

The Center for Consumer Information & Insurance Oversight

Territory Cooperative Agreements for the Affordable Care Act's Exchanges

EXTERNAL Q&A

February 15, 2011

Application Process

1.Q: What are Territory Cooperative Agreements for the Affordable Care Act's Exchanges?

A: The Affordable Care Act authorizes Planning and Establishment Cooperative agreements to help States and Territories establish health insurance Exchanges. On January 20, 2011, HHS issued a cooperative agreement solicitation (also referred to as a Funding Opportunity Announcement, or FOA) publicizing the availability of the first round of funding for these cooperative agreements - up to \$1 million for each Territory. Although Exchanges are not required to be operational until 2014, work is already underway to conduct implementation activities. These cooperative agreements will give Territories the resources to begin the early implementation activities needed to build a better health insurance marketplace and lay the groundwork for an operational Exchange. Territories can use these funds for a variety of Exchange implementation activities including, but not limited to:

- Assessing current information technology (IT) systems and determining any Exchange IT needs;
 - Implementing consumer call centers to answer Exchange questions from their residents;
 - Developing partnerships with community organizations to gain public input into the Exchange process.
- For more information, including a link to the FOA, go to <http://www.grants.gov> and search for CFDA 93.525.

2.Q: When are Territory Cooperative Agreement applications due?

A: Applications must be filed by February 22, 2011.

3.Q: How will we know if our application has been received by the Center for Consumer Information and Insurance Oversight (CCIIO)?

A: After submitting their application materials online through Grants.gov, applicants will receive two emails: 1) confirming receipt of the application by Grants.gov, and 2) confirming that the application has been validated. Applicants can also check the status of their application on Grants.gov.

4.Q: How do I download the application? What do I do if I encounter problems with this process?

A: You can access the electronic application for this project on <http://www.grants.gov>. You must search the downloadable application page by the CFDA number 93.525.

On the Grants.gov website, you will find information about submitting an application electronically through the site, including the hours of operation. CCIIO strongly recommends that you do not wait until the application due date to begin the application process through <http://www.grants.gov>.

Please see page 10 of the FOA for additional information.

5.Q: What if a Territory has an ongoing issue with obtaining the Central Contractor Registry (CCR) number or the correct Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number?

A: If a Territory has ongoing issues with obtaining a CCR or DUNS number, it must receive a case number from the respective system. The Territory should then inform CCIIO of the delay and provide the case number.

6.Q: How do we fill out the mandatory document "Disclosure of Lobbying Activities" if we do not have any lobbying activities to disclose?

A: The Lobbying Form has yellow fields that applicants must complete. If the applicant does not engage in Lobbying activities it can respond to the Section Fields #4, #6, and #11 and respond with an N/A for Section Fields 10a & 10b.

7.Q: Should the documents that are submitted as attachments to the cooperative agreement application be in PDF or Word format?

A: <http://www.grants.gov> and CCIIO will accept Word or PDF attachments. However, if an applicant submits an attachment in Word and receive an error message regarding the attachment, the applicant should convert the Word attachment into a PDF attachment and then resubmit the application.

Note: <http://www.grants.gov> requires each attached file to have a unique file name.

8.Q: Can you describe the method by which funds will be disbursed to the Territories if a cooperative agreement application is approved?

A: Cooperative agreement funds are disbursed on an ongoing basis to the Territory upon receipt and approval of a payment request. More detailed instructions for submitting payment requests and the process of approval will be provided in the award letter and the cooperative agreement terms and conditions.

9.Q: Who is the point of contact for questions related to these cooperative agreements?

A: For cooperative agreement-related (i.e., business issues, how to submit the cooperative agreement, budget questions) questions about the cooperative agreement announcement, please contact:

Michelle Feagins
Office of Consumer Information and Insurance Oversight
Department of Health and Human Services
(301) 492-4312
Michelle.Feagins@hhs.gov

For Program Requirement questions, please contact:

Katherine Harkins

Office of Consumer Information and Insurance Oversight
Department of Health and Human Services

(301) 492-4445
Katherine.Harkins@hhs.gov

10. Q: Is US Mail the only the only way the awardees will be notified of their cooperative agreement awards?

A: At this time, we also plan to email the notice of cooperative agreement award to successful applicants.

11.1. Q: Will HHS provide any guidance or assistance on completing the application process?

A: CCIIO held a pre-application conference call for potential applicants on Wednesday, January 26, 2011 at 4:30 PM EST. The conference provided an overview of this project guidance and include an opportunity for Territories to ask questions. The toll-free number is 800-779-5194. Callers from American Samoa and the Northern Mariana Islands should use 1-630-395-0068. The participant passcode is 2909328. A recording and transcript of the call are available on HHS's website. The pre-application call information is available in the FOA.

