

**CHILDREN'S HEALTH INSURANCE PROGRAM**

**REAUTHORIZATION ACT (CHIPRA)**

**QUALITY DEMONSTRATION GRANTS**

**HHS-2010-CMS-CHIPRA-0002**

*Electronic Application due: 1/8/2010*

**QUESTIONS AND ANSWERS**

*(Second Set – Questions 51-82)*

*December 10, 2009*

Section 401(d) of the Children's Health Insurance Program Reauthorization Act (CHIPRA) directs the Secretary of the Department of Health and Human Services to award and evaluate to 10 demonstration grants to States to test promising ideas for improving the of children's health care provided under the Medicaid and CHIP programs.

Below is a series of questions about this grant program and CMS responses. If you have a question that does not appear on this listing, please submit it via e-mail to CMS via our dedicated resource box, [CHIPRAQualityGrants@cms.hhs.gov](mailto:CHIPRAQualityGrants@cms.hhs.gov). Rather than respond to each e-mail directly, we will use this website to periodically post answers to new questions.

**ALLOCATION OF GRANT FUNDS:**

**Question 51 - Can the Medicaid or CHIP agency in a State receiving a quality demonstration grant allocate funds to other agencies in that State?**

*Answer – Yes.* If the Medicaid or CHIP agency in a grantee State has a Memorandum of Agreement with another component(s) of State government, then that agency would have the financial authority to transfer funds awarded under the grant. As part of the application, the State Medicaid or CHIP agency should clearly indicate in the budget which other State government components are receiving funds under the grant, for what purposes, and how much each is receiving. Payments for activities related to the grants must not duplicate payments that have been, or should have been, made through another State or Federal program.

**APPLICATION PROCESS**

**Question 52 - In a multi-State proposal, is each State expected to designate a lead staff member or project director?**

*Answer – Yes.* To ensure effective grant implementation and oversight, each participating State in a multi-State grant is expected to designate a project director. The State that submits the grant application and is the lead State must have a project director who maintains overall responsibility for the grant program and coordinates all activities with and among the other States in the multi-State grant. In addition, each partner State is expected to have a formal project director to

coordinate the various activities of the grant in his or her State and to collaborate and cooperate with the overall project director for the lead State to achieve the specific goals of the grant.

**Question 53 - Can a national organization support more than one application?**

*Answer* – Yes. A national organization can support more than one application.

**Question 54 - Does CMS encourage multi-State partnerships where States with less capacity in areas such as quality improvement infrastructure and HIT can partner with more advanced States as part of a learning network?**

*Answer* –Nothing in the solicitation precludes such an arrangement.

**Question 55 – If a State is in the process of submitting an application for a grant from another Federal agency, is that State also permitted to submit an application for a CHIPRA quality demonstration grant?**

*Answer* – Yes. A State is not prohibited from submitting an application for a CHIPRA grant if it is in the process of submitting an application for another Federal grant program. However, the purpose, activities, and funding of these grants may not overlap. The Federal government cannot pay for costs related to the same activity under multiple grant programs.

**Question 56 - If a State submits an application that deviates in some aspects from the grant requirements addressed in the solicitation and Questions and Answers, will CMS consider that proposal for funding?**

*Answer* - The CMS expects applications to follow the parameters established in the grant solicitation and Questions and Answers. All applications will be reviewed by panels of subject matter experts and scored based on the extent to which they meet grant criteria and their merit relative to other applications. Any State submitting an application that deviates in any way from the guidance issued by CMS should provide a clear rationale.

**Question 57 - How should a prospective applicant download the grant application packet for completion and submission?**

*Answer* - Applicants can download the application packet via the [www.grants.gov](http://www.grants.gov) website by entering the funding opportunity number, HHS-2010-CMS-CHIPRA-0002.

**Question 58 - Must each State partnering in a multi-State, multi-category application address all of the proposed categories that application proposes to address?**

*Answer* - Nothing in the solicitation requires all partnering States to engage in all categories addressed by the application. However, CMS encourages collaboration among partnering States and across grant categories. The CMS expects the lead State to articulate how the various

components and State roles described in the application will be integrated to realize the proposed concept and achieve CMS objectives, as specified in the solicitation.

## APPLICATION SECTION CONTENT

### GENERAL

**Question 59 - Are the page limits indicated in the solicitation applicable to both single State applicants and multi-State collaboratives, or should the page limits be multiplied by the number of States in a multi-state collaboratives?**

*Answer* - The total and section page limits specified in the solicitation are applicable regardless of whether the application is submitted for a single-State demonstration or by an individual State on behalf of a multi-State collaborative.

### APPENDICES

**Question 60 - Because each application can have no more than 19 pages of appendices, can the applicant link to other supporting documents on the web?**

*Answer* – The CMS will not require reviewers to examine supplemental information that is not included within the 100 page application limit for this grant.

### BUDGET

**Question 61 - How much flexibility does a State have in allocating requested funds among various grant categories?**

*Answer* - As indicated on page 47 of the solicitation, the Budget Presentation must include a yearly breakdown of costs for each grant category. The Budget Narrative should explain the basis for the relative amounts requested under each category.

