



**Round 19**

**REQUEST FOR PROPOSALS**

**February 2025**

[Laws of Minnesota 2006, Chapter 282, Article 20, Section 21, M.S. 256R.38](https://www.revisor.mn.gov/statutes/cite/256R.38)

**What is PIPP?**

In 2006, the Minnesota Department of Human Services (DHS) launched the Nursing Facility Performance-Based Incentive Payment Program (PIPP). PIPP strives to:

* Support providers as they work to improve quality, increase efficiency, and/or shift resources from institutional to community care.
* Demonstrate how evidence-based practices can improve the quality and efficiency of care.
* Encourage providers to innovate and take risks.
* Foster collaboration and shared learning both within and between organizations.
* Establish a business case for investment in better quality from the perspective of multiple stakeholders – Medicaid, providers, and consumers; and
* Identify the key elements of successful quality improvement efforts, costs and benefits, and how they might be disseminated across the nursing home industry.

All Medicaid certified nursing facilities in Minnesota are invited to submit proposals for contract amendments. Provider-initiated quality improvement projects are selected through a competitive process and funded for up to 5% of the weighted average operating payment rate per year.

Funding available to implement new projects for fiscal year ending June 30, 2026, is equal to approximately $2 million (state share). DHS has authority to negotiate amendments to Alternative Payment System (APS) contracts. This communication constitutes the Department’s request for proposals to amend an APS contract (RFP).

Minnesota has made a major investment in PIPP by supporting 450 individual or collaborative projects with total funding of over $183 million to date. 95% of facilities operating in Minnesota today have had at least one PIPP project.

**A facility may not submit multiple proposals that in total exceed 5% or participate in submissions of multiple collaborative proposals that total more than the maximum 5% rate increase. In addition, facilities with existing contracts for the maximum 5% increase for rate year beginning January 1, 2026, are not eligible to apply.**

**PIPP Highlights**

* **Focus on the description of the problem, the proposed intervention, and selected outcomes.**
* **A detailed budget will no longer be required.**
* **Negotiation of the incentive payment (daily per diem rate add-on) for each project based on baseline performance and project scope and ambition of the improvement goals.**
* **The entire incentive payment will be at risk for achieving negotiated improvement goals.**
* **If improvement goals are not met, prospective rate decreases will be determined on a prorated basis up to 100% depending on progress toward negotiated goals.**
* **Providers have flexibility to carry out their projects, while freeing up DHS to provide improved technical support when needed.**

**Other Tips for Writing a Successful Proposal**

* Proposals should address topics where **facility baseline data supports the topic as a problem area.** Existing collaborative or chain organizations may submit more than one proposal, which splits member facilities into groups that share a common problem area(s).
* If submitting a collaborative proposal, specify how the risk for achieving your quality improvement goal will be structured. For example, will each facility be at risk of achieving their own goals or will there be a shared risk between the participating facilities and the collaborative as a whole meeting specified quality improvement goals.
* Projects that clearly benefit nursing home residents will be given priority. Proposals seeking PIPP funding to address nursing home staffing or services that a facility is already responsible for will be less competitive. For example, a training program for staff to meet new regulatory compliance guidelines is a basic requirement of participation in the Medicaid program.
* Facilities are highly encouraged to choose validated outcome measures such as those on the Minnesota Nursing Home Report Card (<http://nhreportcard.dhs.mn.gov/>). Projects relying on process measures as a means for determining achievement of project goals will be less competitive. For example, a count of employees completing a training program or achieving a certain competency level are considered process measures.
* **An Excel spreadsheet budget is NOT required for proposals**. An example of the budget spreadsheet can be found in the link below.
* Please note: The PIPP program does not support capital improvements.

