



Questions and Answers

About the Coordinated Invitation to Apply for "Systems Change Grants for Community Living"

Improving Community Services for Children and Adults of Any Age Who Have a Disability or Long Term Illness

General Questions

| | |
|---|--------------|
| <i>A. Application and Review Processes</i> | <i>p. 1</i> |
| <i>B. \$50,000 Starter Grants</i> | <i>p. 6</i> |
| <i>C. Uses of Funds</i> | <i>p. 7</i> |
| <i>D. Interrelationship with Other Grant Programs and Waiver Programs</i> | <i>p. 11</i> |
| <i>E. Grantee Requirements</i> | <i>p. 12</i> |
| <i>F. Nursing Facility Transitions Grants</i> | <i>p. 16</i> |
| <i>G. Community-Integrated Personal Assistance Services and Supports (Community PASS)</i> | <i>p. 18</i> |
| <i>H. Real Choice Systems Change Grants</i> | <i>p. 19</i> |
| <i>I. National Technical Assistance Exchange for Community Living</i> | <i>p. 19</i> |

A. Application and Review Processes

A1: What are the "Systems Change" grants?

There are four grant solicitations that we collectively refer to as the "Systems Change" grants. We hope the \$50,000 "Starter Grants" will help States take full advantage of the full systems change opportunities represented by the following:

- Nursing Facility Transitions (Transitions) grants: The purpose of this grant is to help eligible individuals make the transition from nursing facilities to the community. Two types of grants are offered: State Program grants will be made to support State program initiatives; "Independent Living Partnership" grants will be made to selected Independent Living Centers (ILC) to promote partnerships between ILCs and States to support nursing facility transitions.
- Community-integrated Personal Assistance Services and Supports (COMMUNITY PASS) grants: Grant funds will be used by States to develop infrastructure to provide services that are consumer-directed or offer maximum individual control. Grants totaling \$5-\$8 million are available to support States' efforts to improve community-integrated personal assistance for children and adults of any age who have a disability or long term illness.
- Real Choice Systems Change grants: The goal is to help design and implement improved ways of providing community supports and services to enable children and adults of any age who have a disability or long term illness to live and participate in their communities. Approximately \$41-\$43 million is available in direct grants to assist States and the disability and aging communities to work together to find viable ways to expand or improve the design and delivery of home and community-integrated services. The funds will also support the public-private partnerships and the broad public participation (including a consumer task force) that are generally needed to accomplish such an ambitious undertaking..
- National Technical Assistance Exchange for Community Living grants: This national technical assistance grant will support the Real Choice Systems Change grants, the Transitions, and the " COMMUNITY PASS efforts. The purpose of the national technical assistance initiative will be to provide technical assistance, training, and information to States, consumers, families, and other agencies and organizations. Funding for the technical assistance will range from \$4-\$5 million.

A2: Can individuals apply for the "Systems Change" grants?

Individual consumers are not eligible to apply for these grants. These grants are available only to States and other organizations (as specified in the solicitation).

If you have a particular concern about services and supports (for example, housing, debts, bills, medications, or utilities), we suggest that you contact your local human and social services

agencies for assistance. To obtain information about human and social services and agencies in your area, please go to the American Public Human Services Association web site at:

<http://www.aphsa.org/statenew/statenew.asp>

A3: Are only States eligible to apply?

Many organizations may apply, depending on the type of grant. Page 12 of the grant solicitation (Chart of Systems Change Grants for Community Living - FY 2001) furnishes information on who may apply for which grants. In addition, the narrative on p. 6 of the solicitation (Part One, III.D. Who May Apply) describes potential applicants for each of the grants.

A4: Is the letter of intent to apply required?

The letter of intent to apply is completely voluntary. Submission of a letter of intent to apply does not bind the State or organization nor will it cause a proposal to be reviewed more favorably. However, we would appreciate receiving a letter of intent from each applicant because it will help us plan the review panels. Even though the due date of June 1 is past, we would appreciate a letter of intent. At the any time the State can send such a letter.

A5: Will every State receive Systems Change funding?

We strongly encourage all States to apply for this grant program. However, we do not guarantee that all States will be funded. In contrast to the earlier "Starter Grants" all subsequent grants are competitive. The quality of the State's efforts is therefore quite important.

A6: Can a State submit multiple applications?

States may and are encouraged to apply for more than one type of grant. For example, the State may apply for a "Real Choice Systems Change" grant and also apply for a "Nursing Facility Transitions" grant (NFT). Also, different State agencies may apply for the different types of grant solicitation. For example, the Medicaid Agency may apply for the "Community PASS" grant and the agency administering the section 1915 (c) waiver might apply for the "Nursing Facility Transitions" grant. However, no State may be awarded more than one grant per State per type of grant. For example, a State may not receive two "Real Choice Systems Change" grants or two "Community PASS" grants. Neither an Independent Living Partnership grant nor a technical assistance grant will count against this limit (e.g. a state agency could apply for an NFT Program Grant, and an Independent Living Center in the same state could apply for an ILC partnership grant).

A7: Do any of the grant applications have to be submitted through the States' "Single Point of Contact" or SPOC?

No. Executive Order (E.O.) 12372, "Intergovernmental Review of Federal Programs," **does not apply to these grants.**

A8: Will there be another opportunity to apply for “Systems Change” grant funds next year?
At this time, grant funds are only available for award in this federal fiscal year. To date, no future appropriations have been made. Funds awarded in this fiscal year may be used over a 36 month period.

