

**NWX-DHHS-OS**

**Moderator: Susan Lumsden  
December 14, 2010  
2:00 pm CT**

Coordinator: Welcome and thank you for standing by. At this time, all participants are in a listen-only mode until the question and answer session. If you would like to ask a question at that time, please press star 1 on your touchtone phone and clearly record your name when prompted.

Today's conference is being recorded. If you have any objections, you may disconnect at this time.

Now I'd like to go ahead and turn the call over to your host for today to Ms. Susan Lumsden. Ma'am, you may begin.

Susan Lumsden: Thank you everyone. Good afternoon everybody. This is the Information Technology, the Early Innovator Grant Guidance for Final Funding Opportunity Pre Application TA call.

In just a little bit I'll tell you what the other replay numbers are, in case you would like to go back and listen to the replays for the other two calls that we had. But this is the third in the series of three. And again, the final.

We hope everyone is close to finishing their application and is putting - crossing the Ts and dotting the Is on their applications. And we encourage everybody to submit your application early, so we can start to get them reviewed and funding out the door.

We have very good news to report. The transcripts, just so you know, for the past two calls are up online. And additionally, I'd like to share - I'll share the replay numbers with you now, if you would like to hear the electronic recording.

We had two prior calls -- one on the 4th of November; one on the 18th. The phone number for the November 4 call is 1-800-842-6136.

And the call on the 18th of November is again 800-666-0214. And there were some very good Qs and As on that call, and a very good overview by our Chief Information Officer, Henry Chao.

Again, we would like to remind you, there's a couple documents online that we'd like to - you to also reference that people have been asking about, and that's the joint OCIIO and CMS guidance on information technology, as well as the - some guidance on cost allocations.

For the IT guidance, you can go to the OCIIO Web site. And for the cost allocation, you can go to [federalregister.gov](http://federalregister.gov). And the name of the guidance is Medicaid Federal Funding for Medicaid Eligibility Determination and Enrollment Activities. And you may find that helpful, as you do the finding - final touches on your application, and especially your budget.

With that, I think I will turn it over. We'd really like the focus of this call to focus on your questions. They can be grant questions in terms of submission.

They can be programmatic questions. But we really want to give the line over to you all and have you get your questions answered.

Cynthia Montgomery, our Chief Management Grants Officer for OCIO, is also on the phone. And I'd like her to just say a couple words before we turn it over for questions.

Cynthia Montgomery: Hello. This is Cynthia Montgomery. There's a few things I would like to focus on, dealing with the application and submission information that is in Section 4 of the funding opportunity announcement.

Please note the deadline for applications is December the 22nd, Eastern Standard time, at 11:59. And all applications must be received through grants.gov, so all applications must be submitted electronically.

And I would encourage you to review the Application and Submission Information section, because there's a lot of detailed information that you'll need to be aware of.

And I need to encourage you to apply early, because if there is any problems with your submission, there's a 1-800 number where you can contact someone at grants.gov. But we are not planning to do any type of extensions. The deadline will be December the 22nd, 2010.

Anytime before that, if you have any questions, the business management representative, the Grants Management Officer, (Michelle Cena)'s name is listed for contact information, if you have any general, basic business management questions. But again, I just want to focus on the due date of the applications, which is December the 22nd.

And if you have any other questions, you can ask at the end in the question and answer session. Thank you.

Susan Lumsden: Thank you Michelle.

And we would like to go ahead and open it up for questions now. Operator?

Coordinator: Once again, thank you. If you'd like to go ahead and ask a question at this time, please press star 1 on your touchtone phone and clearly record your name when prompted. One moment for the first question please.

The first question comes from Rick Friedman. Your line is open.

Rick Friedman: Thanks. This is Rick Friedman from CMS.

Woman: (Unintelligible).

Rick Friedman: I'm on early, just not to ask questions, but to the extent that we can help supplement some of the answers from OCIIO, relative to the Medicaid program.

Susan Lumsden: Great Rick. Thank you very much.

Coordinator: Wonderful Rick. So I'll go ahead and open up your line for the remainder of the call then. One moment.

Rick Friedman: Thank you.

Coordinator: The next question does come from Nancy Peterson. Your line is open.

Nancy Peterson: Hi everyone. This is more of a general curiosity question that came from one of the New England states.

Is the intent of the - this FOA to possibly use any of the components developed in whatever a federal model may be developed?

Henry Chao: This is Henry Chao. The short answer is yes.

