

SIM Funding for NC ACH

HCA has provided the following guidance regarding the SIM Grant funds we can expect from HCA in support of North Central ACH, once we achieve official designation as an ACH. Designation is expected to occur by the end of January 2016, but probably sooner.

Basic ACH Grant for 2015-2016 Upon designation, we will be eligible for a grant of \$150K. The award must be made by the end of January, 2016, and must be expended by January 2017, so it is essentially 2016 money. There will be no such grants in future years.

Additional SIM Funds 2016-2018 In addition to the one-time \$150 basic grant, HCA has allocated a total of \$660K for each ACH for 2016, 2017 and 2018. (Technically, these funds can be spent through the end of January 2019, but they are in effect meant to cover 2016, 17 and 18.) There is some flexibility in the way NC ACH spends these funds over the three year period. HCA is awaiting final approval from CMMI on this, but for example we could probably use as much as 50% of these funds in 2016 if we wished, with 25% allocated to each of the following two years.

Proposed Approach Obviously SIM funds are not sustainable beyond 2018 and are best understood as seed money to enable creation of a more sustainable approach. Funds other than the ones described above may become available. For example, the Care Transformation Hub could provide some support for an NC ACH care transformation initiative, and we may be able to raise funds to support population health initiatives. NC ACH itself will take some time to ramp up its activities, suggesting that our need for SIM funds will be greater in 2017 and 2018 than in 2016. On that basis, the following approach to SIM funding is suggested for the Governing Board to consider:

2016 – Use the \$150K basic grant along with \$50K of the Additional Funds for total SIM funding of \$200K in 2016. Using rough estimates of salaries and benefits (at 25% of salaries) a 2016 budget could look something like this:

Executive Director Salary & Benefits	\$ 95 (\$125K annual, for 9 months)
Administrative Assistant S&B, .5 FTE	24 (\$25K annual, 9 months)
Initiative staffing, S&B 1 FTE	50 (\$75K annual, 6 months)
Other backbone expenses	31
2016 Total	\$200

This same budget over a full year would be:

Executive Director Salary & Benefits	\$125
Administrative Assistant, .5 FTE	32
Initiative staffing, 1 FTE	95 (\$75K annual, 6 months)
Other backbone expenses	48
Annual Total	\$300

These are admittedly very rough budgets which will require further discussion, but the point here is to envision a basic approach to year-by-year funding.

2017 & 2018 -- After 2016, a total of \$610K of additional SIM funding would remain. At this point, we would plan to use half of that (\$305K) in 2017 and the same in 2018. Clearly it would be necessary to generate other sources of funding over that period to sustain the effort beyond 2018.