A9: The budget period states that funding will last for up to 36 months. In budgeting, should we include the total costs over the 36-month period or just submit one year's budget with the expectation that we would submit a year two and three request later?

Please submit a budget based on total costs for the entire grant period requested (not to exceed a 36- month period).

A10: If a single grant proposal contains a combination of several separate projects, do you want the Application to include separate budgets for each of the projects or should it be combined into one overall budget?

Please submit one overall budget for each of the following types of grants you are applying for:

- 1) NFT, State Program Grant,
- 2) NFT, Independent Living Partnership Grant,
- 3) Community-PASS,
- 4) Real Choice, or
- 5) Technical Assistance Exchange

It would be useful if you supplemented this one budget with an appendix showing any major sub-budgets if there are truly distinct projects being proposed under a single grant application.

A11: Should we build any money into the budget for travelling to Grantees Conferences or to another State for technical assistance?

Yes, the grant solicitation requires that at least one person attends an annual meeting of grantees, and at least one person attends an annual research meeting (p. 64 of the solicitation). You may build money into the budget for any staff to travel to a Grantees Conference or to another location for technical assistance. Please note that grantees are required to pay for travel expenses. The funds covering travel expenses may come from grant funds or from other State funds, at the State’s discretion.

A12: How will “overhead expenses” or “indirect costs” be paid?

The Office of Management and Budget (OMB) is responsible for establishing cost principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally-recognized Indian tribal governments (governmental units). States and local governments seeking information on overhead expenses or indirect costs should refer to OMB Circular A-87 "Cost Principles For State, Local and Indian Tribal Governments". This Circular is available on the OMB web site at: <http://www.whitehouse.gov/omb/circulars/a087/a087-all.html>.

In addition, OMB is responsible for establishing cost principles for non-profit organizations. Non-profit organizations seeking information on overhead expenses or indirect costs should refer to OMB Circular A-122 "Cost Principles for Non-Profit Organizations". This Circular is available on the OMB web site at: <http://www.whitehouse.gov/omb/circulars/a122/a122.html>.

If after reviewing the appropriate Circular you continue to have questions, please contact the servicing Division of Cost Allocation (DAC) Office for your region. The four regional DAC Offices and contacts are as follows: Mid-Atlantic Field Office - Charles Seed at 202-401-2808; Northeastern Field Office - Vincent Bamundo at 212-264-2069; Central States Field Office - Merle Schmidt at 214- 767-3261; or Western States Field Office - David Low at 415-437-7820.

A13: For Commonwealth of the Northern Mariana Islands, Guam, the U.S. Virgin Islands, Puerto Rico, American Samoa, and the District of Columbia, does grant funding received contribute towards the overall Medicaid cap which we can receive?

Grant funding will not contribute towards the overall cap for Medicaid expenditures in the territories.

A14: Who will review the grant applications?

The review panels will consist of a mix of federal employees and individuals outside of the federal government who possess knowledge of long-term services and support systems, including individuals with disabilities.

A15: If applying for multiple grants does the 40-page limit still apply? What about attachments?

A separate grant application must be submitted for each type of grant as each application must stand on its own merits. Therefore, the 40-page limit applies to a single application.

Materials submitted as attachments will not be scored; they are to be used to enhance the reviewers' understanding of the application. Therefore, applicants must be sure to include substantive information to be used in scoring their application in the body of their application that is within the 40-page limit.

A16: In the original January 10, 2001 letter to State Medicaid Directors, quality assurance and personal care were listed as two priorities for use of grant funds that exceed \$750,000. Are quality assurance and personal care still the main priorities?

It is the Federal Register notice (HCFA-2125-N, published on May 22, 2001) and solicitation that describe the grants and the review criteria. This notice supercedes the January 10, 2001 letter. States must use the language contained in the notice and solicitation to develop their grant proposals. Although the letter of January 10, 2001 provides valuable historical information, it is not the basis on which the grant applications will be evaluated.

We believe that both of the original priorities (quality assurance and personal care) are essential to serving the long-term needs of the community. However, we do not want to limit States in their

use of grant funding. Therefore, we concluded that States should ultimately decide what challenges they will address through the Systems Change grants.

A17: Why is a competitive process being used to award the Real Choice Systems Change grants?

As stated in the U.S. Department of Health and Human Services Grants Policy Directives, “Grants may only be awarded pursuant to duly approved, written applications. *It is HHS policy to maximize competition to the greatest extent practicable.* Therefore, grant applications, including supplements to grants that constitute a change in scope, must receive a competitive review, except as provided in sub-section F of this directive.”

The rationale underlying open competition is that we are more likely to receive quality applications if the process is competitive. In addition, States are at varying levels in terms planning and implementing Systems Changes. Thus, we would be ill advised to issue grants on a non-competitive formula.

Occasionally, we can obtain an exception or deviation from the competitive process. For example, we were able to solicit applications for the Starter Grants using a non-competitive process. A competitive process would have taken valuable time that the States needed to begin their planning process.

A18: Will the solicitation language for Real Choice Systems Change grants be translated into simple terminology?

If there are parts of the solicitation that you find confusing, please send questions to shill@hcfa.gov. Unfortunately, given the timeline, there is not adequate time to translate the solicitation language for the grants into simpler terminology.

A19: Will states be able to carry funds forward from one year to the next?