Meaning as the kind of the awardee states that are part of this cooperative agreement working with OCIIO and CMS, will develop the kind of deliverables or artifacts out of the, you know, sort of the planning and architecting stages of the life cycle, and to be able to share that with other states, you know, to the extent possible that the other states can factor that into their planning and, you know, early architecting and engineering of some IT solutions for the exchange.

That help answer the question or...

Nancy Peterson: I think it was, again, just in one of our planning calls it was asked if, you know, ultimately, if there was a federal exchange; if any of these components might be incorporated in that product.

Henry Chao: I think that's definitely, you know, something that would make sense in a federally operated exchange situation; that it would not be significantly -- or really any different -- than the same requirements that any exchange would have to perform.

Nancy Peterson: Okay. Great. I'll pass that along. Thank you.

Coordinator: The next question comes from (Gary Schneider). Your line is open.

(Gary Schneider): Thank you. Question is -- does the early innovator grant for the IT work replace any subsequent grants?

I wanted to get a recap again about how these grants fit together. And you can dispense with the first \$1 million grant. I understand that plan effort.

And then I had a follow-up question regarding certification of the exchange and what date is applied there.

Henry Chao: The IT, you know, kind of funding opportunity announcement, it comes in between the planning and the establishment grants.

The establishment grants will still go out and will be offered to every state, including the ones that have come in and potentially, you know, are selected as the awardees for the IT FOA.

And do you have any other...

(Gary Schneider): No. That answered my question.

Henry Chao: Okay. As far as the certification of, you know, kind of the plans within the exchange or certification of a qualified health plan, that has, you know, want to be handled by the, you know, by the MPRM and the right process that will be published, you know, in the near future.

But for planning purposes, you know, the way I look at this is if we have to accommodate - and this is actually a good question. I'm glad you asked it, so that everybody can hear this.

If we plan to support open enrollment, you know, in a fairly reasonable window of opportunity, prior to the start of the programs -- so let's say that's, you know, third quarter, fourth quarter 2013 -- you have to have the qualified health plan certified in order for people to make those selections during open enrollment.

So then you kind of look at the timeframe and say -- well how long does it take, even if you have the requirements, to actually go through the certification, you know, process and to, you know, go through the plan evaluation, the rating, and the contract, you know, process to acquire the qualified health plans to be offered on the exchange?

That's probably a pretty long lead time. You know? My estimate is something on the order of 9 to 12 months prior to open enrollment. So that kind of informs you about what kind of capabilities you have to have in 2012 to be ready to support open enrollment in 2013.

So does that help to answer your question?

(Gary Schneider): Yes, thank you.

Coordinator: The next question comes from Jennifer Cash. Your line is open.

Jennifer Cash: Yes, hello. I have a couple of specific questions about the budget preparation.

Susan Lumsden: Okay.

Jennifer Cash: Regarding the budget narrative, is it sufficient to have one overall narrative that justifies the cost for the two years of the program?

Susan Lumsden: The budget narrative should be by line item. You should be - have a budget narrative for each line item for personnel, for contractual.

And if your contractual line items are significant and the majority of this grant funding, then you should do a line item again for those contractual and budget narrative for the contracts.

Cynthia do you want to add anything to that?

Cynthia Montgomery: No. You pretty much say it. We just need a detailed narrative budget. So whether you do for two years -- however you break it out with your program - - it just needs to be detailed out, so we come back into the call - so make sure they allowable.

Jennifer Cash: Great.

Susan Lumsden: And I will just add on. Any details that you can provide us in terms of methodology will be very helpful.

Jennifer Cash: Okay. And are you also expecting - or would it be helpful to have a one-page overview of a detailed budget, as you would see it in Excel included?

Cynthia Montgomery: Yes. That would be very helpful to us, because you're going to fill out the 424. But if you have a Excel spreadsheet that breaks it out, that would be very helpful to us.

Jennifer Cash: Okay. Okay. I think that's great. That's quite clear.

And in the - one last question -- very detailed question. In the overall, I understand it's a single-spaced narrative for the 30 pages of the project

narrative, with a minimum font size. Does that also apply to the budget narrative?

Susan Lumsden: No.

Henry Chao: Just (unintelligible) 30 pages.

Cynthia Montgomery: That's just the project narrative.

Jennifer Cash: The project narrative must...

Cynthia Montgomery: Not exceed 30 pages.

Jennifer Cash: Yes. But does the font size limitation also apply to the budget narrative?

Cynthia Montgomery: I'm looking at the FOA, and it states here, "30-page narrative." That's where the font size would apply on the project narrative.

Jennifer Cash: But not to the budget narrative.

Cynthia Montgomery: For the budget (narrat), I would assume you would use a similar font in Excel spreadsheet.