Application Content

12.2. Q: Page 7 of the FOA indicates that the governor must designate a Territorial entity as the cooperative agreement applicant. What is a "Territorial entity"?

A: Territories are the only eligible applicants for this cooperative agreement solicitation. A Territorial entity is either a Territorial agency, such as the Territorial Medicaid agency or Department of Insurance, or an independent Territorial agency. Non-profits and other nongovernmental corporate entities are not eligible to apply for these cooperative agreements.

Territories may choose to subcontract the cooperative agreement's implementation activities to a non-profit entity, but the Territory is the party ultimately responsible for compliance with the terms and conditions of the cooperative agreement. If a Territory engages one or more subcontractors, it must provide CCIIO with the letter or letters of agreement describing these relationships and each contractor's scope of work. Please see page 19 of the FOA for information on this requirement.

13.3. Q: Page 13 of the FOA list a variety of topics that must be addressed in the project narrative section of the cooperative agreement application. Each topic description contains a list of items that may be addressed by the applicant. Does CCIIO want subheadings for each of the project narrative items, or does each item need to be in a separate section?

A: CCIIO is not requiring subheadings or separate sections for each of the topics listed in the project narratives. The items included in the project narrative topic descriptions are merely examples designed to illustrate what we are looking for in this section of the application; not every item listed in the topic description must be addressed in the application. Sections and subheadings should be used in a manner that would aid the reader.

Page 20 of the FOA provides information on review criteria for this award, including how much each section will be weighted during the review process.

14.4. Q: Page 23 of the FOA indicates that consumers and other stakeholders must have meaningful involvement in the implementation, and evaluation of the project. The timeline for this cooperative agreement may make it difficult to engage stakeholders. How does a Territory address that in its cooperative agreement application?

A: You must describe how you will engage stakeholders in your application. We believe the activities funded by these cooperative agreements will occur over a significant period of time that is sufficient to ensure an opportunity for stakeholders to have meaningful input.

15.5. Q: Page 23 of the FOA indicates that all cooperative agreement budgets must include some funding to facilitate participation on the part of individuals who have a disability or long-term illness and

their families. What should costs associated with these accommodations be treated?

A: This section, Administrative and National Policy Requirements, notes that if under this cooperative agreement a Territory conducts any consultations with stakeholders, it must ensure that it facilitates the participation of individuals with disabilities. You do not need to itemize these costs specifically, but Territories should ensure that they budget for costs of that type.

16.6. Q: As part of the application, the Territory is required to submit a Project Site Location Form (OMB No. 4040-0010). Is this form only for Territories that use a subcontractor for the cooperative agreement activities?

A: No. This is a required form from the Office of Management and Budget. The Territory must designate the location of the applicant Territorial entity. If a Territory is contracting any cooperative agreement activities out to another entity, the Project Site Location Form should nevertheless specify the Territorial applicant's address.

17.7. Q: Can you provide additional information about the Federal requirements outlined in the finance section of the Project Narrative requirements?

A: The Project Narrative should address how the Territory will ensure the financial integrity of the Exchange that it is implementing. With respect to the financial integrity of the Exchange, Territories should plan for how their Exchanges will meet the requirements set forth in Section 1313 of the Affordable Care Act. Territories should plan for how they will use funds and track expenditures. We refer you to requirements in Section 1313 of the Affordable Care Act including annual audits of Exchanges and requirements on preventing fraud and abuse. We want your proposal to include your progress on how you plan to meet these requirements.

18.8. Q: If some Territories do not submit proposals for Territory Cooperative Agreements, could Territories that need more funding for Exchange implementation activities submit a larger budget?

A: No. Each Territory may receive up to \$1 million as a result of this cooperative agreement solicitation. We will work with the Territories so they can apply for future opportunities for additional funding.

19.9. Q: If a Territory does not have an approved agreement for indirect costs, may it use an estimated rate and then submit a Change in Scope later on?

A: No. A Territory must establish an indirect cost rate within the appropriate office or agency before it includes an indirect cost rate in the proposal. If a Territory does not have a rate by the time it needs to submit its proposal, the Territory may request to change its proposal to include the indirect rate that is subsequently established.

20.0. Q. Item 2 of the Attestation discusses eligibility for Federal funding under Section 1311(a). Does this refer to State planning and establishment grant funds, or the funds dedicated for the Territories in Section 1323?

A. Item 2 of the Attestation refers to the grant funds to plan for and establish an Exchange as announced in this FOA No. IE-HBE-11-003, Territory Cooperative Agreements for the Affordable Care Act's Exchanges.

21.1. Q. Can you clarify Item 4 on the Health Insurance Exchange Territory Attestation Election to Establish an Exchange Consistent with Federal Requirements?

