

**Department of Health and Human Services
Centers for Medicare & Medicaid Services
Office of Acquisitions and Grants Management**

7500 Security Boulevard
Baltimore, MD 21244-1850

NOTICE OF GRANT AWARD
AUTHORIZATION (Legislation/Regulations)
Section 1311 of the Affordable Care Act, Health Insurance Exchange

1. DATE ISSUED (Mo./Day/Yr.) 08/12/2011		2. CFDA NO. 93.525	
3. SUPERCEDES AWARD NOTICE dated except that any additions or restrictions previously imposed remain in effect unless specifically rescinded			
4. GRANT NO. 1 HBEIE110067-01-00 Formerly:		5. ADMINISTRATIVE CODES SEPI	
6. PROJECT PERIOD Mo./Day/Yr. From 08/15/2011		Through 08/14/2012	
7. BUDGET PERIOD Mo./Day/Yr. From 08/15/2011		Through 08/14/2012	

8. TITLE OF PROJECT (OR PROGRAM) (Limit to 56 spaces)
Cooperative Agreement to Support Establishment of State Operated Health Insurance Exchanges

9. GRANTEE NAME AND ADDRESS a. Mississippi Department of Insurance b. 501 N West St Ste 1001 c. Life and Health Actuarial d. Jackson		e. MS f. 39201-1008	
10. DIRECTOR OF PROJECT (PROGRAM DIRECTOR/PRINCIPLE INVESTIGATOR) (LAST NAME FIRST AND ADDRESS) Aaron Sisk Life and Health Actuarial 501 North West Street, Suite 1001, Woolfolk Buildi Jackson, MS 39201 Phone: 601-359-3569			

11. APPROVED BUDGET (Excludes HHS Direct Assistance)	
I HHS Grant Funds Only	
II Total project costs including grant funds and all other financial participation <input type="checkbox"/>	
(Select one and place NUMERAL in box)	
a. Salaries and Wages	97,750
b. Fringe Benefits	0
c. Total Personnel Costs	97,750
d. Consultants Costs	
e. Equipment	37,000
f. Supplies	7,700
g. Travel	113,355
h. Patient Care – Inpatient	
i. Patient Care – Outpatient	
j. Alterations and Renovations	
k. Other	0
l. Consortium/Contractual Costs	19,887,813
m. Trainee Related Expenses	
n. Trainee Stipends	
o. Trainee Tuition and Fees	
p. Trainee Travel	
q. TOTAL DIRECT COSTS	20,143,618
r. INDIRECT COSTS (rate of)	0
s. TOTAL APPROVED BUDGET	\$ 20,143,618
t. SBIR Fee	0
u. Federal Share	\$ 20,143,618
v. Non-Federal Share	\$ 0

12. AWARD COMPUTATION FOR GRANT	
a. Amount of HHS Financial Assistance (from item 11.u)	20,143,618
b. Less Unobligated Balance From Prior Budget Periods	0
c. Less Cumulative Prior Award(s) This Budget Period	0
d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION	20,143,618

13. RECOMMENDED FUTURE SUPPORT (Subject to the availability of funds and satisfactory progress of the project):			
YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS
a. 2		d. 5	
b. 3		e. 6	
c. 4		f. 7	

14. APPROVED DIRECT ASSISTANCE BUDGET (IN LIEU OF CASH):	
a. AMOUNT OF HHS Direct Assistance	0
b. Less Unobligated Balance From Prior Budget Periods	
c. Less Cumulative Prior Award(s) This Budget Period	
d. AMOUNT OF DIRECT ASSISTANCE THIS ACTION	0

15. PROGRAM INCOME SUBJECT TO 45 CFR PART 74, SUBPART F, OR 45 CFR 92.25, SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:
(Select one and place LETTER in box.)

a. DEDUCTION	
b. ADDITIONAL COSTS	<input type="checkbox"/> b
c. MATCHING	
d. OTHER RESEARCH (Add / Deduct Option)	
e. OTHER (See REMARKS)	

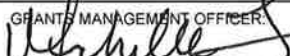
16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, HHS ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:

- The grant program legislation cited above
- The grant program regulation cited above
- This award notice including terms and conditions, if any, noted below under REMARKS.
- HHS Grants Policy Statement including addenda in effect as of the beginning date of the budget period.
- 45 CFR Part 74 or 45 CFR Part 92 as applicable.

In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.

REMARKS: (Other Terms and Conditions Attached - Yes No)

Please Refer to Standard & Special Terms and Conditions.
Please Refer to Special Programmatic Terms and Conditions.

GRANTS MANAGEMENT OFFICER:  (Signature) (Name – Typed/Print) Ms. Feagins, Michelle (Title) Senior Grants Management Specialist

17. OBJ CLASS	4115	18. CRS - EIN	1646000786A1	19. LIST NO.	CONG. DIST.:	02
FY-CAN		DOCUMENT NO.		AMT ACTION FIN ASST		AMT ACTION DR ASST
20. a.	1-5992625	b. HBEIE0067A	c. SEPI	d. 20,143,618	e.	0
21. a.		b.	c.	d.	e.	
22. a.		b.	c.	d.	e.	