**Question 62 - The guidelines indicate that monies can be rolled over from year to year. Can a State develop its budget with that in mind?**

*Answer* - As page 2 of the solicitation indicates, “any unused funds may roll over for use in the next [fiscal year].” Applicants may consider this flexibility allowed by the solicitation in developing their grant budgets.

### CATEGORY B (HIT)

**Question 63 - One of the restrictions of the grant is that no money can be used to supplant existing State, local, or private funding of infrastructure or services. Would connecting two existing health data exchanges be considered supplanting?**

Answer - Supplanting of funds occurs when a State, local, or other source already committed to funding the initiation, continuation, or expansion of activity is replaced by Federal grant funds without the expansion of current activity or initiation of new activity. To the extent that State, local, or other sources have not committed funding to support the connection of health data exchanges, CHIPRA quality demonstration grants could be used for this purpose.

#### CATEGORY C (Provider-Based Models)

#### **Question 64 - How does CMS define the terms, care coordination and case management, referenced in the solicitation under the discussion of Category C?**

*Answer* - Care coordination can be furnished as either a service or as an administration activity. The CMS considers care coordination to be a component of a service that involves communication among multiple health care providers serving the same beneficiary in order to optimize access and outcomes for the beneficiary and promote efficiency in service delivery. Care coordination can also be claimed as an administrative activity when furnished by State staff or contractor personnel.

Case management is a discrete Medicaid service whose scope is broader than care coordination. Case management is covered by Medicaid as targeted case management, which includes four components (i.e., assessment, development of a plan of care, referral for needed services, monitoring and followup) that address medical, educational, social, and other beneficiary needs.

For Section 1915(c) waivers, case management may be provided as a service defined and approved in a State's waiver document or, as indicated above, through the State's targeted case management benefit. For 1915(c) waiver-related activities, States may also elect to cover these functions as administrative activities when furnished by State staff or contractor personnel.

States may also elect to cover case management as State plan benefit under Section 1915(i), Home and Community Based Services as a State Plan Option.

#### **Question 65 - Can States use grant funds awarded under Category C to pay providers for care coordination and case management?**

*Answer* - In the solicitation, CMS indicates that CHIPRA quality demonstration grants are intended to be used to develop, implement, and evaluate innovative models in the various categories, rather than to pay for direct services. Grant funds cannot be used to pay for case management, which CMS considers to constitute a separate service, nor for care coordination when furnished as a component of another service or as HCBS waiver case management. Grant funds can be used for care coordination when furnished as an administrative activity.

#### **Question 66 - Does CMS make a distinction between billable Medicaid services and services which are not billable under Medicaid when it States in the grant solicitation that "grant funds may not be used to furnish direct services to Medicaid service recipients"?**

*Answer* - This grant opportunity prohibits the use of grant funds to pay for direct services. It does not distinguish between direct services currently covered under a State's Medicaid plan and services that are not currently covered.

**Question 67 - Can demonstration grant funds be used pay for services furnished by or through State agencies other than the Medicaid and CHIP agencies?**

*Answer* - This grant opportunity prohibits the use of grant funds to pay for direct services. It does not provide an exception in the case of services provided by or through another State agency.

**Question 68 - How can a State Medicaid agency receiving a CHIPRA quality demonstration grant obtain Federal funds for providing services furnished through the demonstration?**

*Answer* - Grantee States may claim Federal matching funds for covered services furnished to eligible beneficiaries by participating providers at the usual Federal Medical Assistance Percentage rates.

CATEGORY D (Pediatric Model EHR)

**Question 69 - Can CHIPRA quality demonstration grants funds be used to defray some of the provider fees associated with the Regional Extension Centers for HIT's technical assistance services in our State?**

*Answer* - CMS acknowledges that the broad authority under CHIPRA preceded the enactment of the American Recovery and Reinvestment Act (ARRA)/Health Information Technology for Economic and Clinical Health Act (HITECH) legislation. However, as part of the competitive grant process, CMS will give greater emphasis in evaluating applications to proposals that advance our knowledge and focus on testing and evaluation, rather than duplication of efforts already supported under the HITECH funding. Regional Extension Centers may play a role in what is proposed by a State. However, CMS does not intend to fund applications that duplicate the scope of work already identified under their grants from the Office of the National Coordinator for HIT.

**Question 70 - Can CHIPRA Quality Demonstration grants funds be used to subsidize any of the EHR acquisition or implementation costs for Medicaid pediatric practices that are ineligible for EHR incentive payments because of insufficient Medicaid patient volume?**

*Answer* – The CMS acknowledges that the broad authority under CHIPRA preceded the enactment of the ARRA HITECH legislation. However, as part of the competitive grant process, CMS will give greater emphasis in evaluating applications to proposals that advance our knowledge and focus on testing and evaluation, rather than acquisition of EHRs-which is already significantly addressed under the HITECH funding. In addition, there are HIT tools other than EHRs that CMS would like to see explored in order to accelerate its knowledge about the potential impact of HIT on pediatric health care. CMS will focus on proposals that clearly demonstrate an attempt to add value beyond what is identified in our proposed meaningful use criteria for pediatric providers.

