

Continuation Grant Awards 2006

Assistance to Help Offset Losses for State High Risk Pool

General Information

Document Type:	Grants Continuation Notice
Funding Opportunity Number:	HHS-2006-CMS-CONT-HRP
Posted Date:	May 1, 2006
Original Due Date for Applications:	Jun 30, 2006
Current Due Date for Applications:	Jun 30, 2006
Archive Date:	
Funding Instrument Type:	Grant
Category of Funding Activity:	Health
Expected Number of Awards:	multiple
Estimated Total Program Funding:	\$75 Million
Award Ceiling:	
Award Floor:	
CFDA Number:	93.780
Cost Sharing or Matching Requirement:	No

Funding Opportunity Description:

The Centers for Medicare & Medicaid Services will make grants available from the appropriations authorized under section 2745(d)(1)(B) of the Public Health Service Act (PHS Act) for the costs of operational losses for the operations of qualified high risk pools by States.

A qualified high risk pool as defined in sections 2744(c)(2) and 2745(g) of the PHS Act is a risk pool that (a) provides to all eligible individuals health insurance coverage (or comparable coverage) that does not impose any preexisting condition exclusion with respect to such coverage for all eligible individuals, except that it may provide for enrollment of eligible individuals through an acceptable alternative mechanism (as defined for purposes of section 2744) that includes a high risk pool as a component, and (b) provides for premium rates and covered benefits for such coverage consistent with standards included in the NAIC Model Health Plan for Uninsurable Individuals Act that was in effect at the time of the enactment of the Health Insurance Portability and Accountability Act of 1996 (August 21, 1996).

The following grant opportunities are available to States operating qualified high-risk pools:

Grants for Operational Losses- States that have established a qualified high risk pool that has incurred losses and (1) restricts premium charged under the pool to no more than

200 percent of the premium for applicable standard risk rates (2) offer a choice of two or more coverage options through the pool and (3) has in effect a mechanism reasonably designed to ensure continued funding of losses incurred by the State in connection with operations of the pool after the end of the last fiscal year for which a grant is provided under this paragraph.

Special Rule for Pools Charging Higher Premiums - In the case of a qualified high-risk pool of a State which charges premiums that exceed 150 percent of the premium for applicable standard risks, the State shall use at least 50 percent of the amount of the grant provided to the State to reduce premiums for enrollees.

Bonus Grants for Supplemental Consumer Benefits - States that have established a qualified high risk pool and are receiving grants for operational losses are eligible to apply for a grant to be used to provide supplemental consumer benefits to enrollees or potential enrollees (or defined subsets of such enrollees or potential enrollees) in qualified high risk pools.

Eligibility Information

For NON-COMPETITIVE opportunity

Application for Restricted Applicants ONLY as defined by the terms of the grant.

IMPORTANT NOTE: This application is ONLY to be used for the purposes of submitting an application to the Centers for Medicare & Medicaid Services (CMS) where the eligibility is restricted to States that meet the criteria specified in the Congressional appropriations of P.L. 109-172 State High Risk Pool Extension Act of 2006.

Organizations not designated as such for this opportunity and not receiving an individual notification from CMS are NOT eligible and should not submit an application. Organizations not on the list of pre-identified named applicants are not eligible and will not be considered.

Eligibility Criteria

To be eligible for a grant, a State must have an established qualified high risk pool that has incurred losses and (1) restricts premium charged under the pool to no more than 200 percent of the premium for applicable standard risk rates (2) offer a choice of two or more coverage options through the pool and (3) has in effect a mechanism reasonably designed to ensure continued funding of losses incurred by the State in connection with operations of the pool after the end of the last fiscal year for which a grant is provided under this paragraph. The State must provide sufficient documentation of the losses incurred in the operations of the qualified high risk pool for the covered grant period.

Limitations for Territories - In no case shall the aggregate amount allotted and made available for this program for a fiscal year to States that are not the 50 States or the District of Columbia in total exceed \$1,000,000.

Application and Submission Information

Please submit your application electronically through Grants.gov. To submit your application electronically, please use the <http://www.grants.gov/Apply> site. You must search for the downloadable application package by the Opportunity Funding Number, HHS-2006-CMS-CONT-HRP.