States have up to 36 months to expend the funds. We'll need to supply additional details about how funds are disbursed, but we expect states will have flexibility.

A20: Will funds be distributed regionally, or evenly across states?

All applications within each type will be compared to each other (e.g. all NFT applications will be compared against each other). We have put in some caveats that allow us at the federal level to ensure that there is reasonable geographical distribution, but it's a national competition.

A21: Can we subcontract?

Yes. The type of subcontracting is the States decision. The primary consideration in a Federal review is the capacity of the organization to accomplish the program.

A22: Is there a need to specifically identify the subcontractors in your application?

That is a State call. If you think that a particular subcontractor would help to promote the understanding of the application, then you may do so.

A23: Does the 40-page limit on the Project Narrative include the Budget Narrative?

No. The 40-page limit on the Project Narrative DOES NOT include the Budget Narrative portion of your Application. The Budget Narrative can be included with SF 424A and accompanying appendices. We will expect the Budget Narrative to contain the information listed on p. 60 (under "Budget Narrative/Justification and Resources" of Appendix One: Format of the Application, III.E.) and pp. 63-64 (Appendix One: Format of the Application, III.E.6. Budget Narrative/Justification and Resources) of the Coordinated Invitation.

B. \$50,000 Starter Grants

B1: Can I still apply for the "Starter Grants"?

No, June 1st was the deadline for Starter Grants applications. Detailed information about the Starter Grants, including who could apply and how funds can be used is included in the questions and answers located at www.hcfa.gov/medicaid/systemschange.

B2: When will States that received Starter Grants receive the actual funds?

The standard operating procedure for release of grant monies requires the State's grants' representative to contact the staff in Payment Management System (PMS). Once the state representative furnishes information (PIN#, name of grant, etc.) to the staff at PMS, then the staff at PMS will direct the state representative to the account representative so that funds may be transferred. The phone number for PMS is 301-443-1660.

B3: Which States applied for the Starter Grants, and which were approved?

For information concerning which have States applied and received "Starter Grants", please refer to the CMS web site at: www.hcfa.gov/medicaid/systemschange.

B4: How soon after we apply will we hear back to confirm both receipt and acceptance of our application for a "Starter Grant"?

We hope to be able to confirm acceptance of a State's application within 30 days of the receipt of the application. However, we do not want States to have to wait for such confirmation before they can take action on their systems change effort. We encourage immediate action. Therefore, we have designed the "Starter Grants" so that they are:

Simple: The State need only apply via the simple one-page application, agree to use the funds for the purposes intended, and sign the standard grant assurances agreement. A State will be required to provide verifiable documentation of its in-kind contribution pursuant to Departmental grant regulations at 45 CFR § 92.24.

Non-Competitive: The State is assured of its \$50,000 if it applies and agrees to the assurances described above. Since there is no possibility that the State will lose to any competition for the \$50,000 "Starter Grant", there should be no reason for delaying State planning activities.

Effective Immediately: Allowable expenses may be billed to the "Starter Grants" immediately, in line with the answer to the question immediately below.

B5: How soon can we incur expenses that can be billed back to the "Starter Grant"?

Any expenses that support the goals of the Systems Change grants may be reimbursed effective with the date of the Secretary's letter to the Governors, February 25, 2001, through December 31, 2001. The fact that a State may not receive its confirmation of acceptance until a later date will not affect the effective date of the grant period.

B6: Should we wait for the "Starter Grant" before we begin our consumer task force and begin planning for a "Real Choice Systems Change" grant application?

States should not wait. States have only about two months to develop the applications from the date the full solicitation was published (May 22, 2001).

B7: As we use the "Starter Grant" to plan for the rest of the "Systems Change" grants, can we plan to submit more than one type of grant application? For example, we were thinking of applying for a "Real Choice Systems Change" grant, and also applying for a "Nursing Facility Transition" grant. Will we be able to do so?

Yes. A State may apply for one grant in each grant solicitation category of the "Systems Change" series. For example, a State might apply for a "Real Choice Systems Change" grant, a "Nursing Facility Transitions" grant, and a "Community Personal Assistance Services and Supports" grant. See also Section A.

C. Uses of Funds

C1: If a State received funding under more than one grant, will we be asked to coordinate the different programs? Can the Technical Assistance Exchange help in that coordination?

Each State is expected to take a comprehensive look at the long-term care system in their State and tailor the grants to an area of need. If the State receives more than one grant, it is expected that those grants will be coordinated to the fullest extent possible by the responsible parties in that State. This is particularly true if the target group(s) served overlap. The State can request assistance from a Technical Assistance Exchange to assist in grant coordination activities (e.g., facilitation). However, coordination activities are the primary responsibility of the grant projects.

C2: Do the grants fund direct services to people?

Direct services are permitted under a Transitions grant providing that there is justification for such. Examples of some direct services may include the following: furnishing an apartment to assist an individual in transitioning into the community, or a one-time-only expense--such as security deposits. Under other grants, direct services are limited to 20% of grant funds, and there **must** be a phase out plan in place. In addition, the Systems Change grant cannot supplant existing services and must have a phase out plan that allows for the continuation of services beyond the grant. Refer to the solicitation for the specific criteria in using grant funds for direct services.

C3: Does "Systems Change" refer only to Medicaid systems?