**Requirements for Your Proposal**

Proposals must be submitted electronically using the **PIPP Fillable Proposal Form (February 2025)**. This is a fillable Word document in a table format allowing for expansion of each section as needed. To access and download the forms and a step-by-step instruction manual, [visit this link HERE.](https://drive.google.com/drive/folders/1jkiFjIjvZk5omjIAYFzAS721cIoXHf3A?usp=sharing)

The fillable form is divided into several required sections. Completion of each section is required. It is critical that you review the instruction manual carefully. The instruction manual provides examples for many of the required sections. These examples are fictitious and only included to assist you in preparing your proposal. The examples are not intended to convey a topic area that would receive priority by the selection committee.

**The completed application form must be submitted to DHS as an email attachment by 11:59 pm on Monday, June 2nd, 2025.** The email address for submission is [DHS.NFRP.CostReport@state.mn.us](mailto:DHS.NFRP.CostReport@state.mn.us).

**How are proposals reviewed?**

DHS Nursing Facility Rates and Policy staff will review all proposals received by the deadline to ensure all required components are included in the proposal. Proposals that do not contain all required sections will not move forward.

DHS will then convene a selection committee to review all proposals that passed Phase I. The selection committee will make recommendations to the commissioner. The selection committee includes staff from DHS and stakeholder representatives. DHS will enter into negotiations with those providers recommended by the selection committee.

In addition to the criteria listed above, the selection committee judges proposals by other standards including:

* Importance – is it clear that the proposal addresses a priority issue? How well does the proposal address PIPP’s goals?
* Evidence-based – proposal draws on clinical or organization evidence, expert opinion, or experience in other settings.
* Objective, measurable, and reliable goals – will it be clear that the goals were met? Does the facility include baseline data to show their need for improvement in the chosen area(s)? Are Nursing Home Report Card measures (<http://nhreportcard.dhs.mn.gov/>) used to measure performance? If non-Report Card measures are proposed, how well do they meet the following criteria:
  + There is evidence for the reliability and validity of the measure based on previous studies or applications.
  + The measure is collected and analyzed by a third party (for instance, the post-acute quality of care measures on Medicare’s Nursing Home Compare website).
  + If not, does the facility/collaborative have the expertise and resources to complete the data collection (and analysis, if necessary)?
* Innovative – priority will be given to new concepts or partnership arrangements, but they should have a strong rationale.
* Broad-based applicability – can the strategy be shared with other facilities? Does the strategy address a common problem?
* Prospective – outcome goals must be prospective, but the strategy can build on past improvement.
* Feasibility – likelihood that the strategy will be successful.
* Collaboration – the collaborative has a clear plan of involvement for each participating entity.
* Sustainability – likelihood the strategies will result in sustainable results after the payment period ends.

**Implementation Schedule:**

PIPP 2025 [YouTube 2025 PIPP Boot Camp Link HERE](https://youtu.be/zKsb8OFS2nA)

**June 2, 2025**  **Proposals due by 11:59 pm**

Attach the completed form to an email and

Send to: [DHS.NFRP.CostReport@state.mn.us](mailto:DHS.NFRP.CostReport@state.mn.us)

June 2025 Review and selection of proposals

July 2025 – October 2025 Negotiate Contracts

January 1, 2026 Incentive payments begin

Nursing facilities participating in PIPP will be required to submit project status information to DHS via online quarterly surveys after the start of the project and continuing until completion of the measurement period for the project. To access and download the forms and a step-by-step instruction manual, [visit this link HERE.](https://drive.google.com/drive/folders/1jkiFjIjvZk5omjIAYFzAS721cIoXHf3A?usp=sharing)

Round 20 will begin on approximately the same annual schedule with the issuance of a Request for Proposals in February 2026.

**For assistance in preparing or review of your proposal, please contact, Kim Class, DHS, via email at** [**kimberly.class@state.mn.us**](mailto:kimberly.class@state.mn.us) **or by phone at (651) 357-8497.**

**For Performance Incentive Payment Calculation questions for your proposal please contact David Hill via email at** [**david.c.hill@state.mn.us**](mailto:david.c.hill@state.mn.us) **or by phone at (651) 775-3445.**