

2005 MIG Solicitation Clarifications

Follow-up from the July 9, 2004 Applicants' Call

1. What we'd like to understand better is how states, when they apply under the new solicitation, should explain grant spending they plan to do from 10/1/04 through 12/31/04 that it is NOT through a contract. To put it another way, how will CMS take into account funds that will be drawn down during the last quarter of 2004 for activities the state is conducting itself rather than through a contract?

The state's project officer should be able to look at the budget that was submitted by the state and take 25% of the personnel, rent, overhead, indirect costs etc. and come up with a pretty close estimate of the state's operational expenses from October through December. This amount will not be held against the state for carry-over purposes.

2. A related question is how will carry-over amounts affect CMS's determination of a new grant award? CMS will be deciding which states will be awarded new grants at about the same time they are looking at carry-over under the old grants. But at that time, states may show carry-over amounts that will then be drawn down during the last quarter of the year. How and when will CMS determine how much a state will receive under a new grant? Does CMS plan to make awards subject to the condition that a state spends its carry-over under this year's grant?

CMS will not be put in the position of having to make awards based on states spending their carry-over if states have followed the guidelines that have been in place regarding carry-over limits. If states have not followed these guidelines CMS will make individual determinations based on past performance of the grant. These awards will not be renegotiated mid-cycle. As part of this process, CMS will assure that the awards treat states fairly and that the rules and limits that have been established are abided by.

3. Can you elaborate on the anticipated reporting requirements for the Comprehensive Employment Systems Infrastructure Development Grant? Will additional information be required for the quarterly reports, and will distinctions be made between the reporting requirements for the Basic versus the Comprehensive grants?

CMS anticipates that the reporting requirements will be similar, however, there are certain projects that may be undertaken under a comprehensive grant that may require more extensive reporting. An example of this is the Social Security benefit offset demonstration for which we will ask for data on participants.

4. Please clarify the process for MIG eligibility predeterminations.

States seeking eligibility predeterminations should submit to their project officer information on Medicaid waivers offering personal assistance services to adults who have MR/DD or physical disabilities. These waivers must specifically offer personal assistance, not home health, homemaker or chore services. The state should indicate whether the waivers are statewide and whether individuals in a Medicaid buy-in (if the state has one) are eligible for waiver services. The state should submit the number of individuals in these waivers who are adults (at least 16) with disabilities under age 65.

If a state has state plan personal assistance services the state should provide information on any limitations on the services (# of hours, location of service delivery, etc.) Likewise the state should give information on who is eligible for the service and whether an individual can appeal his/her assessment of need.

When the CMS project officer receives this information, it is verified with the regional office and the central office Division of Benefits, Coverage and Payment and a decision is reached or further information is requested of the state.

5. On pages 9-10, CMS describes the high level leadership council needed to justify as state's proposal for a "comprehensive" grant. CMS recommends that a "blueprint" be included with the proposal. Once a state begins the strategic planning process, it is possible that the "blueprint" will evolve or even substantially change. Please comment.

CMS agrees and expects that the leadership council may evolve as true change agents are identified.

6. Is there any expectation that a state that meets the criteria for a "comprehensive" grant that has already received 4 years of funding, move into a "comprehensive" mode? Some states would like to continue "improved basic" activities for an additional 4 year grant period as they move toward comprehensive activities.

Not per se. However, the basic mode is limited to Medicaid infrastructure improvements. If a state has already made many of these, they would have to justify additional basic work.

7. How does CMS define "health status" in the outcome racking section on page 27?

It will be defined by the state and depends on the project. For example, it might be defined as increased health services utilization, or increased use of prescription drugs.

8. The list of examples of prohibited uses of MIG funds in Appendix Two specifically mentions MMIS systems development. Is this a new condition with the 2005 MIG grants?

The example of MMIS systems development is not in previous grant solicitations but the concept that it is an example of has always been there. What proceeds MMIS in the appendix is the prohibition on states using grant funds for things that can be reimbursed through Medicaid at enhanced match rates. Previous solicitations limited this concept to 90/10 match rate projects. This solicitation encompasses all enhanced match rate projects.

9. May territories apply for the grant program?

As stated in the solicitation, any state is eligible to apply. State is defined as each of the 50 states, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Follow-up from the May 6, 2004 Applicants' Call

1. On page 8, it says a state may apply for BOTH a “basic” and a “comprehensive” grant. Does “both” mean that a state can apply for either grant activity or can a state apply for both activities simultaneously?