The emphasis of these grants is long term support and services for people of any age with a disability or long term illness. While the individuals served under the Nursing Facility Transitions and the Community PASS grants must be Medicaid-eligible or near Medicaid eligible, activities do not have to be restricted to Medicaid and there is no allocation formula for funding to different services.

C4: Can we focus on preventing nursing facility placement?

Prevention of institutional placement would be an appropriate focus of the Real Choice Systems Change grants. The Community PASS grants may also play a role in preventing nursing facility placements through the increased availability of consumer-directed and/or –controlled personal assistance services.

The Nursing Facility Transitions grants are targeted at transitioning persons in institutional settings to community settings rather than preventing the placement in the first place. An exception to this could be that a State could focus around a hospital (general, psychiatric, rehabilitation) in diverting a person from institutional care by stationing a community services worker in the hospital and having them assist the individual in exploring both community and institutional services and supports.

C5: If a State receives more than one grant, can funds allocated from one grant (e.g. Real Choice Systems Change) be moved to another grant (e.g., Nursing Facility Transition)?

Post award, States can not move funds awarded from one grant to another grant. States do have some flexibility within a specific grant's budget (e.g., within a Real Choice grant) contingent upon CMS approval.

C6: Can states include individuals who are not typically covered by home and community – based waivers but may be covered by State plan services?

Yes, the Systems Change grants are not limited just to those covered under home and community-based waivers. States have significant discretion as to the individuals who will be included in the grants. Please note; the Community PASS and Nursing Facility Transitions grants (under Section I.C) have criteria related to Medicaid eligibility for who may be included in the grant. Individuals in both of these grants must be Medicaid eligible or are judged to be within six months of Medicaid eligibility. The Real Choice Systems Change grant has no such requirement.

C7: Should improvements focus on just home and community-based waiver services or Medicaid state plan services also?

For the Real Choice Systems Change and Community PASS grants, Applicants have ***exceptional flexibility*** in selecting the type of investments that they judge will yield the most significant improvements long-term care system and personal assistance services system.

In the Coordinated Invitation to Apply, Appendix Three and Four list some of the possible uses. The Appendices are not intended to limit the creativity of the Applicant nor identify a preference for a particular activity.

For the Nursing Facility Transition grant, the grant may be used for a broad range of purposes to permit a successful transition from a nursing facility into an integrated setting or in some cases diverting an individual from a nursing facility. Additional information about possible activities under this grant can be found in the solicitation on page 17.

C8: Can systems change efforts focus on a particular age group within a target group (i.e., children)?

As described in the solicitation:

We encourage States to adopt very broad-based system improvements that will benefit any or all of the major target groups of children and adults of any age who have a disability or long-term illness. However, States may select any or all target groups of individuals who have a disability or long-term illness and require community-integrated services. While there is no beneficiary age or target group restriction, we expect all applications to address the question of how low-income individuals with the most severe disabilities or illnesses may benefit from system improvements that will be promoted by the grant.

C9: Will focusing the project on a single target group negatively affect my application?

We expect that project activities will result in enduring systems changes to the long-term care system. One of the review criteria is the significance of the proposed project activities. Focusing on a single target group does not in and of itself negatively affect the application. However, the State needs to describe how the proposed activities are significant in terms of the number of individuals served or the extent of activities undertaken for that target group. Additional information about the Significance criteria can be found on page 68 of the solicitation.

C10: Does the population on which a grant focuses have to meet nursing home level of care?

For the Nursing Facility Transitions grant, individuals must be residing in a nursing facility or, in the case of the targeted diversion, people in hospitals may be diverted from a nursing facility. In both scenarios individuals must meet the nursing home level of care.

For the Real Choice Systems Change and Community PASS grants, an application that does not include people who require services typically provided in a nursing facility or a ICF-MR may be

less likely to be receive a high score on the significance test. However, an application may include people who do not need institutional level of care, so long as it also includes people who have the more substantial levels of care requirement.

C11: Can we use grant funds to improve the linkage between long term care and primary and acute care services?

Yes, funds may be used to improve linkages between long term care and primary and acute care services. Such linkages can improve communication between providers and increase access by consumers to a clear information about options for long term care services.

C12: Do proposed changes to the long term care system have to be available Statewide?

“Statewideness” is not a requirement. We hope that, given the anticipated size and duration of the awards, programs will be designed to have the greatest impact on the largest number of consumers. We also realize that in undertaking systems change, often larger initiatives can grow from initially smaller scale endeavors.

C13: How are the needs of certain groups of people with disabilities, i.e. individuals with psychiatric and cognitive disabilities, addressed in these solicitations?

The need for long term care is not exclusive to individuals with particular physical or cognitive disabilities or individuals of a certain age. The need for long term care cuts across disabilities and across age and socioeconomic groups. What may vary are the types of services and supports needed by different individuals. States and other organizations have significant discretion in the target groups and project activities undertaken by the grants. From the mix of projects funded across the country, we hope every major age and target group of long term care support consumers will be represented.

C14: Is it mandatory for States to participate in the Technical Assistance Exchange?

Yes. As described in the solicitation (Part One, III.F. "Coordinating the Different Types of Grants"), the Exchange:

[W]ill promote sharing and learning between and among States, Grantees, service providers, consumer groups, and community members dedicated to improving the: Access; Availability; Adequacy; Quality; and Value of community-integrated services.

Because these grants are to be used to promote enduring systems change in various States, we believe that the primary means of sharing information and facilitating discussion of systems change between States will be through a technical assistance provider. Therefore, in order to attain the stated goals, all Grantees must participate in the technical assistance endeavor.

