing realistic estimates of EHR adoption and exchange in the community, with full disclosure of the methods used to achieve the estimates. In order to demonstrate baseline excellence in either of the remaining categories, applicants should reference (and submit as attachments) published articles in peer-reviewed journals and/or media articles covering applicants' activities and successes. In this section, applicants must then detail their plans to advance current capabilities within their

established area of excellence and their plans to build their capabilities in other areas critical to promoting health and health systems improvement using Health IT, including the specific steps they plan to take in order to build and strengthen their health IT infrastructure to enable achievement of their specific cost-efficiency, quality, and population health improvement goals. There must be a specific discussion and distinct relationship between the proposed health IT and exchange activities, care coordination activities, and performance improvement activities as well as an explanation of how the specific and collective activities will achieve the chosen cost-efficiency, quality and population health improvement goals. In addition, applicants must detail their plans to provide assistance to other communities that are seeking to develop and strengthen their HIT infrastructures, including but not limited to their intent to identify and disseminate best practices through the HITRC.

The applicant must detail the services that it will provide, and which among its stakeholders will be providing each service, in order to accomplish the scope of work detailed in Section I.C Project Structure. Applicants should pay particular attention to the following (see Section V.A Application Review Criteria for more detail):

- Area of excellence and support for achievements
- Establishment of an advanced health IT infrastructure
  - Achieving EHR adoption and meaningful use among at least 60% of primary care providers
  - Enabling health information interoperability and exchange using data standards and NHIN specifications
- Achievement of specific and measurable health improvement goals detailed in the Project Narrative
- Achievement of cost savings goals detailed in Project Narrative

#### **d. Populations with Specific Needs**

The applicant will also state how the unique needs of providers serving American Indian and Alaska Native, non-English speaking and other historically underserved populations as well as those that serve patients with maternal, child, long-term care, and behavioral health needs, will be met.

#### **e. Project Management**

This describes how the Beacon Community applicant plans to govern and manage the execution of its overall program. It will include the Beacon Community's governance structure, roles/responsibilities, operating procedures, composition of committees, workgroups, teams and associated leaders, and communications plans that will provide adequate planning, monitoring, and control to the overall project. The project management activities should provide details on how plans and decisions are developed and documented, issues/risks managed, and meetings facilitated. Mechanisms to ensure accountability across community participants and incremental progress in achieving milestones necessary for health and health systems improvement must be specified.

If the applicant proposes to serve one or more entire states and/or territories, the applicant

organization must demonstrate how it will effectively and efficiently carry out its strategic plan across its geographical catchment area.

#### **f. Core Performance Measures**

Applicants must detail in this section their strategy for collecting the following information on core performance measures, which Beacon Communities will be required to report to assess their progress towards 1) implementing their Strategic and Organizational Plan and 2) meeting their goals and objectives. In addition to the quarterly reports required for recipients of ARRA funds, yearly reports will be required covering the following areas:

##### 1) Strategy and Management:

- **Organizational Capacity:** Proportion of key staff hired and in place, organizational structures operational, and how this meets, exceeds, or falls short of plans
- **Health IT Infrastructure:** Progress towards the health IT infrastructure and meaningful use targets outlined in their project plan, and how this meets, exceeds, or falls short of plans
- **Integration of Health IT into Care Delivery:** Implementation of care coordination and performance monitoring and feedback system(s), and how this meets, exceeds, or falls short of plans
- **Appropriate Fiscal Management:** Expenditures consistent with organization's Strategic Plan and Budget, and how this meets, exceeds, or falls short of plans

##### 2) Goals and Objectives:

- **Data collection and measurement:** Awardees must demonstrate that they are collecting, analyzing and reporting the data needed to document progress towards their goals. Verified baseline data must be submitted no later than 4 months after award.
- **Cost-efficiency metric(s):** Report on each of the metrics proposed, and how this meets, exceeds, or falls short of plans.
- **Quality and Population Health improvement metric(s):** Report on each of the metrics proposed, and how this meets, exceeds, or falls short of plans.

#### **g. Evaluation**

Recipients will be required to maintain information relevant to achieving the milestones specified in Section I.D Evaluation. This section should detail the applicant's plan to implement monitoring and reporting systems to aid in internal data collection around metrics for successful achievement of program goals, including expansion of health IT infrastructure, the health outcome(s) of choice, and the cost savings metrics proposed by the Beacon Community and agreed upon by ONC. Recipients will also be required to participate in the external evaluation and report performance metrics, as described above.