Jennifer Cash: Okay.

Cynthia Montgomery: I wouldn't use anything more here.

Jennifer Cash: Okay. It just may - yeah. And it - so I'm going to copy in Excel. It may just look a bit different for you, but that will be fine.

Cynthia Montgomery: Right.

Henry Chao: But there's a message - there was a message for contractors how much detail you need to put in there.

Jennifer Cash: My understanding on the contractors, for example, things that may be TBD. And my understanding from your Appendix C is that we should provide you as much information as we have available at this time.

Susan Lumsden: Yes.

Jennifer Cash: But additional information could be provided later, if that's a TBD, for example.

Susan Lumsden: Yes. Yeah, okay. But the more detail the better.

Jennifer Cash: Okay. I think that's quite clear. Thank you.

Susan Lumsden: And I'm sorry. Where are you from again?

Coordinator: That person had fallen off. The next question comes from Deborah Hurwitz. Your line is open.

Susan Lumsden: And if the question is - if you could just say which state you're from, that would be very helpful.

Deborah Hurwitz: Sure. This is Deb Hurwitz. I'm from Massachusetts. And Jen Cash was from Massachusetts also.

Susan Lumsden: Oh great. Okay. Thank you.

Deborah Hurwitz: And it sounds like she dropped off the line before she could answer.

I have a question for you about the work plan and the timeline.

I'm looking at Page 9 of the FOA, and there is a timeline review with dates that are approximate for really kind of providing deliverables back to OCIO at the different intervals of the FDLC.

And my question is - it says it's approximate. I'm wondering how much flexibility there is when we're building out our work plan. Do we have to stick to those dates very firmly, or can we - do we have some flexibility, based on, you know, sort of the nature and the scope of the work that we're doing, as long as we hit these, you know, that we have these deliverables for each of the stages of the FDLC?

Henry Chao: Yeah. No. I think that there are - there is some flexibility, but I wouldn't assume that, you know, they would be, you know, kind of months apart.

You know, I put those dates in there to give you kind of this relative and a sense of, you know, when certain things have to happen.

And overall, the intent of the IT FOA was to accelerate, you know, kind of the early work in the states that had the highest level of rating as - so that we can get these front runners, and the work associated with the front runners, you know, kind of propagated out to the rest of the states that may have some issues in, you know, being more ready.

And to kind of really prime the pump and kick-start the conversation about, you know, how do we jointly build together, because we don't want 50 different implementations of the exchange.

Deborah Hurwitz: Right.

Henry Chao: And so the dates really reflect a rather accelerated schedule, so that it gives time for other states to react. And hopefully, you know, not a whole of time, because, you know, other states should be paying very close attention to this timeline, whether if you're chosen as a state or not, because there will be things coming out of this process that will, you know, be very usable.

And to a certain extent, I think, you know, expected by, you know, CMS and OCIO for states to have a serious look at in terms of adopting the approach that develops through the FOA work.

So, you know, you can deviate and (variate), you know, a little bit but - around those dates. But, you know, not to the extent where it pushes the entire schedule out, you know, 12 months. Okay.

Deborah Hurwitz: Okay. Well the - one of the reasons I'm asking is that we are here planning to work as a collaborative with the - all of the New England states.

And one of the thoughts we had is that we would like to use some time up front, you know, what the - several weeks up front to do some additional, you know, planning with the Steering Committee around looking at everybody's, you know, for example, looking at their - all of the planning grants, what they're doing.

Making sure we're aligning everybody's activities, both on the planning grant side and, you know, finalizing, you know, those things that we're going to do, you know, jointly that would be common components that everyone would find immediately useful.

So there's a, you know, there's some time up front that we thought would be useful. And then would be able to make that time up during the schedule. And probably - I see the last deliverable here is mid October. But right now, I'm looking at, you know, mid December and I'm wondering if that's too far out.

Henry Chao: No. I think that should be fine.

Deborah Hurwitz: Okay. Okay great.

Susan Lumsden: The other thing that you may want to consider is having those meetings now.

Deborah Hurwitz: Oh yeah. We've already started meeting. But I think with, you know, and we probably will continue to meet.

Susan Lumsden: Okay.

Deborah Hurwitz: You know, there will be sort of - we'll need to know that we, you know, that the award has been given for us to really start to take some action.

Susan Lumsden: Okay.

Deborah Hurwitz: So that's one I think we'd probably dig in on, on some of those things.

Susan Lumsden: Okay. Understand. Thank you.

Deborah Hurwitz: But yeah, thank you. That's it for me. Thank you.

