A screenshot of a cell phone

Description automatically generated

**New Paradigms in Care Delivery (NPCD)**

Request for Information (RFI)

January 2025

**P:** 410.764.2605 4160 Patterson Avenue | Baltimore, MD 21215 hscrc.maryland.gov

**Table of Contents**

[RFI Announcement 2](#_Toc189554424)

[Background 2](#_Toc189554425)

[Transformation Fund: New Paradigms in Care Delivery (NPCD) 3](#_Toc189554426)

[Background 3](#_Toc189554427)

[Goals 3](#_Toc189554428)

[Financing and Impact Measurement 3](#_Toc189554429)

[Timeline 4](#_Toc189554430)

[Eligibility and Participation Requirements 4](#_Toc189554431)

[RFI Requirements 4](#_Toc189554432)

[Evaluation Process and Criteria 5](#_Toc189554433)

[Appendix A. RFI Template 7](#_Toc189554434)

# RFI Announcement

In July of 2024, the Maryland Heath Services Cost Review Commission (HSCRC) approved the Update Factor for Rate Year 2025. Included is a Transformation Fund which will provide approximately $20 million to match investments committed by hospitals to accelerate innovative solutions that avert the need for traditional hospitalization through targeted investment in transformative solutions that may be too expensive or speculative to fund in the normal course of business. This funding will support the “New Paradigms in Care Delivery (NPCD) Program.

The Maryland Health Services Cost Review Commission (HSCRC) is seeking information from hospitals or other entities in partnership with a hospital within the State of Maryland (“State”) interested in participating in the New Paradigms in Care Delivery (NPCD) Program (or Program).[[1]](#footnote-1) The State has proposed a July 1, 2025 (FY2026) program funding start date.

**Responses Due**: March 31, 2025

**Funding Period**: FY2026

# Background

In July 2018, CMS approved a new 10-year Total Cost of Care (TCOC) Model Agreement for Maryland (TCOC Model), which began January 1, 2019. The goals of the Maryland model include improved health, better patient experience, lower costs, and greater equity. Under its agreement with CMS, the State is at risk for the total cost of care for Maryland Medicare fee-for-service (Medicare FFS) beneficiaries. Further information on the TCOC Model can be found on HSCRC’s website ([TCOC Model](https://hscrc.maryland.gov/Pages/tcocmodel.aspx)). In 2024, the State of Maryland signed an agreement with the Centers for Medicare & Medicaid Services (CMS) to participate in the federal [States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model​​](https://www.cms.gov/priorities/innovation/innovation-models/ahead). The funding and new model will enable Maryland to build on its unique all-payer hospital rate setting system and global budgets, expanding its focus on primary care, population health, and health equity. The implementation of the AHEAD Model is set to begin on January 1, 2026. Additional information on the AHEAD Model can be found on HSCRC’s website ([AHEAD Model](https://hscrc.maryland.gov/Pages/ahead-model.aspx)).

# Transformation Fund: New Paradigms in Care Delivery (NPCD)

## Background

One of the paths to success under global budgets is to fund innovative solutions that avert some of the need for traditional hospitalization. While significant progress has been made in averting unnecessary admissions, HSCRC Staff believe there is an opportunity to accelerate these efforts through targeted investment in transformative solutions that may be too expensive or speculative to be funded in the normal course of business. For example, hospital-at-home approaches in rural areas could reduce costs, while also eliminating the travel burden on patients, but are not feasible for testing at scale and therefore require extra investment to develop proof of concept.

## Goals

The intent of NPCD is to provide funding to hospitals and other entities in partnership with a hospital to test and implement innovative solutions that prevent the need for traditional hospitalization. These types of solutions may be cost-prohibitive and in the absence of this funding would not be able to be implemented. HSCRC is looking to hospitals to propose program ideas that demonstrate clinical innovation and involve a certain level of risk and that can be implemented in a short period of time. Hospitals should be able to provide a share of the funding to support implementation and demonstrate the likelihood that this program can be scaled. In addition, HSCRC is interested in gaining an understanding of the estimated long-term impact on lowering the total cost of care and increasing quality.

## Financing and Impact Measurement

The Commission approved the Update Factor for Rate Year 2025 in July of 2024 and included a Transformation Fund to provide approximately $20 million to match investments committed by hospitals to pursue transformative ideas. The impact in RY 2025 is approximately 0.09 percent; however, this funding will not be available for award before January 2025 and will be input into rates in July 2025. This funding is intended as a one-time adjustment to approved hospital rates. If funding is awarded, enhanced reporting will be expected. Activities will be monitored and measured to demonstrate how funds have been used and to show the impact that the related activities have on lowering total cost of care and improving quality. There may be additional financial requirements and funding and HSCRC will negotiate specific terms with awardees. HSCRC anticipates awarding funds to three hospitals, with each awardee receiving a portion of the $20 million depending on the proposed innovations and budgets and the terms that are ultimately negotiated. However, requests should reflect the amount of funding required to effectively implement the program and not be dictated by the limits of the Transformation Fund. While the approved funding is currently limited to the Transformation Fund at this time, we want to understand the full cost of the program.

## Timeline

Interested organizations should prepare a response to this RFI and submit to [hscrc.tcoc@maryland.gov](mailto:hscrc.tcoc@maryland.gov) by March 31, 2025, to be considered. An HSCRC evaluation committee will review the information submitted and connect with selected hospitals to discuss their responses and negotiate potential award terms.