Address to Request Application

A complete electronic application package, including all required forms for the Operational Losses Grants to States for Qualified High Risk Pools is available at www.grants.gov/Apply

Standard application and forms and related instructions are also available from Nicole Nicholson, Centers for Medicare & Medicaid Services, Office of Operations Management, Acquisition and Grants Groups, MS C2-21-15, 7500 Security Blvd, Baltimore, MD 21244-1850, (410) 786-5158 or by e-mail at Nicole.Nicholson@cms.hhs.gov.

Form of Application Submissions – Only in the event that the electronic submission of the application has failed through www.grants.gov should the applicant submit an original and two copies of the application which must be in the following format:

- 8.5 x11” letter-sized white paper with 1” margins (top, bottom and sides);
- No binding, staples or tabs;
- Written in English with black ink;
- Single-sided, single-spaced using no smaller than 12 point font; and.
- Narrative sections sequentially numbered.

If the electronic submission of the application has failed through www.grants.gov the applicant should include a copy of the failed submission notice from www.grants.gov with the paper application submission.

Required Contents of the Application

1. Grant Application Submission Check Off Coversheet

This form is only intended to assist the applicant in identifying the contents of the completed grant application for submission to CMS. If the applicant is unable to submit this form electronically you may fax the completed form to Nicole Nicholson at (410) 786-9088.

2. Standard Forms (SF)

Standard forms must be completed using the instructions provided at www.grants.gov. The following standard forms must be completed with an original signature and enclosed as part of the application.

SF 424: Application for Federal Assistance

- SF 424 A: Budget Information
- SF 424 B: Assurances
- SF-LLL Disclosure of Lobbying Activities

In the event that the electronic submission of the application has failed through www.grants.gov, the following website should be accessed for the standard forms www.cms.hhs.gov/GrantOpportunities/

3. Narrative Description of the Program

History and Description of the Qualified High Risk Pool –Provide a detailed description of the following:

- a) brief history of the program including the date of inception;
- b) enrollment criteria (including provisions for the admission of eligible individuals as defined in section 148.103) and number of enrollees;
- c) description of how coverage is provided administratively in the qualified high risk pool (i.e. self-insured, through a private carrier, etc);
- d) benefit options and packages offered in the qualified high risk pool to both eligible individuals as defined in section 148.103 and other applicants;
- e) outline of the plan benefits and coverage offered by the pool and provide evidence that the level of plan benefit is consistent with either Alternative One or Alternative Two in Section 8 of the NAIC Model Health Plan for Uninsurable Individuals Act;
- f) premiums charged (in terms of dollars and in percentage of standard risk rate) and other cost-sharing mechanisms, such as co-pays and deductibles, imposed on enrollees (both eligible individuals as defined in section 148.103) and non-eligible individuals if a distinction is made);
- g) how is the standard risk rate for the State calculated and when was it was last calculated;
- h) revenue sources for the qualified high risk pool, including current funding mechanisms and, if different, future funding mechanisms and provide projections of future income;
- i) copies of all governing authorities of the pool, including statues, regulations and plan of operation.
- j) if an alternative mechanism is used provide a clear description of the accounting for expenditures and losses for eligible qualified high risk pool enrollees.

Accounting of the Qualified High Risk Pool Losses –Provide the following information regarding the accounting process:

- a) detailed accounting of the claims paid;
- b) administrative expenses;
- c) premiums collected for the fiscal year for which the grant is being requested;
- d) indicate the timing of the fiscal year upon which the accounting is based;
- e) provide the methodology of projecting losses and expenses and include current projections of future operating losses (this is needed to judge compliance with the requirement in section 148.310(d));
- f) contact person – identify the name, position title address, e-mail address and

telephone number of the person to contact for further information and questions;

Bonus Grants for Supplemental Consumer Benefits – Provide a narrative description of one or more of the following of the supplemental consumer benefits to be provided to enrollees and /or potential enrollees in the high risk pool:

- a) low income premium subsidies;
- b) reduction in premium trends, actual premium or other cost- sharing requirements ;
- c) an expansion or broadening of the pool of individuals eligible for coverage, such as through eliminating waiting lists, increasing enrollment caps, or providing flexibility in enrollment;
- d) less stringent rules, or additional waiver authority with respect to coverage of pre-existing condition;
- e) increased benefits and
- f) the establishment of disease management programs.
- g) provide a description of the population or subset of the population that will be eligible for the supplemental consumer benefits.
- h) provide a projected budget for the use of bonus grant funds using the SF 424A.