The state will apply for both grant activities simultaneously, but the grant will be evaluated using the criteria for the Comprehensive Employment System Grants.

2. On page 8, in the description of the limits on the grant awards, it appears that the \$750,000 limit is only applicable to states using the 10% mechanism on a “basic” grant. Is this correct?

Yes. Basic grants are limited to \$750,000 whether or not a state can qualify for higher funding based on Medicaid buy-in expenditures.

3. Are case management expenditures allowable as Medicaid services costs for purposes of calculating the 10%? Are they allowable if the state is claiming case management as an administrative cost rather than as a service?

No. Direct services are limited to benefits planning and one-time emergency services. No other direct services can be funded with Medicaid Infrastructure Grant funds.

4. On page 11, the description of the necessity of the IS capabilities for the “Comprehensive” grant activities would seem to allow states to use grant money to build information systems with MIG grant funding. Could the funded

capability be a portion of a system with more expansive functionality? If so, how would MIG funding be apportioned? Wouldn't a "comprehensive" TA provider need to be skilled in IS procurement issues to assist with such a state's strategic planning process?

We expect states to need some information systems (IS) improvements to create comprehensive systems. Some of these improvements will likely be outside of Medicaid and therefore will not be eligible for Medicaid matching funds; however, we would expect other state and local organizations to participate, too. We can support the development of a portion of a system that ties together the disparate parts, but, as with all MIG activities, we will only support the development of IS that can be tied *directly* to the increased employment of individuals with disabilities.

5. Is the web posting of technical assistance products for use by other states (page 11) to be done on a specified web site? Is such posting envisioned to be on CMS's on-line quarterly MIG reporting system? Does this section mean that password-protected website information will no longer be allowable?

The posting will be done on the MIG reporting site. This site is available to all MIG grantees. Products, such as training materials and software tools, should be reported as products produced. Other states will be free to request these of the developing state and adopt them to their own needs. In this manner, other states and CMS staff can access work products eliminating duplication in the use of grant funds for TA. CMS reserves the right to more broadly distribute any products developed using grant funds

6. Please explain in more detail the requirements for conditional eligibility at the time of grant application and at the end of the first grant year.

Conditionally eligible states are those that do not meet full eligibility requirements but offer statewide personal assistance services of limited scope capable of serving people with disabilities engaged in competitive employment of at least 40 hours per month. To do this, states must offer PAS statewide to individuals with physical disabilities and individuals with MR/DD and these individuals must be able to receive services outside of their homes. Additionally, states that do not provide this level of service but commit to the improvements necessary to reach this level of service by the last day of the first full year of funding may also apply under this category. If the state's PAS system is not statewide and/or capable of providing services outside the home, these are benchmarks that must be acknowledged in the first year of the grant in order to participate in a continuation cycle for the second year. In no event will states be allowed conditional eligibility for more than two years.

7. Language on page 14 appears to conflict with the language on page 8 allowing a state to apply for both basic and comprehensive grants, and directs the state to apply for one or the other.

States may not apply for both grants. States may apply for a Comprehensive Employment Systems grant and within it, work on continuous improvements to its Medicaid systems that might be thought of as Basic Grant activities. However, certain basic activities are required before an applicant may participate in the Comprehensive program including having a Medicaid buy-in that is open to individuals up to at least 200% of the federal poverty level.

8. Please describe the process of applying for and receiving a grant amount in excess of \$500,000 based on the 10% expenditures. Will CMS recoup a grant amount if actual expenditures are less than projected? Is the 10% prospectively or retrospectively calculated?

The most straightforward way of calculating the 10% is to use the actual expenditure levels from the previous fiscal year. These expenditures are known and can be easily certified by the Medicaid Director. Some states, however, are in situations such as the second year of the buy-in where they do not have high enrollment through out the last year but have gained a sizeable enough population that the next year costs will be significantly more. They may wish to use budgeted costs for the larger population that is now enrolled. This is acceptable as long as the cost projections are certified by the Medicaid Director. CMS is unlikely to recoup costs from an awarded grant if buy-in costs are less than projected. CMS may, however, reduce future grant awards, were the state to apply for them, to accurately reflect buy-in expenditures.

9. Please define the terms “carry-over” and “no-cost extension” and explain how they are different.

Carry-over funding is funding that remains unspent at the end of a grant year and is added to a new award and certified as usable in the following year. For example a state may carry over \$250,000 from 2004 and apply for continuation funding of \$500,000 in 2005. CMS would then certify that the state has \$750,000 available to spend in the 2005 grant year. The maximum carry-over funding that is approvable is \$250,000.

