
PROGRAM GUIDE:

xR Health Economic Acceleration and Development (xR HEAD) Program

PROGRAM OVERVIEW

Background

This program will be a first-of-its-kind opportunity for stakeholders in Alberta’s virtual, mixed, and augmented-reality (collectively ‘xR’) health innovation ecosystem to come together in a coordinated way to jointly develop xR innovations that can enhance patient care or support the training of health professionals. These opportunities will be co-identified and co-developed by health innovation stakeholders and will align to Alberta Innovates’ research and innovation priorities (including Data-Enabled Innovation, Digital Technology for Business Transformation, and Innovation Production and Distribution), the Alberta Research and Innovation Framework (ARIF) and will create economic and health system economic value.

Program Details

The xR HEAD Program will catalyze xR innovations by identifying and coordinating sources of innovation, creating a competitive process to vet the innovations and ensure alignment to system priorities, and developing an iterative method of communicating learnings and scaling up successes. The two priority areas for the xR HEAD Program are technologies that will enhance patient care through:

- Training of health professionals or
- Integration with care models.

The xR HEAD Program supports entities and real-world receptor sites (“**Receptor Sites**”) in carrying out the co-development or adoption of xR-based health innovations. Alberta Innovates will contribute up to \$250,000 CAD of funding to support approved Projects over a maximum term of 24 months. Each Project must include innovations with a virtual, augmented, and/or mixed-reality (collectively referred to as ‘xR’) component and be accompanied by a compelling business case demonstrating positive impact for Alberta. Successful Projects will require close collaboration between the entity (“**Entity Applicant**”) and Receptor Site (“**Receptor Site Applicant**”). The partnership between the Entity Applicant and Receptor Site

Applicant must be established prior to applying for xR HEAD. Innovative entities or Receptor Sites who are having difficulty locating a partner are encouraged to contact the xR HEAD Program Manager for advisory support.

Important Dates:

PROGRAM LAUNCH	APPLICATION DEADLINE	APPLICATION ADJUDICATION	AGREEMENT EXECUTION
December 2, 2019	January 31, 2020	February 15, 2020	March 15, 2020

xR HEAD provides a platform of engagement between innovative Entities and Receptor Sites. xR HEAD facilitates the development, adoption, and diffusion of xR-based health innovations.

HOW THE PROGRAM WORKS

Eligibility

Each Project funded through xR HEAD must involve an Entity Applicant and a Receptor Site Applicant.

(a) Entity Applicant Eligibility Criteria – To qualify as an Entity Applicant, an entity must be:

- either a for-profit corporation, an accredited Post-Secondary Institution, a not-for-profit corporation, a registered charity, a public health entity, or a health delivery agent;
- able to demonstrate that the relationship between the Entity Applicant and Receptor Site Applicant does not create a conflict of interest;
- a legal entity with up to date corporate filings*:
 - incorporated in Alberta; or
 - incorporated in another jurisdiction; or
 - a General Partnership, Limited Partnership or Limited Liability Partnership registered in Alberta; or
 - a General Partnership, Limited Partnership or Limited Liability Partnership registered in another jurisdiction; and
- in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies.

**Please note, Alberta Innovates will perform a corporate search and may also seek bankruptcy and litigation searches.*

(b) Receptor Site Applicant Eligibility Criteria – To qualify as a Receptor Site Applicant, the following criteria is required:

- either be either a for-profit corporation, an accredited Post-Secondary Institution, a not-for-profit corporation, a registered charity, a public health entity, or a health delivery agent;

- able to demonstrate that the relationship between the Entity Applicant and Receptor Site Applicant does not create a conflict of interest;
- have a physical presence in Alberta;
- a legal entity with up to date corporate filings*:
 - incorporated in Alberta; or
 - incorporated federally or in another jurisdiction AND extra-provincially registered in Alberta; or
 - a General Partnership, Limited Partnership or Limited Liability Partnership registered in Alberta; or
- in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies.