* RFI Announcement: February 2025
* RFI Q&A Opportunity: TCOC Workgroup, 8 AM, February 26, 2025
* Submission Deadline: March 31, 2025
* Discussions and Negotiation of Terms with Selected Responders: April and May 2025
* Award Notifications: June 2025
* Provision of funding: July 2025

## Eligibility and Participation Requirements

Maryland hospitals and other entities in partnership with a hospital that have global budgets established under the rate-setting authority of the HSCRC are eligible to submit an RFI response for NPCD. To participate in NPCD, hospitals and associated organizations must agree to certain annual monitoring and reporting requirements. Responding to this RFI or participation in this program will not preclude a hospital from participating in any other current or future HSCRC programs; any overlap with activities under other programs will be reconciled in finalizing the awards under this program.

Hospitals may combine several related innovative activities as part of one response. If a hospital wants to propose two distinct innovative ideas, it may submit more than one response for consideration. Hospitals may be funded for only one innovation program.

## RFI Requirements

Responses should be no longer than 5 pages. Hospitals may use the RFI Template provided in **Appendix A** or otherwise provide a concise summary of their proposal that addresses all the RFI Requirements detailed below.

1. **Description of innovation –** This section should describe one or more innovations that the responder would like to pursue if selected for the NPCD program, including the geographic area and target population as well as a description of how this is transformative and outside the normal course of business. HSCRC is interested in a) entirely novel approaches to improving quality and lowering total costs and/or b) approaches based on existing evidence-based models but with some innovative elements (e.g., delivery adaptations, different target population).
2. **Degree of innovation and risk involved –** This section should include a discussion about why and how this effort is innovative and to what extent the level of risk prevents or has been a barrier to implementation to date.
3. **Speed of implementation –** This section of the response should include a timeline and workplan for implementation of the program. HSCRC is particularly interested in programs that could be operational within one year.
4. **Share of funding from hospital –**This section should include the amount of funding that the responder would provide for this investment, in addition to funding required from the HSCRC. As noted above this should reflect the amount of funding required to effectively implement the program and not be dictated by the limits of the Transformation Fund. While the currently approved funding is limited to the Transformation Fund at this time, we want to understand the full cost of the program.
5. **Scalability and sustainability –** This section of the response should detail how/if the innovation might be scaled and expanded to serve an expanded portion of the population and how it might be sustained after HSCRC seed funding is discontinued.
6. **Estimates of long-term impact on lowering total cost of care and improving quality –**This section should provide preliminary modeling that demonstrates how return on investment (ROI) will be measured as well as impact on total cost of care and quality outcomes It is the HSCRC’s intent that the participant would retain any savings generated under their global budget, but the HSCRC is open to models whereby some savings are returned to the health system in return for a longer or larger investment from the system.

## Evaluation Process and Criteria

An Evaluation Committee formed by HSCRC Staff as an extension of the Care Transformation Initiative (CTI) program will review and evaluate the responses according to the criteria described below. The HSCRC may engage additional subject matter experts to assist in this review and evaluation of the responses. The Evaluation Committee will recommend up to three responders for HSCRC to engage in further discussion and negotiation of potential award terms. Through these discussions, HSCRC will determine how funds are disbursed. This means that:

* Determinations by the Evaluation Committee are not subject to appeal;
* HSCRC may require alterations to the scope or amount of funding to be invested during the process; and
* HSCRC may require a hospital to alter their proposed approach or timeline(s) to comply with the award limitations described above.

Staff shall select three to five responses to pursue further (although final funding is limited to three proposals) based on criteria that include but are not limited to:

(1) the degree of innovation and risk involved (i.e. why the approach is hard to implement in the absence of this funding),

(2) speed of implementation,

(3) the share of funding provided by the hospital versus requested from the State,

(4) likelihood of scalability and

(5) estimated long-term impact on lowering the total cost of care and/or increasing quality.

# Appendix A. RFI Template – New Paradigms in Care Delivery

Interested organizations should prepare a response to this RFI and submit to [hscrc.tcoc@maryland.gov](mailto:hscrc.tcoc@maryland.gov) by March 31, 2025, to be considered. Responses should be no more than five pages. Respondents may use the template below or otherwise provide concise summaries that address each section below. Respondents may attach a standalone excel model in addition to this narrative agreement, if appropriate.

|  |
| --- |
| **Hospital Respondent:** |
| **Health System Affiliations:** |
| **Community Partners (if applicable):** |
| **Total Funding Request:** |
| **Innovation Description**  This section should include a detailed description of the program in 500 words or less. |
|  |
| **Degree of Innovation and Risk Involved ­­­­­**  This section should include a discussion about why this program is considered innovative and how the level of risk prevents or has been a barrier to implementation. |
|  |
| **Speed of Implementation**  This section of the response should include a timeline and workplan for implementation of the program. |
|  |
| **Share of funding provided by the hospital**  This section should include the amount of funding that the respondent is prepared to put towards this investment. |
|  |
| **Discussion of scalability and sustainability ­­**  This section of the response should detail how/if the innovation might be scaled and expanded to serve an expanded portion of the population and how it might be sustained after funding is discontinued. |
|  |
| **Estimates of long-term impact on lowering the total cost of care and improving quality**  This section should provide preliminary modeling that demonstrates how return on investment ROI will be measured and long-term impact on total cost of care and quality outcomes. (Respondent may attach a standalone excel model in addition to this narrative agreement, if appropriate) |
|  |

1. This program is in accordance with the recommendation adopted by the HSCRC on June 14, 2024, found [here](https://hscrc.maryland.gov/Documents/June%202024%20POST%20MEETING%20PACKET%20-%20FINAL.pdf) in the section

   titled “Final Recommendation: Update Factor - FY 2025”. [↑](#footnote-ref-1)