No cost extensions are simply an extension of a grant period. In this case, a state may not have been able to spend its allotted award in 2004 and it would apply for a no cost extension to complete the grant (with no additional funding) in 2005. In 2006, that state could apply for continuation funding and only have used up one year of its four year grant during 2004 and 2005. Please note that only one no-cost extension per grant is ever permitted.

10. Please describe in more detail the requirement on the PAS attestation letter regarding the state’s criteria for “reviewing and responding to the requests from individuals who believe they require more PAS services than determined at their initial assessment”. Does this require states to implement a new assessment process for PAS? Please be as explicit as possible.

The Medicaid Director must certify that the state has a process in place under which a person can appeal the amount of services they are awarded under an initial assessment. This means that the Medicaid Director must sign an attestation letter that states that individuals have this right and a process by which this right can be carried out.

11. Is the date for grant awards October 29, 2004? This doesn’t seem to comport with the federal fiscal year.

These grants are not dependent on the federal fiscal year.

12. On page 35, under Full Eligibility, second paragraph, it states: “In order to reach the full eligible level, a state must have at least statewide MR/DD and physical disability 1915c, 1915b, or 1115 waiver(s). These waivers must be of sufficient size and not restricted by extremely high level of care criteria. CMS must determine that there is reasonable evidence that the waivers have the capacity to service at least 51% of the population of individuals with disabilities in the state who are, or wish to be employed (emphasis added).

Concern #1: Determining the number of persons with disabilities who want to work is not necessarily readily available.

If 70%+ of persons with disabilities would like to work (as some surveys indicate), then 51% of a state’s population with disabilities may be a very high number. Or is it 51% of the Medicaid population with disabilities, or is it 51% of the Medicaid Buy-in population?

The proxy that CMS uses to determine waiver sufficiency is whether the waivers serve 51% of the eligible population in the state. We use a tool developed by the Lewin consulting group to make this determination or we use other data submitted by the state.

13. Does CMS have any thoughts on how they are going to get from the level of care criteria to the 51% figure?

The level of care criteria is not dependent on the 51%. We look at the level of care criteria set by the state for waiver eligibility. If it is overly restrictive (e.g. 4+

ADLs or limited to a very specific disability) then CMS does not feel that it meets the criteria.

14. Can a state use its prior PAS eligibility status or must it be redetermined?

All states that competitively apply for funding will have their eligibility determined as part of the application review process. Past determinations will not be considered. States may prospectively apply for a predetermination if they are unsure of where they stand. States should contact their project officer immediately to request this.

15. Can funds be used for direct services in pilot or demonstration projects?

No except that up to 10% of the grant funds may be used for benefits counseling or one-time emergency services. If these services (and only these services) are provided in demonstration or pilot projects they are still subject to the overall 10% cap.

16. Can a workforce investment act board be a leader? Could it be the grantee?

A leader is not any particular official. It is the group of individuals who have the energy, authority, and vision to get things done to advance employment in a state. It may be the workforce investment act board if they meet this general definition. Likewise, it could be the grantee if they meet this general definition.

17. What is the relationship between this solicitation and the Department of Labor? Social Security Administration?

There is no relationship between this solicitation and the Department of Labor or the Social Security Administration. We shared the solicitation with those agencies for comment while it was being developed and we sent them copies after it was finalized but there is no formal relationship.

18. What is the difference between the Basic grant under this solicitation and the old solicitation?

Nothing.

19. What do you mean by “local community?”

Local community is local workforce area. It may be a city, a county or any other distinct region.

20. What do you mean by “competitively employed?”

Competitively employed means working at least 40 hours per month in a job that exists in the competitive labor market with individuals who are not disabled earning at least minimum wage.

21. Are the proposals for comprehensive employment systems competing with each other?

No. The proposals are competing against the evaluation criteria.

22. If a state is not fully eligible, can it apply for a basic grant?

Yes; however, the state must achieve full eligibility if it wishes to receive more than two years of funding.