**Please note, Alberta Innovates will perform a corporate search and may also seek bankruptcy and litigation searches.*

(c) Project Eligibility Criteria

To qualify for funding all Projects must:

- include at least one testable business hypothesis based on evaluation criteria provided by key decision makers;
- present sound methodology that will test the business hypotheses and inform any barriers to adoption;
- include key Project milestones based on metrics and deliverables, stepped with critical “go/no-go” decision points;
- be completed within the 24-month term; and
- submit to other criteria that Alberta Innovates may develop from time to time.

Program Objectives and Performance Measurement

xR HEAD aims to achieve health, social and economic gains for Alberta. The Program provides a platform of engagement between innovative Entities and Receptor Sites. xR HEAD facilitates the development, adoption, or diffusion of market-ready xR-enabled health innovations. Specifically, xR HEAD seeks to:

- (i) Build a platform where stakeholders in Alberta’s xR healthcare ecosystem can come together in a coordinated way to jointly identify needs and test and implement solutions. This includes providing advisory and “match-making” support for Entities seeking engagement and input with healthcare delivery professionals and patients, as well as to link Entities into the business advisory services provided by our [Technology Development Advisors](#) Program and [Regional Innovation Network](#) partners.
- (ii) Support the accelerated testing and evaluation of xR-based innovations through real-world Projects that can generate the evidence necessary to inform innovation adoption.
- (iii) Promote the entry and diffusion of made-in-Alberta health innovations into local and global markets to boost success of health-based xR entities.

- (iv) Cultivate a high performing R&I ecosystem by contributing to a diversified economy and enhancing the health of Albertans.

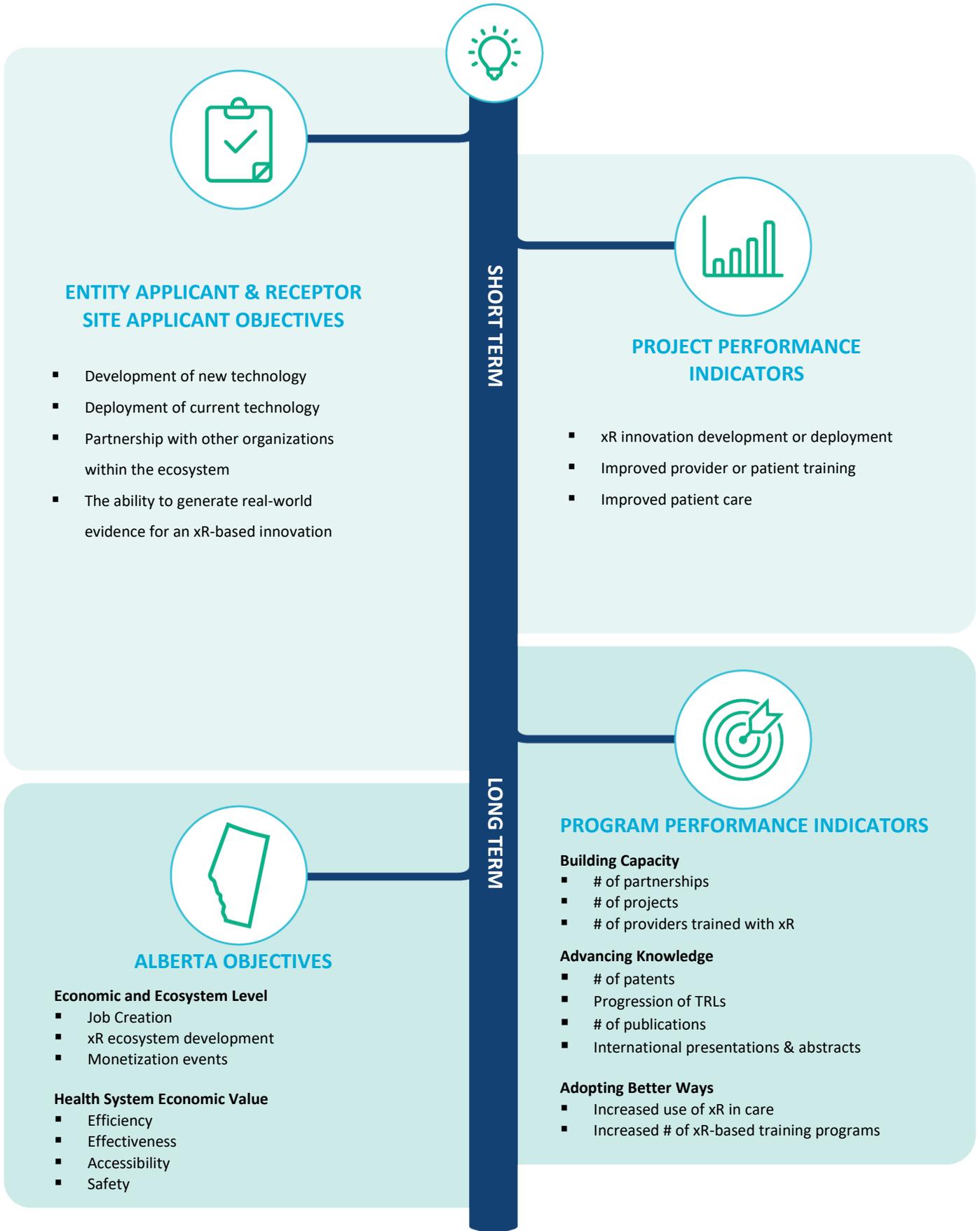
Over the life of a Project, Alberta Innovates employs an active project management philosophy, regularly monitoring performance and supporting the Entity Applicant and Receptor Site Applicant to reach their objectives. Funding is tied to outcomes and achievement of results. For this reason, Alberta Innovates funds on a milestone completion basis. This means the Entity Applicant and Receptor Site Applicant are expected to submit a Progress Report before Alberta Innovates advances the next tranche of funds.