#### Section I.D Evaluation:

The main objective of the evaluation will be to demonstrate that a robust health IT infrastructure, and training on and dissemination of information on best practices to integrate this technology into a provider's delivery of care can enable communities to achieve the goals of higher quality, more cost-efficient, patient-focused health care, and improved population health (including public health, biomedical research, quality improvement, and emergency preparedness). Each successful applicant will be required to monitor their progress on internally collected care process and outcome metrics proposed by the Beacon Community and refined through the cooperative agreement process, and to participate in an external evaluation, conducted by an independent contractor through a separate competitive award process.

#### **Goal 1. Higher Quality, More Cost-Efficient, Patient-Focused Health Care.**

Beacon Communities must develop community-wide action plans to strengthen the health IT and information exchange infrastructure to improve specific aspects of the delivery of health care to individuals. Specific metrics selected by the community for community-wide focus may include, but are not limited to, any of the quality metrics proposed under the meaningful use criteria for health IT incentive payments to eligible professionals and hospitals. Communities are required to establish metrics for measuring progress towards patient-centric care, in which information follows the patient across provider or network boundaries, regardless of where the patient goes. Communities must design metrics in each of two categories, including:

- A) Cost-efficiency. Metrics may include preventable emergency room visits and hospitalizations (including readmissions), hospital-acquired complications, redundant and inappropriate diagnostic services, or generic prescribing.
- B) Quality. (e.g., blood pressure control, lipid control, diabetes control, adverse drug events).

Applicants must propose to achieve higher quality, more cost-efficient healthcare by advancing the meaningful use of health IT and patient-centric exchange within their community. There must be observable improvements in community-selected metrics of cost-efficiency and quality that can be collected, analyzed, and used to provide feedback to community participants during the project's performance period. These metrics will be used by the external evaluator at the end of the 36-month performance period.

**Goal 2. Population Health.** Beacon Community proposals must also develop a community-wide strategy to achieve health IT-enabled improvements in population health. To this end, communities must select specific and measurable metrics for measuring progress in at least one of the following categories:

- A) Tobacco control;
- B) Preventive health services (e.g., immunizations, recommended cancer screenings, prenatal care);
- C) Health disparities (e.g., for minority and/or underserved populations, or through the use of telemedicine in rural communities)

D) Public health surveillance (e.g., timeliness and completeness of communicable disease reporting)

As with cost outcomes, the health metrics chosen will vary depending on the aims of the cooperative agreement recipient, but must be routinely monitored with feedback provided to community participants, and directly translatable into expected contributions to life expectancy, quality of life, or community health.

### **Demonstrating Cost Savings Across All Communities**

Community efforts should be designed to have an impact on overall costs and quality and on the Medicare program specifically. Cost savings will ultimately be quantified in terms of trends in risk-adjusted per-capita costs within the area served by the awardee, compared to matched control communities. Control communities will be selected that are similar to the Beacon Communities in terms of community size and composition, health status, health care services (e.g., physicians and hospital beds per capita) and other factors as defined by the methodologies in the Dartmouth Atlas of Health Care. Sub-analyses will examine specific utilization patterns and medical practices actively participating in their community's Beacon Program. Sites will be expected to provide sufficient information on the participating practices (e.g. TINs) and providers to perform the sub-analyses. In addition to the general evaluation of costs, the ONC external evaluation will also include, at a minimum, the impact of the program on the metrics below.

- Hospitalizations for Ambulatory Care Sensitive Conditions
- Hospital re-admissions for selected conditions
- Percentage of Elderly Prescribed Inappropriate (per Beers criteria) Medications

Specialized analyses may be conducted by ONC's external evaluator using sources such as Medicare data, Medicaid data, and/or State Healthcare Cost and Utilization Project (HCUP) data, depending on the primary programmatic emphasis of the Beacon projects. This portion of the evaluation is expected to be completed by December 2013 and will be coordinated with CMS. ONC will also collaborate with the Assistant Secretary for Planning and Evaluation (ASPE) on all evaluation activities. Other participating agencies will also serve in an advisory capacity to the external evaluation.