Appendices: This section should include documents referenced in the grant application that would be more appropriately identified as attachments (i.e resumes, organizational charts)

Submission Dates and Times

Grant Applications

All applications must be received no later than **June 30, 2006** in order to be considered on time. Applications submitted through www.grants.gov until 11:59 p.m. Eastern Time on June 30, 2006 will be considered “on time”. All applications will receive an automatic time stamp upon submission and applicants will receive an automatic e-mail reply acknowledging the applicant’s receipt.

Please note when submitting your application electronically, you are also required to mail a signed SF 424 to Nicole Nicholson, Centers for Medicare & Medicaid Services, Office of Operations Management, Acquisition and Grants Group, MS C2-21-15, 7500 Security Blvd, Baltimore, MD 21244-1850. The **mailed** SF 424 form may be received at the Centers for Medicare & Medicaid Services within two (2) days of the application closing date.

Any paper applications mailed through the U.S. Postal Service or a commercial delivery service will be considered “on time” if received by the close of business on the closing date or postmarked (first class mail) by the date specified. If express, certified, or registered mail is used, the applicant should obtain a legible dated mailing receipt from the U.S. Postal Service. Private metered postmarks are not acceptable as proof of timely mailings.

Applications by facsimile (fax) transmission will not be accepted.

Funding Restrictions

Indirect Cost

We recommend applicants review the OMB circulars in preparing budget information. This information is available at the following link:

<http://www.whitehouse.gov/omb/circulars>

All funds awarded for operational losses to the grantee under this program must be used exclusively for the operation of a qualified high risk pool that meets the eligibility requirements for this program.

Bonus grants for supplemental consumer benefits must be used for one or more of the following benefits: (a) low income premium subsidies; (b) reduction in premium trends, actual premium or other cost-sharing requirements; (c) an expansion or broadening of the pool of individuals eligible for coverage, such as through eliminating waiting lists, increasing enrollment caps, or providing flexibility in enrollment rules; (d) less stringent rules or additional waiver authority with respect to coverage of pre-existing conditions; (e) increased benefits; and (f) the establishment of disease management programs.

Application Review Information Criteria

The review team will use the following criteria in reviewing the applications:

A. Compliance with special terms and conditions: The State will be evaluated related to the compliance of submitting the required program(operations) and financial reporting requirements as outlined in 45 CFR Part 92.

B. Documentation of expenses incurred during the operations of the qualified high risk pool: The losses and expenses incurred in the operations of a State's pool are sufficiently documented as requested in this announcement.

C. Funding mechanism: The State has outlined funding sources, such as assessments and State general revenue, which can cover the projected costs and are reasonably designed to ensure continued future funding of losses a State incurs in connections with the operations of the qualified high risk pool.

Review and Selection Process

A team consisting of staff from CMS will review all applications. The team will meet as necessary on an ongoing basis as applications are received.

Anticipated Announcement and Award Dates

The anticipated award date is September 30, 2006

Award Administration Information

1. Grant Awards - Notification and Award Letter

Successful applicants will receive a Financial Assistance Award (FAA) signed and dated by the CMS Grant Management Officer. The FAA is the document authorizing the grant award and will be sent through the U.S. Postal Service to the applicant organization as listed on its SF 424. Any communication between CMS and the applicants prior to issuance of the FAA is not authorization to begin performance of the project. If the applicant is awarded a grant, the award letter will contain special terms and conditions required for this grant.

2. Grant Administration

Each State that submits an application that is approved by CMS is eligible to receive grant funds as follows:

Allocation of Grant Amounts for the Operational Losses Grants- The amount of dollars available for the operational grants is based on the following funding methodology: Two-thirds of the total appropriations will be available for operational grants. This amount will be divided among the States that apply and are awarded grants according to the allotment rules that generally provide that 40 percent will be equally divided among those States; 30 percent will be divided among States and territories based on their number of uninsured residents in the State during the specified year as compared to all States that apply; and 30 percent will be divided among States and territories based on the number of people in States high risk pools during the specified year as compared to all States that apply.