AWARD ATTACHMENTS

Mississippi Department of Insurance

1 HBEIE110067-01-00

1. Standard Terms and Conditions
2. Special Programmatic Terms and Conditions

**Cooperative Agreement to Support Establishment of
State-Operated Health Insurance Exchanges**

**Standard Terms & Conditions
Attachment A**

1. **The HHS/CMS Center for Consumer Information and Insurance Oversight (CCIIO) Program Official.** The Program Official assigned with responsibility for technical and programmatic questions from the Grantee is Susan Lumsden (Susan.Lumsden@cms.hhs.gov).
2. **The HHS/Center for Medicaid, CHIP and Survey & Certification (CMCS) Contact Official.** The Center within CMS responsible for reviewing and approving funding documents referred to as Advance Planning Documents (APDs) that are submitted by the State to receive federal matching funds for goods and services that benefit the Medicaid program. The CMCS Contact Official is Rick Friedman (Richard.Friedman@cms.hhs.gov).
3. **The HHS Grants Management Specialist.** The Grants Management Specialist assigned with the responsibility for the financial and administrative aspects (non-programmatic areas) of grants administration questions from the Grantee is Vivian Smith in the Division of Grants Management (Vivian.Smith@cms.hhs.gov).
4. **The HHS Grants Policy Statement (HHS GPS).** This Cooperative Agreement is subject to the requirements of the HHS GPS that are applicable to the Grantee based on your recipient type and the purpose of this award. This includes any requirements in Part I and II (available at <http://www.hhs.gov/grantsnet/adminis/gpd/index.htm>) of the HHS GPS that apply to an award.

Consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR part 92, directly applies to this award in addition to any coverage in the HHS GPS.

5. **Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87).** This grant is subject to the requirements as set forth in Title 2 Part 225, State, Local, and Indian Tribal Governments (previously A-87). Program may require grantees to continue to provide estimates for cost allocation during periodic phases involving associated funds of the cooperative agreement.
6. **Subaward Reporting and Executive Compensation.** This grant is subject to the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282), as amended by section 6202 of Public Law 110-252 and implemented by 2 CFR Part 170. Grant and cooperative agreement recipients must report information for each first-tier subaward of \$25,000 or more in Federal funds and executive total compensation for the recipient's and subrecipient's five most highly compensated executives as outlined in Appendix A to 2 CFR Part 170. Information about the Federal Funding and Transparency Act Subaward Reporting System (FSRS) is available at www.fsrs.gov. For additional

assistance, please contact Iris Grady, the Grants Management Specialist assigned to monitor the subaward reports and executive compensation at divisionofgrantsmanagement@cms.hhs.gov.

Special Terms & Conditions Attachment B

1. **Budget and Project Period:** The budget and project period for the Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges (Level One Application due date June 30, 2011) is from August 15, 2011 through August 14, 2012.
2. **Restriction of Funds:** Grantee will not have access to the contractual line item funds for Information Technology expenses until the conditions outlined under Parts A and B below (if applicable) have been met. Grantee only needs to address the conditions outlined in Part A for those contractual line item funds that are needed to implement or sustain the project for the duration of the cooperative agreement (e.g. start-up costs or non-System Development Life Cycle dependent costs). Grantee must address Parts A and B for all contractual line item costs directly linked to a specific Systems Development Life Cycle review (see Part B below). As part of any request to lift restrictions on funding, Grantee must identify the nature of the contractual line item funds (i.e. start-up versus specific life cycle review).

For additional guidance on the restriction of funds requirements, please contact your Grants Management Specialist, Vivian Smith, at Vivian.Smith@cms.hhs.gov, or your assigned Project Officer.

A. Grantee must provide the following required information for all contracts:

1. Name of Contractor
2. Method of Selection
3. Period of Performance
4. Scope of Work
5. Method of Accountability
6. Itemized Budget and Justification

Please review [Appendix E](#) as “Guidance for Preparing a Budget Request and Narrative in Response to SF424A” in the Funding Opportunity Announcement (FOA) for further guidance on what is required to address these topics areas.

B. Grantee must also meet specific Program Requirements, to include undergoing standard industry Systems Development Life Cycle (SDLC) reviews.

1. Architecture Review
2. Project Baseline Review
3. Detailed Design Review
4. Operational Readiness Review

As part of the overall response to Part A, Grantee must specifically explain and separately outline the contract costs associated for each life cycle review stage listed above prior to beginning work. Specifically, Grantee must explain in the Scope of Work, the precise services/tasks/deliverables to be performed by the contractor, and outline in the Itemized Budget and Justification the contractual costs with appropriate justification.