### **Evaluation of Care Process and Outcome Metrics**

Beacon Communities will develop action plans to improve cost and health outcomes in ways that meet the needs of their communities. Given the burden of chronic diseases such as hypertension, coronary artery and other cardiovascular diseases, diabetes, and asthma on patients and health systems, care process and outcome metrics that tie back to chronic disease management shall be prioritized. These metrics might, for example, focus on using health IT for improving adherence to medications, increasing access to culturally-competent primary care, or streamlining interactions between providers and health plans to improve chronic disease management. Whatever approaches to improving care processes and health outcomes a Beacon Community proposes, they must be expected to yield observable improvements by the end of FY 2012 that

can be collected, analyzed, and fed back to community participants during the project's performance period, and used by the external evaluator at the end of the 36-month performance period. Examples of the types of care process metrics that could be monitored and improved by leveraging standards-based interoperable and meaningfully used EHRs, health information exchange organizations, and multi-payor collaboratives are listed below.

- 1) Reduction of preventable hospitalizations;
  - a. Ambulatory care sensitive hospitalizations
  - b. Short-stay hospitalizations due to missing information
  - c. Hospital readmissions
- 2) Reduction of emergency department visits;
  - a. Ambulatory care-sensitive emergency department visits
- 3) Improvement in medication therapy management
  - a. Percent of prescriptions submitted that are generic (electronically and overall)
  - b. Rate of adverse drug interactions
  - c. Rate of inappropriate medications for the elderly (e.g., according to Beers criteria for potentially medication inappropriate use in older adults)
- 4) Improvement in administrative efficiency;
  - a. Percent of claims submitted electronically
  - b. Percent of claims requiring additional processing/coordination of benefits
- 5) Reduction in redundant and inappropriate diagnostic services;
  - a. Percent of diagnostic tests repeated within clinically-inappropriate window
  - b. Percent of clinically inappropriate diagnostic tests ordered
- 6) Prevention of hospital-acquired conditions
  - a. Hospital-associated infections
  - b. Hospital-associated venous-thrombosis events

ONC and its evaluation contractor will work with Beacon Communities on methods for measuring these gains and translating them into dollar savings.

**Demonstrating Health Improvements.** As with cost outcomes, both clinical/individual and population based health metrics chosen will vary depending on the aims of the awarded Beacon Community, but must be routinely monitored and fed back to community participants, and directly translatable into expected contributions to relevant health care outcomes (examples of these different types of metrics are provided below). Awardees are expected to choose from amongst these outcomes or propose specific metrics of their own that relate to their programmatic focus. Awardees must choose at least one metric that can be tied directly to health improvements; preferably for patients with chronic disease (e.g., improvements in blood pressure control can be tied to fewer acute events and reduced morbidity and mortality). Examples of potential metrics are listed below by category of metric:

- 2) Patient Clinical Outcomes
  - a. Blood pressure control
  - b. Lipid control

- c. HgA1c in diabetics.
  - d. Smoking rates/cessation.
- 3) Patient Safety
  - a. Potentially avoidable inpatient complications
  - b. Iatrogenic events
- 4) Disparities
  - a. Disparity in receipt of health services by racial/ethnic group, urban/rural, vulnerable populations
  - b. Disparity in health outcomes by racial/ethnic group, urban/rural, vulnerable populations
- 5) Patient Experience
  - a. Patient satisfaction with care
  - b. Percent of patients able to access timely care (e.g., in FQHCs or through telehealth)
  - c. Percent of encounters requiring translation provided with translators, bilingual staff (cultural competency)
  - d. Percent of patients using health portals/ personal health records (PHRs) in their primary language
- 6) Public Health (not related to Medicare data).
  - a. Percent of Hepatitis A reports received in time to initiate immune globulin prophylaxis
  - b. Percent of Meningococcal (*Neisseria meningitides*) reports received in time to initiate antibiotic prophylaxis

As with the cost outcomes, cooperative agreement recipients will be assisted with data collection methodologies and analysis by ONC and its evaluation contractor.

#### **h. Coordination and Continual Improvement**

The applicant should detail in this section its plans to utilize the systems described (see Section I.C.2. Use of Funds) in order to provide timely feedback to Beacon Community participants on their progress and inform continual improvement. The applicant should also affirm its commitment to collaborate with other Beacon Communities and regional extension centers through participation in HITRC organized activities and communication of best practices.