Coordinator: Once again, if you'd like to ask a question at this time, please press star 1 on your touchtone phone and clearly record your name when prompted. One moment for the next question please.

Susan Lumsden: Rick, I just...

Coordinator: The next question does come from Jay Himmelstein. Your line is open.

Jay Himmelstein: Yes. Hi. This is Jay Himmelstein from Massachusetts. And Deb - we're working - I'm working with Deb and Jen who were the previous speakers.

Could you clarify two things? We wanted - I apologize if someone has already asked this about how to account for pre-proposal costs. We have been having meetings with all the New England states. We've been working with our exchanges, and technical leads, and business leads into a state.

So when you say to budget - to put that in the...

Woman: (Unintelligible).

Jay Himmelstein: ...and that - put that - actually put that in this budget narrative any pre-proposal costs and expert development of this - I just want to make sure. It seems like its clear, but I just want to make sure I'm understanding correctly.

Susan Lumsden: Sure. I'll start and then I think I'll turn it over to Cynthia for any clarification.

I believe what the FOA says is we do allow for costs that are allowable costs, up to 90 days prior to the award.

Jay Himmelstein: So that would mean...

Susan Lumsden: And that allows you, if you're entering into big contracts, that you can enter into those contracts and, you know, if work gets started, that cost will be paid for up to 90 days prior to the award. And I believe the award is scheduled for...

Jay Himmelstein: So - but...

Susan Lumsden: Does - did that answer your question?

Jay Himmelstein: In part. I mean, that's fine. But, you know, that's presuming we get the award, right? So...

Susan Lumsden: Right. Right.

Jay Himmelstein: ...we put a contract in and start paying somebody...

Susan Lumsden: Yes. Yeah.

Cynthia Montgomery: One thing I would like to add - this is Cynthia. If you incur pre-award costs, that's at your own risk.

Susan Lumsden: Right.

Jay Himmelstein: Right. Okay. Just want to - that's helpful to clarify that.

Susan Lumsden: It's risk.

Jay Himmelstein: And also, you know, I've been - we've been involved with other cooperatives units with the feds. I don't know how far your thinking is on this. But we're expecting that to be back and forth. And we've done it on readiness assessment as is to be, et cetera. And we have a good idea of what we think we need to build that will be innovative, uniquely usable to have at states.

I'm presuming that after the award, the award will come with terms that - I mean, can you say a little bit more about what the cooperative agreement nature will be in terms of, you know, how much level of review or coordination will we have with other states who have funding as well? And through OCIO, what we can expect there?

Susan Lumsden: You will have specialized terms and conditions. Each applicant will have it, because, you know, we're going to be getting some from consortia -- a variety of applications. So each applicant would have specific terms and conditions that they'd have to apply to.

Jay Himmelstein: Okay. And then in terms - are there any other expectation - I may have missed this as well. But a lot of times in building budgets, you know, for other federal projects, we've had to - we've been told to budget -- especially in cooperative agreements -- time to meet with their project officers or travel and stuff. And is there any expectation that we should build that in as well?

Susan Lumsden: Yes. That's a good idea. Good.

Jay Himmelstein: But do we have any sense - is that like five meetings a year for three people or, you know, one meeting? And do you have any sense of what - how we should think about that?

Susan Lumsden: If you budget four to five meetings to the D.C. area, and then you can adjust.

Jay Himmelstein: For - that's for one or more people or...

Susan Lumsden: I would say up to three.

Jay Himmelstein: Okay.

Susan Lumsden: Four meetings up to three people...

Jay Himmelstein: For (unintelligible) for the D.C. area.

Susan Lumsden: ...for the D.C. area. And you can always adjust. But that will give you a good ballpark.

Jay Himmelstein: Excellent.

Susan Lumsden: And that's per state. So if you're in a consortium, that would be like three people per state.

Jay Himmelstein: Good. And then my last question, I think - I'm looking on Page 17 - or (unintelligible) it talks of the budget matter component. And, you know, in terms of intersection with the state's Medicaid system, I mean, I understand the 90/10 match for eligibility. That's totally separate.

But you want a description of how we're going to allocate costs, because there will be some components that integrate - that tend to integrate those things. And we - just like we should act in the federal systems. Is there just - it just needs to describe - just describe what the state Medicaid program is doing in our budget narrative and how it's different from what we're doing with the OCIO cooperative agreement?

Henry Chao: Your question started out sounding like it would - it was getting - it was going to be quite specific, but it didn't turn out that way, so...

Really, I think it's - we're just looking for a description about your thinking in terms of some of the guidance we put out, in terms of...

