

an evaluation contract has been awarded.

In addition, awardees under the fee-for-service bundled payment option will be required to provide line item billing for all non-composite expanded bundle services. For both capitation and fee-for-service bundled payment options, ability to submit data under the CPM project will be beneficial.

X. Submission of Applications

A. Purpose

This notice solicits applications for demonstration projects that increase the opportunity for Medicare beneficiaries with ESRD to receive integrated care management. The demonstration aims to test the effectiveness of disease management models to increase quality of care for ESRD patients while ensuring that this care is provided more effectively and efficiently.

Participating organizations will be able to solicit participation in the demonstration by patients whom they currently treat in the fee-for-service system as well as new patients. Organizations under both capitation and fee-for-service bundled payment models will be subject to a reconciliation around the risk-adjusted ESRD rates. (For the fee-for-service bundled payment option, one percent of the amount of the add-on to the bundled payment will be subtracted from this target.) Organizations under the capitation model will be able to propose symmetrical risk sharing arrangements around a two percent corridor, which would allow them to share any losses or gains with us. Applicants under the fee-for-service bundled payment model will share around a two percent corridor with CMS 50 percent/50 percent on gains and losses. The maximum amount of incurred gain or loss will be equivalent to the amount of the add-on payment for the expanded bundle. An incentive payment for quality is also included in the demonstration. The demonstration is planned for four years.

B. Submission of Applications

Each applicant organization is to submit one application regardless of the number of proposed demonstration sites. The application is to be coordinated and submitted by a component of the organization that currently treats or organizes the treatment of ESRD patients. If applicable, variations related to proposed sites should be outlined in the application text or supplemental materials.

We are seeking innovative proposals from qualified organizations that can

test whether care of Medicare beneficiaries with ESRD can be more efficiently and effectively provided using models involving disease management, and whether clinical outcomes can be improved with a cost that is budget neutral to the Medicare program.

Interested organizations are able to use the capitation and fee-for-service bundled payment models outlined in this solicitation. Organizations in the demonstration will adopt one of the managed care, PACE-type or fee-for-service bundled payment delivery models. For the capitation models, the entire range of medical needs of ESRD patients must be addressed through a network of contracted or affiliated providers.

In order to be considered for review by the technical review panel, applicants must submit their applications in the standard format outlined in our Medicare Waiver Demonstration Application. Applications not received in this format will not be considered. The Medicare Waiver Demonstration Application may be accessed at the following Internet address: <http://www.cms.hhs.gov/healthplans/research>. The application outlines all application requirements including the format and content requirements.

Queries for the narrative portion of the application should be submitted in writing by mail, fax, or e-mail to: Sid Mazumdar, 7500 Security Boulevard, C4-17-27, Baltimore, MD 21244-1850; FAX: 410 786-1048, E-mail: smazumdar@cms.hhs.gov, or ESRDDEMO@cms.hhs.gov.

Applications should be sent to: Sid Mazumdar, Project Officer, Division of Demonstration Programs, Centers for Medicare & Medicaid Services, C4-17-27, 7500 Security Boulevard, Baltimore, MD 21244-1850.

C. Evaluation Process and Criteria

If the application meets the basic eligibility requirements (that is, responds to all components of the solicitation), it will be referred to a technical review panel for evaluation and scoring. Panels of experts from the government or private sector will conduct an independent review. The panelists' comments and evaluations will be transcribed into a summary statement that will serve as the basis for award decisions. The panelists' evaluations will contain numerical ratings based on the rating criteria specified in this section, the ranking of all applications, and a written assessment of each application. In addition, we will conduct a financial

analysis of the recommended proposals and evaluate the proposed projects to assure that they are budget neutral.

The evaluation criteria and weights are described below. These criteria are intended to identify specific information that will be useful for evaluating the application for the ESRD Disease Management Demonstration and how the applicant will be evaluated on that information in accordance with the Medicare Demonstration Waiver Application referenced above.

1. Purpose of Project/Statement of Problem (10 points)

The applicant will be evaluated on how it defines the purpose of the ESRD demonstration project, that is, the specific goals and objectives to be achieved, and how taking part in the demonstration will lead to these goals. A successful applicant should include an explanation of its ability to manage care, access, additional benefits, and costs for ESRD patients. A successful application would also include specific indicators that could be used to measure these goals and, if possible, appropriate comparison groups.

2. Technical Approach (40 points)

(a) *Organizational Structure and Service Delivery Capacity.* Organizations may consist of single or multiple sites, and the central component may be an organization other than a dialysis company (for example, an organization specializing in disease management). If the central component of the demonstration organization is a disease management or other kind of organization, it would have established relationships with facilities that provide dialysis services.

(b) *Description of Sites Specific to the Demonstration.* Applicants will be evaluated on their operational structure. In addition, an applicant will be evaluated on its explanation of how its organizational components will coordinate to provide medical treatment and disease management to ESRD patients. It will also be evaluated on the experience and background of its component parts in serving ESRD patients.

An applicant organization may propose to operate the demonstration at more than one site. The applicant will identify which of the three delivery options—managed care, PACE-type, or fee-for-service bundled payment options it chooses for the demonstration, as well as explain the nature of any affiliations with providers, persons, and organizations. An applicant for the capitation option will also be evaluated