C15: Do States have to contribute staff time to the Technical Assistance Exchange?

Yes, States must contribute staff time to the technical assistance portion of these grants. Precise details of this effort will be worked out between CMS, the grantee States, and the Technical Assistance Exchange at a later date.

D. Interrelationship with Other Grant Programs and Waiver Programs

D1: What is the relationship between the TWWIIA (Ticket to Work and Work Incentives Improvement Act of 1999) grants and the Systems Change Grants?

The two TWWIIA grants (the Medicaid Infrastructure and the Demonstration to Maintain Independence grants) and the Systems Change Grants are complementary efforts. The TWWIIA grants focus specifically on Medicaid improvements or eligibility changes that support employment of people with disabilities. The Systems Change Grants are not focused specifically on sustaining or gaining employment; the Systems Change grants have a broader focus (any age or disability). Because we want to ensure that there is no duplication of effort between the Systems Change Grants and TWWIIA, we will examine the relationship between a State's Systems Change application and any TWWIIA grant or application to ensure that there is no duplication. Therefore, there is some opportunity to address employment under Systems Change but not to the same extent as TWWIIA.

Applicants who wish to focus solely on employment may want to apply for one or both of the TWWIIA grants. For the TWWIIA grants, only State agencies or instrumentalities may apply; interested parties who are not this type of entity would need to work with their State. The deadline to apply for the two TWWIIA grants has passed for this year. We anticipate publishing another solicitation in early 2002. Information regarding the TWWIIA grants is available on the CMS web site at: <http://www.hcfa.gov/medicaid/TWWIIA/TWWIIAhp.htm>.

D2: Does the scope of the Systems Change grants include employment?

Employment initiatives can be included so long as there is no duplication of effort with funding from the Ticket to Work and Work Incentives Improvement Act Medicaid Infrastructure Grant.

D3: If we propose a program that would also require a new section 1115 or section 1915(c) waiver, will we receive an expedited review of that waiver?

CMS is working on several strategies that would make all Medicaid waiver submissions faster in the review process. A program requiring a waiver will not receive preferential treatment over waivers submitted by other States. That waiver will need to comply with all waiver requirements. The grant application should include a timeline of key dates related to waiver submission and review, and provide an indication of pre-waiver activities.

D4: If we propose a program that would also require a new section 1115 or section 1915(c) waiver, do we still have to meet all of the requirements of each of those waivers?

Yes, a grant program that requests a waiver will have to meet the requirements of that waiver. The grants do not change any existing law or CMS policy regarding waiver requirements. In the grant proposal, applicants are not required to explain how they will meet the waiver requirements.

A State that expects to request a waiver does not need to do so at the time the State submits its Systems Change grant application. A State can request a waiver as part of its application BUT it must be sure that it has the time to design, apply and implement it. We would recommend that the State allow at least one year for the process of developing the application, responding to questions, and participating in CMS's review process.

D5: Will CMS be open to new ideas? If a new idea demonstrates success during the grant period, would CMS consider granting a section 1115 waiver for continuation of the program beyond the grant period?

CMS will look for both the expansion of approved projects and the creation of new projects. If a new project looks successful and it is within our ability to phase-in the project in other states, we would be very interested in working with such states using all appropriate and available authority.

E. Grantee Requirements

E1: The solicitation mentions a research contract. Will Grantees be required to collect data on the individuals it serves? Should we build funds into the budget to collect data?

Grantees of Nursing Facility Transitions grants will be required to collect information regarding individuals who transition from institution to community. For all other projects, data collection requirements will vary according to the nature of the project. Such details will be worked out together with grantees later in this year. For present planning purposes, we also offer the following: the solicitation alerted Systems Change Grantees on page 10 (Part One.III.I. General Provisions), that "Grantees must agree to cooperate with any Federal evaluation of the program and provide semi-annual and final reports in a form prescribed by HCFA...." We also stated that we expected these reports to "describe the use of grant funds and program progress, as well as barriers and outcomes."

We anticipate enlisting the help of a research firm that will aid us in both formative and summative research. A formative aspect of the research would assist Systems Change Grantees and CMS to benefit from data on the Systems Change activities of all States. The second aspect of this research would be summative focusing on the initial impact of Systems Change grants.

We also intend to have Systems Change Grantees working with the researchers engaged in this effort in designing any data collection instruments or activities. While we do not wish to place undue burdens on Systems Change Grantees, we believe that there is a great deal that can be learned from these grants about both the systems and supports necessary for children and adults of any age with a disability or long term illness to live and participate in their communities. We also realize that the efforts that Systems Change Grantees will undertake will impact delivery of long term community based services for Medicaid recipients and others well into the future. We hope that you are willing to join us in this exciting endeavor and share

the knowledge that can be gained from your efforts with your colleagues as well as state and national decision makers.

Finally, for those Grantees choosing to use a portion of their funding to provide direct services, we will be requiring Grantees to collect information on the number of individuals served as well as the particular types of direct services requested and provided. This information will be useful in efforts to secure additional state and federal funding for unmet service needs.

E2: Given that Applicants cannot supplant grant funds with existing Federal monies, does that mean that we have to hire new staff to implement the project?

