

## **Memo: Innovation Fund Evaluation Criteria**

To: Alliance partners

From: Jacob Reider, MD

Date: 8/18/17

Thank you for engaging with us toward the launch of our incentive program, reflecting the shift in DOH funding from “reporting on project activities” to true performance against DSRIP goals. To objectively award funding through this program, we have created an evaluation model against which all applications for Innovation funding will be scored.

Key factors of the model are: the amount of funding requested, the number of Medicaid members who will benefit from the intervention, and the amount of funding associated with the performance measures impacted. These variables are reflected in a score, which we will calculate for every application. Before scoring can be applied, each application will be reviewed and validated against a set of gating criteria. Proposals that fail to pass any of the three gating criteria cannot be scored. Alliance staff will assist all applicants in evolving their applications so that the gating criteria can be satisfied.

### **Gating Criteria**

- A. How will success be measured? To award payment, Alliance and our partners will need to measure the impact of every intervention. While DOH has performance measures defined, we encourage (and will assist with) the development of proxy measures that will enable rapid-cycle evaluation and refinement of programs. Proposals that lack clear measurement definition cannot be funded. Alliance staff will work with applicants who have not yet created measurement definitions.
- B. Integration. Is the intervention sufficiently integrated with other initiatives in the community? Proposals that don't reflect consideration of opportunities to integrate with other projects or organizations cannot be funded. Alliance staff will work with applicants to identify such opportunities.
- C. Sustainability. In a post-DSRIP world, how will a proposal be carried forward? Proposals that don't reflect a path to sustainability under value-based payment models cannot be funded. Alliance staff will work with applicants to identify such opportunities.

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## Scoring

Proposals will be scored with a model that reflects the impact of the intervention:

$$\text{SCORE} = \text{Impact} / \text{\$ \$ requested} \quad (\text{S} = \text{I} / \text{\$})$$

Where “**Impact**” reflects the sum of proportional value(s) of the performance measure(s) that would be satisfied by the proposal.

For example, a proposal for \$250,000 from a Fulton County organization that would contribute to preventable ED visits would have impact on the preventable ED visits in only one part of our region, impacting about 15% of our members. Therefore, 15% of the \$1.76M for this performance measure could be available if this is the only measure impacted. In this case, **I** would be  $(.15 * 1.76) = .264$ . Score would then be  $264/250 = 1.05$ .

Proposals that have impact on more than one DSRIP performance objective would have a greater score. Let’s consider the example above, but that it also has impact on avoidable admissions, readmissions, and half of ED visits for patients with behavioral health issues:

$$\begin{aligned} \text{I} &= (.15*1.76) \text{ (ED visits)} + (.15*1.76) \text{ (Readmissions)} + (.15*.75) \text{ (BH ED Visits)} \\ &= .264+.264+.112 = .640. \text{ The Score would be: } .640/.250 = 2.5. \end{aligned}$$

Alliance staff will work with applicants to maximize the score.

- If Alliance receives multiple proposals for the same request, awards would be diluted, but the scoring methodology would remain sound.
- Award values here are examples, based on the Alliance-wide earning opportunities for this year. Actual numbers will be similar but not identical to the numbers expressed above.