#### **i. Organizational Capability Statement**

This section describes the current capability possessed by the Beacon Community Applicant to organize and operate effectively and efficiently. This includes:

- A cover letter signed by the designated authorized representative of the organization serving as the lead applicant on behalf of the proposed Beacon Community, which includes the organizational mission statement.
- 2009 annual budget and sources of income.

- Number and roles of FTE staff in different functional areas (outreach/communications, health IT implementation, workflow and process redesign, interfaces and information exchange, hardware and network infrastructure, quality improvement, privacy and security, other).
- Identification of key staff who will provide substantive work for each area covered in Section I.C Project Structure, and provide 1 page resumes for these individuals (please submit these resumes as attachments to the application).
- Previous experience with EHR implementation (number of existing vendor contracts, practices, practice sites, and providers served).
- Previous experience with workflow redesign and clinical quality improvement (number of practices, practice sites, and professional providers served).
- Previous experience with outreach, education and particularly on-site direct technical assistance in EHR adoption, implementation and meaningful use, functional, standards-based interoperability and health information exchange, and technical assistance around federal and State Privacy and Security requirements.
- Any other relevant experience that aligns with the program goals and objectives.

## **5. Sustainability Plan**

Beacon Communities are expected to realize cost savings and health improvements from the widespread use of standards-based interoperable health IT. If Beacon Communities are successful in this respect, their efforts will be sustainable by their community beyond the 36 month cooperative agreement through a clear return on investment. The applicant should detail herein their plan for achieving sustainability, which will necessarily refer to the applicant's cost-efficiency and quality and/or population health improvement goals and strategies for achieving return on investment. Once able to demonstrate cost savings and return on investment, Beacon Communities may be receiving financial support from third party payers. It is anticipated that this program income will be substantial for all successful projects and essential for the projects' sustainability after the 36 month funding period.

To support sustainability, ONC places no limits on the accrual of program income. All funds generated in this fashion can be retained by the recipient and used for the same purposes for which the project was funded (note: this is not to say that cost savings attributable to the program can be channeled directly back into the program. Program income is distinct from, but in many cases dependent on, cost savings accrued).

If applicable, Beacon Communities may also highlight in the Sustainability Plan any strategy that relies upon health plan supported outcome-based payments to providers who are actively involved in Beacon Community's health IT-enabled improvement initiatives.

## **6. Collaborations and Letters of Commitment from Key Participating Organizations and Agencies**

This section describes how the applicant will utilize, where locally available, the expertise and

capabilities of practice networks supported by other federal, state, and local agencies, including:

- Ability/Intent to leverage other federal and ONC health IT resources and programs, including the specific nature of involvement with the following, if applicable:
  - Regional Extension Center program
  - State Health Information Exchange program
  - VA Hospitals or Department of Defense sites (and more specifically, involvement with the Virtual Lifetime Electronic Record initiative)
  - Indian Health Service or State or Local Tribal Health site
  - Health Research and Services Administration grant programs
  - Centers for Medicaid and Medicare Services Demonstration projects
  - State Medicaid payment program
  - Medicare Quality Improvement Organization
  - Department of Agriculture and Department of Commerce broadband funding.
  - Department of Agriculture telehealth funding
- Letter of support from State Health IT coordinator for all states within geographical area. Letters of support from Medicaid Directors or other Public Health Officials are also desirable particularly if they are relevant to the chosen health improvement goal.
- Ability/Intent to leverage other community resources and programs:

In this section, applicants must include, at minimum, a letter of support from each community stakeholder. Applicable community stakeholders include, but are not limited to:

- State Primary Care Association(s)
- Health Professional Societies
- Health Center Controlled Networks (HCCNs) (for more information about HCCNs, go to: <http://www.hrsa.gov/healthit/healthcenternetworks/default.htm>)
- Health Plans
- Hospital Systems
- Community Colleges
- Universities and academic health centers
- Employers and employer groups
- Consumer groups

Beacon Community applications will be strengthened by inclusion of credible keystone Stakeholder organizations. Stakeholders with substantial involvement as reflected by staffing or financial commitment to their Beacon Community will naturally contribute more robustly than an organization which is committing only written support for the program's efforts. In order to evaluate the level of community-wide buy-in for the applicant's proposal, ONC requires submission of a Stakeholder Summary Matrix which details the specific nature of involvement and level of commitment of each stakeholder according to the following scale:

1 – Applicant has provided Letter of Support from Stakeholder detailing the nature of involvement with the Beacon Community.