23. Could you point out where the solicitation speaks to the requirements for a comprehensive employment systems grant?

Page 15 of the solicitation—“States that are fully eligible for personal assistance services (PAS) and have a Medicaid Buy-In that has a ceiling of at least 200 percent of poverty may receive an award amount up to 10 percent of the total expenditures (including the reimbursed Federal share of such expenditures) for medical assistance provided under its Medicaid Buy-In option. (Note that this solicitation does not contain the \$1,500,000 cap of the prior solicitations.) There are at least 11 states, based on 2003 buy-in enrollments and Medicaid 4th quarter expenditures, potentially eligible for this program, assuming that they meet the full eligibility standard. Other states may be added as programmatic changes are implemented. These funds will be used to support the development of a comprehensive State and local employment system that supports people with disabilities to become a valuable part of the competitive workforce of that State.”

Additionally, states must have plans in place to spend the funding in their previous grant award.

24. Could you clarify the relationship between CMS and technical assistance providers? How is this different from the prior solicitation?

Prior solicitations required most states to participate in technical assistance through an endorsed state-to-state technical assistance provider. CMS endorsed two organizations as these providers. The new solicitation, in anticipation of much more diversity in TA needs, does not restrict states to only these two TA entities, although we are sure they will continue to play an active role. Additionally, the solicitation explicitly places no limit on the amount of funding that can be used for TA.

For states applying for Comprehensive Employment Systems grants, there is a first year requirement to seek TA help in developing a strategic plan for the remaining three years of the project.

All states must include a section in their application that delineates TA activities and a budget for those activities. CMS does not expect states to list all administrative activities such as conference calls or meeting attendance but rather the project specific activities the state will purchase such as a cost benefit study of PAS expansion or a leadership development training for employment stakeholders.

25. As a state that can only apply for a basic grant because we are conditionally eligible, should the new application reflect a continuation of activities towards improving PAS or would CMS expect “new ideas”?

All conditionally eligible states are still required to propose a benchmark around improvements to PAS to get funded for year two. Given the benchmark requirement, CMS would expect to see some continued efforts to improve PAS. The state, however, must decide if this will be the sole concentrated focus of the grant or whether the grant will look to broader objectives.

26. If a state applies for and is awarded a “basic” MIG grant in 2005, and at some point during the grant year implements a Medicaid buy-in and meets criteria for a “comprehensive” grant, is there a process or procedure (short of submission of a new grant proposal for 2006) that would allow the state to transition to a “comprehensive” type grant? Can the state ‘build in’ such a capability in the 2005 grant proposal?

Solicitations, and responses to them, are viewed by CMS to be contracts. Both parties must comply with the written information that is provided. It is not possible for us to deviate from approval of the response that was provided requesting a basic grant and permit the funding to be used for a comprehensive grant. If we did this we would not have the grantees portion of the contract.

27. When will be the next TA call with CMS on this solicitation? Will there be a schedule posted of regular calls as CMS developed for the DMIE solicitation?

CMS did not anticipate the need for future calls on this solicitation. There were very few questions raised on the applicants’ call in May. Stakeholders may submit questions to cappold@cms.hhs.gov. The answers will be posted with all the other questions to the CMS website at www.cms.hhs.gov/twwiia.

28. Can the state spend money on services WHILE it is in the strategic planning process? For example, if a state is clear that it will want to fund Benefits

Planning services as part of its (Comprehensive) MIG grant, does it have to wait until the strategic planning is complete before spending any of the 10% allowed on benefits planning?

No, states do not have to wait to fund services until after strategic planning. We expect states to be operating elements of their comprehensive project during the first year while strategic planning is taking place.

29. Our state has benefited from individual assistance as well as joint technical assistance from both existing national Technical Assistance Organizations (APHSA-CWD) and NCHSD. Is it anticipated a state may seek to continue its association with more than one provider of technical assistance? The solicitation reads: “Grantees should engage a technical assistance organization....”

Grantees may contract with one or both of the TA centers you site or they may contract with one or more different organizations. For CMS purposes, states must provide the major activities for which TA will be engaged (e.g. leadership training under a comprehensive grant) and the budget for that activity. CMS does not need to know the identity of the technical assistance organization the state plans to engage.

30. The solicitation indicates that a state can request only the maximum of \$500,000 or 10% of the assistance costs under the state’s Buy-in program. Yet there is no limit on the amount of money a state may receive. Is there any circumstance under which CMS can envision a state whose Buy-in expenditures total less than \$5 million per year to receive more than \$500,000 from CMS? Can CMS give a state, under extraordinary circumstances, more money than it has requested?

No. CMS does not envision giving states with buy-ins under \$5 million funding above \$500,000 per year.