**Question 71 - What level of detail is expected in terms of implementation plans?**

*Answer* - As stated on page 46 of the solicitation, the application only requires a draft Operational Plan. The draft plan must address four areas: implementation plan, management plan, monitoring, and data collection. In addition, if a State decides to conduct an independent evaluation, that State's independent evaluation plan must also be included. The State's independent evaluation cannot duplicate any evaluation activities that will be conducted by the national evaluator (as described in the solicitation). The purpose of the draft Operational Plan is to enable CMS to determine what key activities will happen at what points in time and to give CMS enough detail for reviewers to be able to ascertain the robustness of the design and the State's capacity to implement the proposed demonstration.

MULTIPLE CATEGORIES

**Question 72 - Regarding writing up the proposal, an applicant is permitted 10 double-spaced pages per category. If an application addresses 3 categories, should each category be discussed separately in 10-page pieces, or could the 3 categories be discussed in an integrated fashion in 30 pages?**

*Answer* - Each category should be addressed separately in order to facilitate the review of the narrative against the scoring criteria specified for each category on pages 60-62 of the solicitation.

AWARD PROCESS

**Question 73 - If a State participates in more than one grant application and both/all are selected for award, who will make the decision regarding which demonstration the State is allowed to participate in, so as to avoid a State receiving funds under more than one grant?**

*Answer* - A State may not receive funding under more than one grant award. The CMS will make the decision regarding which application, if any, that includes a particular State receives a grant award, using the criteria described in the answer to question 26.

**Question 74 - On page 48, the solicitation indicates that CMS anticipates "that the average annual grant award will range from \$1 million to \$3 million." Do these estimated award amounts apply to each category or each grant?**

*Answer* - These estimates refer to the total amount CMS anticipates awarding annually under each grant.

**Question 75 - On page 49, the solicitation indicates that CMS expects "that grant awards will range from \$500,000 to \$5 million per grant category." Do these figures apply to individual grants or to all grants combined? Do they apply regardless of whether the application is submitted by a single State or on behalf of a number of States?**

*Answer* - The \$500,000 and \$5 million figures represent the estimated minimum and maximum amounts per grant category to be awarded over the 5-year life of a single grant regardless of the number of States involved.

EVALUATION

**Question 76 - Is an organization interested in bidding for the National Evaluation contract precluded from assisting a grantee with its own evaluation activities?**

*Answer* – Due to conflict of interest concerns, the National Evaluator may not contract with a State to conduct an independent grantee evaluation.

**Question 77 - Can an organization conduct evaluation activities for more than one grantee?**

*Answer* - Nothing in the solicitation precludes an organization from conducting evaluation activities for more than one grantee.

#### TECHNICAL ASSISTANCE

**Question 78 - Is an organization interested in bidding for the National Technical Assistance contract precluded from partnering with a State(s) in a demonstration grant application?**

*Answer* - Nothing in the solicitation precludes an organization that is planning to respond to a CMS Request for Proposals (RFP) and bid for the National Technical Assistance contract from partnering with a State in the development and writing of its grant application. The CMS will work with the selected National TA contractor to ensure that there is no overlap in activities performed and resources utilized between the organization’s National TA contract responsibilities and State-specific work.

**Question 79 - Can an organization be a technical assistance subcontractor to more than one applicant? For example, if an organization has expertise in a particular area and more than one State planning to submit an application has asked the organization to be a TA provider to them if their application is successful, can the organization agree to do so and be named in more than one application?**

*Answer* - An organization may provide technical assistance to multiple grantees under these demonstrations, subject to the limitations addressed in the answer to Question 78.

#### USE OF GRANT FUNDS

**Question 80 - Can a State use demonstration grant funds to make incentive payments to providers and managed care organizations?**

*Answer* - Incentive payments made to providers and managed care organizations can take various forms. These include, but are not limited to, performance bonuses, funding of technology enhancements, and additional payments tied to expansion of service delivery capacity. The CMS will consider, on a case-by-case basis, applications that incorporate incentive arrangements that are new and innovative and utilize a verifiable data source to demonstrate success. Any incentives paid to managed care entities must be in compliance with 42 CFR 438.6(c)(5)(iii).

**Question 81 - Can a State use demonstration grant funds to provide incentives for beneficiaries who meet certain quality benchmarks? This would not include direct payments for services.**

*Answer* - Nothing in the solicitation precludes a State from using incentives for enrollees who meet certain benchmarks. However, the State should describe in its application how the approach will be integrated within the parameters of the grant categories and indicate how it intends to sustain this approach once grant funding terminates. States should provide sufficient detail about amounts allocated for such programs.

**Question 82 - Given that the solicitation indicates that grant funds may not be used to make direct payments to providers, can these grant funds be used to pay for administrative costs associated with the demonstration?**

*Answer* – The core activities of implementing these grants (i.e., developing, implementing, and evaluating infrastructure to test an innovative model) are essentially administrative in nature. Therefore, quality demonstration grants can be used for necessary administrative activities.