Once Projects are completed, Alberta Innovates continues to monitor performance for five (5) years to accurately evaluate the economic, social and environmental benefits realized for the province.

All Investment Agreements outline performance indicators tracked over the course of the Project and the responsibilities of the Entity Applicant and Receptor Site Applicant to report on outcomes subsequent to completion of the Project. Alberta Innovates has a common set of performance metrics it monitors, both at the individual Project level and for the aggregate Program.



Objectives and Performance Metrics



ENTITY APPLICANT & RECEPTOR SITE APPLICANT OBJECTIVES

- Development of new technology
- Deployment of current technology
- Partnership with other organizations within the ecosystem
- The ability to generate real-world evidence for an xR-based innovation

SHORT TERM

PROJECT PERFORMANCE INDICATORS

- xR innovation development or deployment
- Improved provider or patient training
- Improved patient care

LONG TERM

ALBERTA OBJECTIVES

Economic and Ecosystem Level

- Job Creation
- xR ecosystem development
- Monetization events

Health System Economic Value

- Efficiency
- Effectiveness
- Accessibility
- Safety

PROGRAM PERFORMANCE INDICATORS

Building Capacity

- # of partnerships
- # of projects
- # of providers trained with xR

Advancing Knowledge

- # of patents
- Progression of TRLs
- # of publications
- International presentations & abstracts

Adopting Better Ways

- Increased use of xR in care
- Increased # of xR-based training programs

How Funding Works

(a) Project Funding

Alberta Innovates' Investment for successful Projects within xR HEAD will be a maximum of \$250,000 per Project. The funds are provided to cover Eligible Expenses only. A minimum of 25% of total eligible Project Costs must be provided by either the Entity Applicant or the Receptor Site Applicant as cash or in-kind contributions. Cash contributions may not be made using funds from other Provincial (Alberta) funding.

Disbursement of Alberta Innovates' Investment is determined on a case by case basis depending on the risks and needs of each successful Project, but funds will only be disbursed upon approval of required Progress and Final Reports.