2 – Applicant has provided Letter of Support from Stakeholder as above, and Budget Narrative for Beacon Community reflects financial commitment from the Stakeholder.

3 – Applicant has provided Letter of Support from Stakeholder as above, and Organizational Capability Statement includes board-level, specific commitment of staff to the Beacon Community leadership team.

4 – Applicant has provided Letter of Support from Stakeholder as above, Budget Narrative for Beacon Community reflects financial commitment from Stakeholder, and Organizational Capability Statement includes board-level, specific commitment of staff to the Beacon Community leadership team.

## **7. Nondiscrimination and Conflict of Interest Policies**

This section describes the potential for any perceived conflict(s) of interest of the applicant(s), and the steps taken to demonstrate a commitment to transparent, fair, nondiscriminatory, and unbiased service to all primary care providers in the geographic service area. As part of the application package, applicants should provide certification that there is no conflict of interest, real or perceived, with health IT vendors (See Appendix E, Conflict of Interest Certification Template).

## **8. Budget Narrative/Justification**

All applicants are required to outline proposed costs that support all project activities in the Budget Narrative/Justification. The application must include the allowable activities that will take place during the funding period and outline the estimated costs that will be used specifically in support of the program. Costs are not allowed to be expended until the start date listed in the Notice of Grant Award. Whether direct or indirect, all costs must be allowable, allocable, reasonable and necessary under the applicable OMB Cost Circular: [www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars) (Circular A-87 for States and Circular A-122 for SDEs) and based on the programmatic requirements for administering the program as outlined in ARRA. See Appendix D for detailed information on completing the budget forms.

Awards will be made for a 36 month project period; the budget period will be equivalent to the project period. For purposes of preparing the budgets, applicants should note the following:

- Applicants must allocate sufficient funding for core activities, based on the size of the proposed geographic service area for the Beacon Community, the need for additional capital and other costs of capacity building, and variations in locality costs, for each year of each budget period.
- Any fees as program income to be used as specified in Section I.C.2 Use of Funds.

## 9. ARRA-Specific Reporting

Quarterly Financial and Programmatic Reporting: Consistent with ARRA emphasis on accountability and transparency, reporting requirements under ARRA programs will differ from and expand upon HHS's standard reporting requirements for grants. In particular, section 1512(c) of ARRA sets out detailed requirements for quarterly reports that must be submitted within 10 days of the end of each calendar quarter. Receipt of funds will be contingent on meeting ARRA reporting requirements.

The information from recipient reports will be posted on a public website. To the extent that funds are available to pay a recipient's administrative expenses, those funds may be used to assist the recipient in meeting the accelerated time-frame and extensive reporting requirements of ARRA.

Additional instructions and guidance regarding required reporting will be provided as they become available. For planning purposes, however, all applicants shall be aware that ARRA section 1512(c) provides as follows:

Recipient Reports: Not later than 10 days after the end of each calendar quarter, each recipient that received recovery funds from a federal agency shall submit a report to that agency that contains—

- (1) the total amount of recovery funds received from that agency;
- (2) the amount of recovery funds received that were expended or obligated to projects or activities; and
- (3) a detailed list of all projects or activities for which recovery funds were expended or obligated, including--
  - (A) the name of the project or activity;
  - (B) a description of the project or activity;
  - (C) an evaluation of the completion status of the project or activity;
  - (D) an estimate of the number of jobs created and the number of jobs retained by the project or activity; and
  - (E) for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made under this Act, and name of the person to contact at the agency if there are concerns with the infrastructure investment.
- (4) Detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by the Director of the Office of Management and Budget. OMB guidance for implementing and reporting ARRA activities can be found at [http://www.whitehouse.gov/omb/recovery\\_default/](http://www.whitehouse.gov/omb/recovery_default/).

To assist in fulfilling the accountability objectives of ARRA, as well as the Department's responsibilities under the Government Performance and Results Act of 1993 (GPRA), Public Law 103-62, applicants who receive funding under this program must provide data that measure the results of their work. Performance measures include the number of jobs saved and jobs created due to ARRA Funding. Additionally, applicants must discuss their data collection methods in the application.

**a. Program Reporting**

Each award recipients will report annual progress on EHR adoption and HIE among providers in their community. In addition, they will report annually on the proportion of primary care physicians qualifying for Medicare and Medicaid meaningful use incentives.