These funds are not intended to provide short-term relief or replacement for state budgets. They are intended to provide funds that can be the catalyst for achieving “enduring systems change.” These grant monies may be used to fund existing staff if the staff are relieved of other responsibilities and allowed to devote their time and attention to the project, for example. If a State should determine that it requires additional staff to implement the project, then the State would decide whether to hire new staff or contract out.

E3: What do you mean by formative learning? Does each grant need to have a formal evaluation, or does formative learning mean something else? Is it CMS’s expectation that the formative learning will in some way coordinate with or feed into the Research and Evaluation of Grants?

By "formative research" we mean research that is conducted during the process of implementation and is imparted back into the program for purposes of improving it. We anticipate that the formative research we will require some data collection by Grantees. Such requested collections are not intended to place an extraordinary burden upon States but rather to assist us in establishing and maintaining continuous feedback mechanisms that will enable Grantees to learn from each other during the course of these grants. We also intend that Grantees and other key stakeholders will have the opportunity to provide input to us and any awardee of a research grant, cooperative agreement or contract about the types of data to be collected.

E4: Are letters of support necessary to prove active participation of the State Medicaid Agency, the Governor’s office, the State Legislature and/or the agency administering a home and community-based waiver?

Yes. As described in the grant solicitation (Page 58, Section C. Letters of Agreement and Support):

“All grant applications, except for the National Technical Assistance Exchange for Community Living Grant, must have the agreement, endorsement, and active participation of the State Medicaid Agency or the State Agency administering a relevant Medicaid Home and Community-Based Waiver Program.”

E5: The largest of the "Systems Change" grants is the "Real Choice Systems Change." Secretary Thompson's letter to Governors stated that Congress had expressed its preference that the grant applications be developed jointly by the State and a consumer task force. What exactly did Congress say?

The Conference Committee Report stated:

The agreement includes \$50,000,000 for Real Choice Systems Change Grants to States to fund initiatives that establish specific action steps and timetables to achieve enduring system improvements and to provide long term services and supports, including community-based attendant care, to eligible individuals in the most integrated setting appropriate. Grant applications should be developed jointly by the State and the Consumer Task Force. The Task Force should be composed of individuals with disabilities from diverse backgrounds, representatives from organizations that provide services to individuals with disabilities, consumers of long-term services and supports, and those who advocate on behalf of such individuals. Grant-funded activities should focus on areas of need as determined by the State and the Task Force such as needs assessment and data gathering, strategies to modify policies that unnecessarily bias provision of long term care services to institutional settings or to health care professionals, and training and technical assistance.

While Congress explicitly expressed their desire for States to develop their Real Choice Systems Change grant proposals "jointly with" a consumer task force, they did not mention the other "Systems Change" grants, i.e. Nursing Facility Transition and Community Personal Assistance and Support grants. However, we encourage States to involve consumers in the development of those applications as well.

E6: What are some examples of organizations that advocate on behalf of people with disabilities that might be good candidates for participation in a task force?

Examples would include Area Agencies on Aging, Mental Health Councils, Developmental Disabilities Councils, State Independent Living Centers and Councils, State Assistive Technology Act (AT Act) Projects, and many similar organizations.

E7: Can a State utilize an existing task force in its State (such as an ADA/Olmstead Planning Group that includes consumers and/or consumer representatives as well as others) to help plan their Real Choice Systems Change Grant applications?

A working group may be formed from an existing group and designated as a consumer task force for the purposes of "Real Choice Systems Change" grants planning provided that it meets the requirements of broad based participation. The challenge for States will be to ensure that consumers and their representatives have direct participation in all phases of the "Real Choice Systems Change Grant" process. While States are not required to establish a completely separate group for the purpose of their grant planning, States must ensure that a broad base of consumers of long-term care services and supports and their representatives within the State are actively involved. The direct collaboration of consumers with the State should not be encumbered in any way by the composition of the consumer task force.

E8: The Conference Committee Report from Congress stated that "applications should be developed jointly by the State and the Consumer Task Force." What does "jointly" mean?

We interpret "jointly" to mean that the consumer task force is actively involved in a meaningful manner in all aspects of the systems improvement effort, from development through implementation and evaluation, including the grant process.

We do not intend to provide detailed instructions to specify exactly how States must involve people with a disability or long term illness. We believe that States are capable and experienced enough to address these issues without specific instructions. We expect that the main challenge for States will be to engage in a process of planning and development that:

- (a) Is informed by first-hand knowledge derived directly from the users of long term support services with regard to (1) the services or supports that are needed and that actually promote community living or participation, and (2) the values, principles of service delivery, and preferences that would make for a more customer-responsive system;
- (b) Creates forums where the State's citizenry can effectively communicate their ideas and concerns without being overwhelmed by professional terminology or intimidated by bureaucracy;
- (c) Effectively enlists the ideas, energies and talents of consumers and key stakeholders who will most directly be affected by changes in the State's system.

E9: What if the consumer task force and the State do not agree on a final proposal? Can the State still submit an application for a Real Choice Systems Change grant?

Yes. To be consistent with Congressional intent the application for a Real Choice Systems Change grant should be developed jointly. As with all large endeavors, support from essential stakeholders is a key to success and enhances an application's competitiveness. At the same time, significant systems change often involves differences of opinion. States will not have a great deal of time to develop their applications for these grants and will therefore have limited time to resolve disagreements. We do not wish the shortage of time to be the cause of a State's inability to apply. Finally, the application is ultimately the State's to make. Therefore, lack of final endorsement by a consumer task force does not in and of itself invalidate an application or preclude success in a competitive grant application process if the State's process of development of the application has actively and meaningfully involved consumers in the development.