(b) In-Kind Contributions

In-kind Contributions are defined as the non-cash provision of goods or services by either the Entity Applicant or Receptor Site Applicant valued in monetary terms according to rules agreed upon beforehand by all parties, and within the purview of generally accepted accounting principles. The value placed on In-kind Contributions may not exceed the fair market value of the product or service.

In-kind Contributions may include provision of any products or services deemed to be Eligible Expenses as outlined in the next section. They are regarded as necessary to carry out the tasks and achieve the goals and milestones of the Project as put forward in the Project methodology. These costs would have to be paid for if they were not provided by either party. In-kind resources will only be recognized as an Eligible Contribution where the costs incurred are directly attributable to the Project and easily auditable.

Alberta Innovates will contribute up to \$250,000 CAD (to a maximum of 75% the total eligible Project Costs) to support approved Projects over a maximum term of 24 months.

(c) Eligible and ineligible expenses

Alberta Innovates only funds reasonable costs incurred, subsequent to a signed Investment Agreement between Alberta Innovates, the Entity Applicant and the Receptor Site Applicant. Any costs incurred prior to the signing of the Investment Agreement, or costs greater than market prices are deemed ineligible. Costs must be incurred between arm's length entities.

The chart on the next page provides a high-level summary of eligible and ineligible expenses.

Summary of Eligible and Ineligible Expenses

Category	Eligible Expenses	Ineligible Expenses
Salaries and Benefits	<ul style="list-style-type: none"> ✓ Salary and benefits for staff, students or contractors who are specifically working on the Project 	<ul style="list-style-type: none"> ✗ Salary, consulting fees or honoraria support for physicians, academic faculty members or company executives/senior management involved ✗ Salary and costs of administrative and/or indirect support staff ✗ Salary and costs associated with proposal development
Travel (up to 5% of Total Project Costs)	<ul style="list-style-type: none"> ✓ Project specific out-of-pocket travel expenses for work at the test-site that is directly associated with the Project ✓ Other reasonable out of pocket expenses for field work and dissemination activities 	<ul style="list-style-type: none"> ✗ Costs to cover conference fees, travel, hotels and food to attend events or meetings unrelated to Project ✗ Entertainment expenses, gifts, awards and alcoholic beverages ✗ Reimbursement for airfare purchased with personal frequent flyer point programs ✗ Commuting costs between residence and place of employment
Equipment, Materials and Supplies	<ul style="list-style-type: none"> ✓ Cost of equipment, materials and supplies needed to support Project if they are not already provided by the Entity Applicant or Receptor Site Applicant 	<ul style="list-style-type: none"> ✗ Cost or rental equivalents exceeding accepted values had the equipment been donated or sold ✗ Development costs incurred prior to the start of the Project ✗ Depreciation costs associated with equipment donated to the Project
Software, New Technologies and Databases	<ul style="list-style-type: none"> ✓ Costs of purchasing licenses needed for the Project, if not already provided by the Entity Applicant or Receptor Site Applicant ✓ Costs of collecting, de-identifying and archiving data that is critical to the success of the Project and remains in the public domain. ✓ Development cost of new technologies related to the Project 	<ul style="list-style-type: none"> ✗ Cost of new software and technologies that go outside the scope and/or duration of the Project

Category**Eligible Expenses****Ineligible Expenses**

Use of Facilities

- ✓ Meeting rooms, space or facilities for which a fee is charged by the Receptor Site Applicant, Entity Applicant or sub-contractor
- ✓ Rental costs for specialized equipment needed

- ✗ Indirect or overhead costs associated with facilities (utilities, repair of office furniture, admin fees, insurance, telephones, etc.) that do not contribute directly to the Project
- ✗ Revenues that are forgone by the contributor because of participation in the Project and related programs

Other Expenditures

- ✓ Other expenditures which are directly associated with meeting the deliverables and milestones in the Project

- ✗ Other expenditures which are not directly associated with meeting the deliverables and milestones set out in the Project
 - ✗ Other expenditures which are incurred well outside the scope and/or duration of the Project
 - ✗ Indirect or overhead costs of any kind
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HOW TO APPLY



STEP 1

Sourcing Partnership

December 2nd, 2019– January 31st, 2020. Entities and Receptor Sites partner and jointly identify needs, priorities, capabilities, and strategic aims related to a potential Project.