A. Item 4 of the Attestation should read:

The Territory acknowledges that if an election is received by the Secretary of the Department of Health and Human Services on or before October 1, 2013, pursuant to Section 1323(b), the Territory

shall not be entitled to apply funds provided for premium and cost sharing assistance in its Exchanges to the Territory's Medicaid program.

Successful applicants will be required to sign this updated version of the attestation as part of the Terms and Conditions of their Notice of Grant Award.

Use of Funds

22.2. Q: Is it permissible to use the cooperative agreement funds for Territorial travel costs to Federally-sponsored meetings related to the cooperative agreements?

A: Yes, the cooperative agreement funds can be used for Territorial travel costs to Federally-sponsored meetings related to the cooperative agreements. To the extent possible, these costs are to be outlined in the budget narrative. Applicable OMB cost principles will be followed in determining the reasonableness, allowability and allocability of costs

23.3. Q: If a Territory is using existing staff to work in new positions on Exchange activities, can it use cooperative agreement funds to pay for the existing staff?

A: Yes. Cooperative agreement funds may be used to pay compensation to existing staff for that portion of their time spend working on activities related to the establishment of an Exchange, regardless of whether the staff was previously assigned to other duties or another position. It is acceptable that the staff for the Exchange activities is obtained through other offices. Cooperative agreement funds may not be used to fund positions for personnel who will not be working on activities related to the establishment of an Exchange.

24.4. Q: May these cooperative agreement funds be used primarily to hire personnel?

A: These cooperative agreement funds must be used for activities related to implementation of Exchanges. The proportion of cooperative agreement funds used to hire or contract with personnel for these activities will depend on the needs of the cooperative agreement applicant.

25.5. Q: Where will funding come from for Exchange IT functions?

A: We anticipate future funding opportunities to be made available to the successful awardees under this FOA; funding from such future awards might be used to fund IT system changes for the Exchange side of eligibility and enrollment operations. Only Medicaid funds should be used to fund Medicaid-specific systems changes.

26.6. Q: When can Territories draw down the Exchange cooperative agreement funds?

A: The cooperative agreement cycle starts on March 22, 2011 and ends after one year. Territories have up to 12 months to draw down funding from this cooperative agreement cycle.

27.7. Q: May a Territory spend cooperative agreement funds from this cooperative agreement cycle after March 22, 2012?

A: If a Territory wants a no-cost extension, it can seek prior approval from CCIIO for the extension.

Subcontracts

28.8. Q: The FOA requires applicants to provide documents confirming actual or pending agreements with subcontractors. How does a Territory identify subcontractors in its proposal if it doesn't know who it will be subcontracting with due to Territorial procurement requirements?

A: If a Territory cannot name specific subcontractors, it should indicate this in the proposal and identify the tasks a subcontractor may perform.

29.9. Q: Can a Territory contract out a majority of the work associated with the cooperative agreement?

A: Yes. The Territory remains responsible for ensuring that all subcontractors are selected in accordance with 42. C.F.R. § 92.36 and that entities awarded such contracts comply with the terms and conditions of the cooperative agreement.

Recipients of Cooperative Agreement must submit to HHS the required information establishing a third-party contract to perform program activities **(see Required Information for Contract Approval in Attachments E, F and G in the FOA)**.

1. Name of Contractor;
2. Method of Selection
3. Period of Performance;
4. Scope of Work;
5. Method of Accountability; and
6. Itemized Budget and Justification.

If the above information is unknown for any contractor at the time the application is submitted, the information may be submitted at a later date as a revision to the budget.

Post-Award Activities

30.0. Q: May a Territory change the principal investigator on the cooperative agreement?

A: A cooperative agreement awardee may request changes to its proposal to a cooperative agreement award. If an awardee would like to make a substantive amendment to its cooperative agreement award after the project year has begun, that change will be considered a Change in Scope and must be approved by CCIIO.

A request for approval of the Change of Scope must be submitted to the Program Official. Only after the Change of Scope is approved by CCIIO and the cooperative agreement awardee receives a written response, can the awardee alter the award.

A change of principal investigator is a substantive change; a Territory will have to seek prior approval from CCIIO before instituting any such change.

31.1. Q: After the Territories have been awarded funding and conduct their Exchange implementation activities, does CCIIO have plans to share best practices?

A: We anticipate convening Territories for this purpose, and will announce such plans when they are finalized.

32.2. Q: If a Territory applies for funding under this solicitation and does not establish an Exchange, is the Territory required to repay any grant funds?

A. Yes. In order for a Territory to be eligible for Exchange establishment funding under Section 1311 of the Affordable Care Act, the Territory must submit a signed attestation along with its application for this funding opportunity, stating its intention to establish an Exchange.

If, after that attestation, the Territory ultimately does not establish an Exchange, it voids its previous eligibility for Section 1311 funds. The Territory is then responsible for repaying any money it had drawn down under this cooperative agreement.