E10: Is a State required to have an active consumer task force in order to apply for the Community Personal Assistance Services and Supports and the Nursing Facility Transitions grants?

Congress expressed its clear intent for States to develop the "Real Choice Systems Change" grant "jointly" with a consumer task force. We strongly encourage States to partner in a similar fashion with the other grants as well. Although doing so is not an explicit requirement, involvement of consumers is a consistent review criterion and will enhance a proposal's competitiveness.

F. Nursing Facility Transitions Grants

F1: How does this Nursing Facility Transitions Grant program differ from past years?

For the past 3 years CMS, in association with the Department of Health and Human Services' Assistant Secretary for Planning and Evaluation, has sponsored grant initiatives to help transition people from institutional living arrangements to community settings. Twelve States have been awarded grants since 1998. The purpose of this initiative is twofold: to promote State infrastructure development of programs for transitions, and to provide resources for direct services to individuals who are transitioning. This year, the initiative has been expanded to include a technical assistance center, and an Independent Living Partnership. The last few years of the grant program have focused on transition activities only, and have excluded funding for diversion from nursing facilities; this year's grant also focuses on transition, but offers some funding for some specific allowable diversion activities.

F2: Why does the Nursing Facility Transition solicitation look different this year?

The Nursing Facility Transitions grants look differently in two aspects: (1) the solicitation is being released as part of a larger "Systems Change" initiative; and (2) the grant itself has several new components.

This year, the Transitions grants are being released as part of the larger invitation to apply for the "Systems Change" grants. In the past, the Nursing Facility Transition initiative has been released as a grant opportunity in and of itself. Funding for it has been increased this year to over \$10 million (in the past there was a maximum of \$2 million).

This year's solicitation (see page 15, Part Two, I.B. Background: The "TRANSITIONS" Program) includes an organized Federal effort to foster an effective means through which organizations such as Independent Living Centers (ILCs) and State agencies can learn from each other, share effective practices, actively assist one another on-site, and disseminate the lessons learned.

The last few years of the grant program have focused on transition activities only, and have excluded funding for diversion from nursing facilities. This year's grant continues a focus on transition, but also offers some funding for some specific allowable diversion activities.

F3: If a State does not apply for the Nursing Facility Transition State Program grant, can an Independent Living Center still apply for the Independent Living Center Partnership grant?

Yes. An Independent Living Center can still apply for an ILC Partnership grant and it may choose to include activities that a State might otherwise have requested as part of a State Program grant, provided it has the support of the Governor, State Medicaid Agency or the State agency administering a relevant home and community-based waiver under section 1915(c). However, because the purpose of the Independent Living Partnership grants is to "capitalize on the expertise of Independent Living Centers to develop outreach, provide technical assistance, and supplement the States' infrastructure needed to make the (States') nursing facility transitions successful", (Coordinated Invitation p. 23), Applicants should describe the nursing facility transition activities in their particular State. If the Independent Living Center is located within a State that is not applying for a State Program grant or is not a current Nursing Facility Transition Grantee, the

Independent Living Partnership application should include a description of relevant ongoing State activities in which the ILC can participate.

F4: May an "association" of Independent Living Centers apply and receive a grant?

No, an association of Independent Living Centers *may not* apply by itself. An ILC (recognized by State or Federal law) is the only applicant eligible to apply. However, such an association (comprised of ILCs recognized by State or Federal law) may participate as a subcontractor, with an Independent Living Center, so long as the ILC complies with the HHS regulations on procurement standards. See 45 C.F.R §§74.40 – 74.48. For example, consistent with these regulations, the ILC must ensure that any conflicts of interest have been resolved to the satisfaction of CMS.

F5: How do the Nursing Facility Transitions Grants assist States?

Funds made available under this grant program can be used for a broad range of purposes identified by either program officials or nursing facility residents and their families to permit a successful transition into the community. For example, grant funds may be used to cover [transitional costs] that are traditionally not covered under the home and community based waiver services program or are not included in the State Plan. Such transitional costs include temporary rent payments, furniture and clothing, special equipment, or direct cash payments to the individual with a disability and/or his or her family to ensure that necessary services are available. States may enter into collaborative or contractual agreements with ILCs and others to provide these types of transitional services. Funds may be used for planning and system change activities designed to enhance a State's capacity to prevent or remedy unnecessary institutionalization.

F6: Do States with previous grant awards need to serve a different population with the Transitions grants?

The project must be different and take the State beyond what it has done before in order to be approvable.

F7: What is the status of the 400 HUD housing vouchers originally mentioned in the January 10, 2001 State Medicaid Directors letter?

The vouchers mentioned in the January 10, 2001 letter were part of Access Housing 2000, which will use HUD Section 8 housing vouchers, HHS nursing facility transition grants funding, Medicaid funding, and other resources to assist in transitions. Because of the need to use these funds prior to the end of FFY 2001, HUD and CMS have selected the participants of Access Housing initiative 2000. Those are: 1) Public Housing Authorities (PHAs) in States whose Medicaid agencies have been successful in obtaining past years' Nursing Facility Transition funding and have demonstrated that use of the vouchers would further the goals to transition individuals from nursing facilities; and 2) other PHAs that have demonstrated commitment to the goals of the nursing facility transitions project via collaboration with State Medicaid Agencies that had not received past years' Nursing Facility Transition funding. Dependent on Federal appropriations, there is the possibility of additional vouchers targeted for nursing facility transition in general and FFY 2001 Transitions grant awardees in future years.