Jay Himmelstein: Excellent.

Henry Chao: ...the expectation of Medicaid integration.

Jay Himmelstein: Right.

Henry Chao: And I think it's up to the state, depending upon where you're at in terms of your eligibility systems, and process, and how integrated they are, so I'm trying to get an understanding of that.

Jay Himmelstein: Excellent.

Henry Chao: Okay.

Jay Himmelstein: Got it.

Susan Lumsden: And you also did ask about the cooperative agreement. You probably looked at this, but on Page 24 and 25, it kind of goes through in terms of this cooperative agreement what we see our role as and what we expect the recipient's role. So if you have questions on that, please ask. But you may want to review that as well.

Jay Himmelstein: Great. Thank you.

Coordinator: The next question comes from (Jan Green). Your line is open.

(Jan Green): Hi. I'm calling from Oregon. And I have a very specific formatting question. We're wondering if the application can go past 8-1/2 by 11 on some of the attachments. We've got some charts that get a little bit big. Can they go legal size?

Susan Lumsden: Cynthia can you take that one?

Cynthia Montgomery: Is that part of your project narrative or is it a appendix?

(Jan Green): No. It would be an appendix.

Cynthia Montgomery: Okay. Because the 30 - the limitation we gave were specifically for project narratives.

(Jan Green): Okay.

Susan Lumsden: But the - a - so will the grants accept like bigger than 8-1/2 by 11?

Cynthia Montgomery: Are you doing Gantt charts or something that would need to be expanded out? I don't understand what couldn't fit into 8-1/2 by 11.

(Jan Green): Right. Yeah. That's what we're talking about; is we've got some charts that, you know, outside of the project narrative and in attachments could get - would be - look better bigger if we have that option.

Cynthia Montgomery: I would encourage you to keep it at 8-1/2 by 11, so everyone can be consistent. If there is a problem and we can't decipher, read something, we'll

have to contact you for clarification or expand it ourselves. But we would like everybody to keep it the same -- 8-1/2 by 11.

(Jan Green): Okay. Thank you.

Coordinator: There are no other questions in the queue at this time.

Susan Lumsden: I'd just like to see if Rick Friedman, if you'd like to offer any last words? And if Henry Chao would - if the two of you would like to offer any last words?

Rick Friedman: Thanks Susan. This is Rick over at CMS. I think Jay put his finger on it relative to - Jay Himmelstein, at the University of Massachusetts School Medicine in Worcester.

The exchanges have the responsibility to make sure they can handle Medicaid eligibility determination systems - or eligibility determination functionality.

And so to the extent that part of your thinking is to involve Medicaid, you should just be aware that you can use 90/10 Medicaid dollars to help support it, in the event that the grant you feel the funds may be circumscribed or in any way limited.

The cost allocation principles that OMB wants us to follow is to make sure that any benefiting party pays its fair share for an activity. And so for that reason, we just wanted to put a plug in as a reminder that for those activities which would benefit Medicaid, they should be cost allocated back to the Medicaid program. And we would certainly participate in the funding of that at a 90/10 rate, assuming of course that the MPRM becomes final.

Susan Lumsden: Thank you Rick. And I'll leave it to Henry Chao to close this up for today.

Henry Chao: Unless there's any questions out here. Oh.

What I wanted to say was that, you know, other than this call, this Thursday and Friday, there's an all grantee meeting in Crystal City, Virginia, in which I believe about 45 states are participating in.

And, you know, the exchange folks were kind enough to carve out a significant part of the schedule to accommodate, you know, breakout sessions to discuss, you know, kind of the IT implications of not just, you know, the kind of relative to the funding opportunity announcement, but overall, you know, having this more intimate discussion in person about, you know, how to build out these systems and what are some expectations.

I will be available in person -- and several others on my staff -- along with the exchange folks in these breakout sessions, so that, you know, if you're able to make it, you know, I certainly appreciate it. You know, even if you wanted just to stop by and say hello. Bring your questions.

Or if you know somebody that's going and you can't make it yourself, you know, you can certainly (unintelligible) questions, you know, to your representative that is coming to Crystal City this Thursday and Friday.

Susan Lumsden: And operator, do we have any more questions? Any last minute questions?

Coordinator: There are no current questions in the queue at this time.

Susan Lumsden: Okay. Well thank you everybody for your time. And we look forward to seeing some good applications. Thank you everybody.

Cynthia Montgomery: Bye-bye.

Coordinator: Thank you for your participation in today's conference call. The call has concluded. You may go ahead and disconnect at this time.

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