Idea generation, problem clarification, and Project co-design will then lead into a full Application.



STEP 2

Application

Application Deadline: January 31st, 2020

Applications will be reviewed by third party subject matter experts in February 2020.

Alberta Innovates will then make funding decisions, including funding amount, term, and conditions.



STEP 3

Project Management

Projects will be implemented and jointly managed throughout their course (April 2020 – March 2022).

To ensure that innovations do not end when the Project ends, successes and learnings can be spread to other sites, organizations and jurisdictions.

EVALUATION PROCESS

During the different phases of the Program, Alberta Innovates leverages internal staff and external expert reviewers to evaluate the Applications submitted. Alberta Innovates evaluates promising projects based on criteria related to the innovation opportunity, Project implementation, business readiness, and potential for Alberta impact.

Alberta Innovates retains the sole right to determine the evaluation process and does not disclose the names of its external reviewers to ensure their objectivity and impartiality. All external parties are subject to both confidentiality and conflict of interest policies set by Alberta Innovates.

An Applicant whose Application is declined by Alberta Innovates may, on a one-time basis, re-apply to Alberta Innovates to address and correct any deficiencies or issues. Where a shareholder of an Entity owns 51% of any other Entity, as indicated by the corporate search, the Entities will be considered one in the case of a re-application where the Project or technology is the same.

The assessment criteria for xR HEAD and all investment decisions are at the sole discretion of Alberta Innovates.

TERMS AND CONDITIONS

This Program Guide is intended as a high-level overview of the Program. It provides interested applicants with a roadmap of what to expect over the lifecycle of an xR HEAD Project, from the announcement of the program, through the Application stage, during the Project and post-completion. Should you have any questions about this guide or what is expected, please contact Alberta Innovates. Please be aware Alberta Innovates may modify this guide from time to time in keeping with any changes to the program.

Alberta Innovates will only correspond in writing and provide copies of the Application to the persons named in the application form as the one authorized to speak for the Entity Applicant and Receptor Site Applicant respectively.

Once we have evaluated and approved an Application for funding, Alberta Innovates will require both the Entity Applicant and Receptor Site Applicant to sign our standard form Investment Agreement. The Investment Agreement sets out in detail the roles, responsibilities and obligations of the various Parties to ensure a successful Project. Alberta Innovates will not provide any funding until the Investment Agreement has been signed by all Parties.

Alberta Innovates will only fund Applicants who have satisfied all eligibility criteria. Meeting the eligibility criteria does not guarantee access to funding, and all funding decisions will be made by Alberta Innovates at its sole discretion.

DIVERSITY, EQUITY, AND INCLUSION (DEI)

We believe the Alberta research and innovation (R&I) ecosystem is stronger and more sustainable when it is broadly reflective of the overall diversity of our community. Alberta Innovates strives to ensure all interested and qualified parties have an equitable opportunity to participate and contribute.

Historically, there have been a number of groups/populations that have been under-represented in the Alberta R&I landscape including:

- Women entrepreneurs/researchers;
- Indigenous entrepreneurs/researchers;
- Remote/small community entrepreneurs/researchers; and
- New immigrant entrepreneurs/researchers.

We are guided by the principles of:

- Diversity – both internal and external participants to our processes are comprised of a varied composition of demographics;
- Equity – our processes support equal access across all demographics; and
- Inclusivity – our processes proactively work to include underrepresented segments of the R&I landscape.

Accordingly, as part of its commitment to Diversity, Equity and Inclusion (DEI), Alberta Innovates will request Applicants' permission to:

- Collect data in the Application on a voluntary basis to better understand diversity;
- Provide Application navigation support to Applicants from under-represented groups; and
- Integrate a DEI focus into its due diligence processes including striving to have diverse review committees to foster unbiased decision making.

CONTACT INFORMATION

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