Other HUD initiatives are also available to complement this initiative, including special incentives for the normal Section 8 Fair Share Housing Voucher program. One of the goals of the program is to give funding incentives to those PHAs that pledge to utilize a portion of the Fair Share vouchers requested (or funded by HUD) for persons with disabilities. For example, as HUD evaluates PHAs' requests for funding, extra rating points are given to PHAs that specifically stated that at least 15% of the Fair Share vouchers will be used to house disabled persons. Further, HUD assigned extra rating points to applications that stated that the PHA would combine the requested vouchers with Medicaid waivers for at least 3% of the vouchers. We therefore encourage all NFT applicants to forge close working relationships with their PHAs.

G. Community-Integrated Personal Assistance and Supports (Community PASS)

G1: Can the target group focus on individuals who are not typically covered by home and community-based waivers but may be covered by State plan services?

Yes, States can focus their efforts on developing infrastructure for individuals who receive State plan services. While many States may want to include infrastructure development in the home and community-based waiver programs, it is not required.

G2: In the requirements for grant funds being used for direct services, how long do we have before other funds must be used to sustain the services?

In the application, the Applicant must include a feasible plan to continue the direct services through other funding at the end of 36 months. If the direct services are part of a time-limited, organized demonstration, the Applicant should describe the processes by which an individual receiving direct services under the grant will be informed of the time-limited nature of the services and the plan for evaluation or questions to be learned through the demonstration.

G3: In completing the charts in Appendix Six: Charting Personal Assistance Services (PAS), should I include related services that may not be exactly personal assistance services (e.g., chore services)?

Yes, the Applicant should include related services in the PAS chart. Please specify, however, the type of related service. If related services are bundled with personal assistance services but have a title other than personal assistance services, please describe that service also.

G4: Can the Community PASS grant include related supportive services (e.g., meal preparation and delivery)?

Yes, but the Community PASS grant should not focus solely on related supportive services. Maximizing the extent to which personal assistance services are consumer directed and/or controlled is the primary goal of this solicitation. It should be a central component of the grant application. Entities interested in focusing on related supportive services may want to apply for the Real Choice Systems Change grant.

G5: In filling out the chart on personal assistance services in Appendix Six for the Community PASS grant, should we describe both institutional as well as community-based services or just community-based services?

Given that these are focused on Systems Change for Community Living, please focus primarily on personal assistance services available in the community. Information on institutional services can be offered, but should not be the primary focus of the description.

H. Real Choice Systems Change Grants

H1: May the Real Choice Systems Change grant funds be used to address the issues related to homelessness?

Yes. It should be noted that the goal of the grant is to improve community-integrated services for persons of all ages with long-term illness or disability through enduring system reform efforts. States have great latitude in defining the specific needs and approaches within their applications and may choose to develop systemic reforms that would work to address issues common to persons who are homeless with disabilities. However, the State needs to describe how the proposed activities are significant in terms of the number of individuals served or the extent of activities undertaken.

I. National Technical Assistance Exchange for Community Living

I1: How many technical assistance grants will be awarded?

We expect to award one (1) technical assistance grant for a maximum of 36 months. The maximum project award will likely be between \$4-\$5 million for the 36-month grant period.

However, as stated in the solicitation on p. 43 (IV.C. Funding), we--

[r]eserve the right to offer a funding level that differs from the requested amount and to negotiate with the Applicant with regard to the appropriate scope and intensity of the effort that would be commensurate with the final funding level. We also reserve the right to fund more than one Applicant for different subject areas if we find that the overall program of national technical assistance would be better served by using the specialized expertise of different Applicants rather than a single Applicant.

I2: What groups may apply for the technical assistance exchange grant?

As stated in the notice (HCFA-2125-N), any organization, including States, may apply for the technical assistance exchange grant. The goal of this grant is to provide ways in which States, communities, providers, consumer groups, Grantees and others can learn from each other, share effective practices, gain timely access to needed expertise, and disseminate lessons learned so that all States and stakeholders may benefit.

13: Are consortiums allowed to apply for the technical assistance exchange grant?

Yes, consortiums may apply for the technical assistance exchange grant. Because of the magnitude of this grant, we are interested in obtaining applications from dynamic technical assistance providers or consortia that have the ability to develop technical assistance on the national level and in a highly organized fashion.

14: Will the research component be incorporated into the technical assistance exchange grant and, if so, to what degree?

We are developing a separate task order to assist with the research effort. We anticipate that the technical assistance provider will work in concert with the contractor who is responsible for this task order.

15: Can an entity apply for both the technical assistance exchange grant and another grant (e.g., Real Choice)?

Yes. An entity may apply exclusively for the technical assistance exchange grant or elect to apply for other grants, if eligible. Each application, however, must be independent and able to stand on its own merits.

16: Must an application for the TA Exchange address all relevant areas of expertise?

Yes. All areas must be addressed. Since it is unlikely that one organization could accomplish all areas, we encourage organizations to partner up to round out technical assistance capability.

17: In the technical assistance exchange proposal it lists the percentage of effort for the various areas. Can we change percentages to increase flexibility?

We used the word "should" in this context. You are free to come in with an alternate distribution of effort.