Allocation of Bonus Grants for Supplemental Consumer Benefits - The amount of dollars available for the bonus grants is based on the following funding methodology: One-third of the total appropriations are set aside to be used for grants for supplemental consumer benefits. In no case shall a State for a fiscal year receive bonus grants which exceed 10 percent of the total allotted funds for bonus grants.

Grant Acceptance

Grantees must submit a letter of acceptance to CMS, within 30 days of the date of the award, agreeing to the terms and conditions of the award letter. The letter should be mailed to: Nicole Nicholson, Centers for Medicare & Medicaid Services, Office of Operations Management, Acquisition and Grants Groups, C2-21-15 Central Building, 7500 Security Blvd, Baltimore, MD 21244-1850. Please remember to include the award number located in section three of the FFA on all correspondence.

Administrative and National Policy Requirements

1. Specific administrative and policy requirements of grantees as outlined in 45 CFR Part 92 applies to this grant opportunity.
2. Terms and Conditions – The grantees will be required to comply with the special terms and conditions associated with this grant award.

Reporting

1. The grantees must submit a quarterly report to CMS documenting the expenditure of the grant funds and the progress of the program operations for the qualified high risk pools. In addition, for States that receives bonus grant funds the following elements will need to be reported quarterly: the number of individuals insured or served through the supplemental consumer benefits, impact to the reduction of uninsurance, best practices related to a particular benefit(if applicable), and the outcome of the option selected. Grantees are required to comply with the provision outlined in 45 CFR Part 92.

2. The grantees must keep sufficient records of the grant expenditures since the grantees may be subject to an audit. Grantees are required to comply with the provision outlined in 45 CFR Part 92.

Agency Contacts

CMS Contact Information

Administrative Matters

Nicole Nicholson
Grants Management Specialist
Centers for Medicare & Medicaid Services
Office of Operations Management, Acquisitions and Grants Group
MS C2-21-15
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(410) 786-9088 fax
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Technical Matters

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Wanda Pigatt-Canty
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Other Information

ATTACHMENT I – Grants Application Submission Check Off Coversheet

ATTACHMENT I
CENTERS FOR MEDICARE & MEDICAID SERVICES
2005 CONTINUATION GRANTS FOR OPERATIONAL LOSSES TO STATE
QUALIFIED HIGH RISK POOLS

**CONTINUATION GRANT APPLICATION SUBMISSION CHECK OFF
COVERSHEET**

DATE: _____ STATE: _____

PROGRAM NAME: _____

Grant Application Submission Check Off Coversheet

Please mark an X beside all documents included in your application. If the item is not applicable mark "N/A" next to the item. This form should be placed on top of the actual application after your coverletter. Please verify that all items are present in your grant application.

STANDARD FORMS (please secure all necessary original signatures as specified)

- ___ Standard Form 424- Application for Federal Assistance
- ___ Standard Form 424A–Budget Information (all required sections)
- ___ Standard Form 424B-Assurances
- ___ Standard Form –LLL Disclosure of Lobbying Activities

NARRATIVE PROGRAM DESCRIPTION

History /Description of the Qualified High Risk Pool

- ___ History /Date if Inception of the Program
- ___ Enrollment Criteria
- ___ Administrative Mechanism for Providing Coverage
- ___ Benefit Options
- ___ Outline of the Plan Benefits offered in the Pool
- ___ Premium Rates and Cost Sharing Mechanisms
- ___ Rate Calculation Methodology
- ___ Revenue Sources and Financial Solvency of the Pool
- ___ Copies of All Governing Authorities/State Law/Regulations
- ___ Description of Alternative Mechanism (if applicable)

Accounting of the Qualified High Risk Pool

- ___ Detail Accounting of Claims Paid
- ___ Administrative Expenses
- ___ Premium Collection
- ___ Loss Projection Methodology

Bonus Grants for Supplemental Consumer Benefits

- ___ Description of Type of Consumer Benefits
- ___ Description of the Eligible Population
- ___ Projected Budget for the use of Bonus Grants

___ **Contact Person**

___ **Appendices**