At the time of each stage of the life cycle review process, Grantee must provide detail of the deliverables, products, etc. completed during that stage of the life cycle. Those specifications will then be reviewed by HHS using published HHS SDLC standards, which will then determine if the Grantee has successfully met completeness requirements under the HHS SDLC. Once Grantee receives approval from HHS regarding the completeness of their deliverables for that life cycle review period, the contractual line item funds linked to that specific review will be available for drawdown.

The SDLC reviews will be jointly conducted by CCIIO and CMCS. Because the Affordable Care Act requires the development of a streamlined enrollment system for Medicaid, CHIP, State basic health plans established under § 1331, and Exchange qualified health plans and financial assistance for qualified health plans, the development of the IT system will benefit Medicaid/CHIP and Exchange-related programs. Therefore, costs for this project need to be allocated between Medicaid/CHIP and the Exchange. Additionally, the Medicaid program will be building to varying degrees supporting infrastructures to facilitate the work of the Exchange. It is for this reason that CMCS will be working together with CCIIO to review the progress the State is making during the four SDLC reviews. We expect the State staff working on the Exchange and the supporting Medicaid program activities to similarly work together as they develop joint solutions.

During the SDLC reviews, CMS will want both State Exchange and Medicaid staff to participate in all of the reviews, provide requested documentation and be prepared to speak to the status of the system and program's development with regard to: a) the Exchange, b) the supporting Medicaid program and infrastructure and c) any jointly developed cost allocated activities between the Exchange and the Medicaid program. Please note that while the funding sources for the three areas outlined above will come from two sources (i.e. the CCIIO Establishment Grants and the Medicaid Advance Planning Documents), the traditional APD review process has been expedited as a result of CMS's ability to conduct the SDLC reviews in a joint fashion between CCIIO and CMCS and between the State Exchange staff and the State Medicaid staff involved in the activities described above. The focus of the SDLC reviews by the CMCS staff will pay particular attention to the extent to which, at each stage of the SDLC reviews, the State is fulfilling its obligations, including meeting specific Standards and Conditions.

Please review the description in Appendix D of the FOA for further guidance on the SDLC reviews.

- 3. Personnel Changes:** The Grantee is required to notify the CCIIO Project Officer and the HHS Grants Management Specialist within thirty (30) days of any personnel changes affecting the grant's Project Director, Assistant Project Director, or the Financial Officer as well as any named Key Contractor staff.

4. **Contractual Personnel Changes.** Because the bandwidth of expertise is tight in the Exchange arena, Grantees must inform the Program Officer as to Contractual resources and key personnel changes.
5. **Required Grant Reporting:** The templates for the Required Grant Reporting will be forthcoming.
 - a. **Quarterly Project Report.** The Grantee is required to submit Quarterly Progress Reports to the HHS Grants Management Specialist and to the CCIIO Project Officer. Quarterly Progress Reports are due within 30 days after the end of the quarter (January 30, April 30, July 30, and October 30). The first quarterly report is due after the first full quarter following award. The final Quarterly Report will serve as the Final Project Report and should be comprehensive of the work performed throughout the project period.
 - b. **Periodic Deliverables:** See Program Requirements per the Funding Opportunity Announcement.
 - c. **Public Report.** The Grantee is required to prominently post specific information about the Exchange grants on its Internet websites to ensure that the public has information on the use of funds.
6. **Required Financial Reports:** The Federal Financial Report (FFR or Standard Form 425) has replaced the SF-269, SF-269A, SF-272, and SF-272A financial reporting forms. All grantees must utilize the FFR to report cash transaction data, expenditures, and any program income generated.

Grantees must report on a quarterly basis cash transaction data via the Payment Management System (PMS) using the FFR in lieu of completing a SF-272/SF272A. The FFR, containing cash transaction data, is due within 30 days after the end of each quarter. The quarterly reporting due dates are as follows: 1/30, 4/30, 7/30, 10/30. A Quick Reference Guide for completing the FFR in PMS is at:

www.dpm.psc.gov/grant_recipient/guides_forms/ffr_quick_reference.aspx.

Within 90 calendar days of the budget/project period end date, Grantees must also report on the FFR their expenditures and any program income generated in lieu of completing a Financial Status Report (FSR) (SF269/269A). Expenditures and any program income generated should only be included on the final FFR.

See below for the due date for the final FFR:

Budget/Project period	Reporting Period and Due Date
August 15, 2011 through August 14, 2012	Final report - 12-month reporting period— August 15, 2011 through August 14, 2012 DUE: November 14, 2012

A hard copy of the final FFR, containing cash transaction data, expenditures, and any program income generated, should be mailed and received by our office within 90 calendar days of the budget/project period end date. Grantees should access the following link in order to electronically complete and print the final FFR:

http://www.whitehouse.gov/omb/grants_forms/.

The final FFR should be mailed to the attention of the Grants Management Specialist listed on this Notice of Grant Award with a copy to the Project Officer. Reports should be mailed to the following address:

Health and Human Services
Hubert H. Humphrey Building
Room 737F
200 Independence Ave., SW
Washington, D.C. 20201

For additional guidance, please contact your Grants Management Specialist.

- 7. Attendance at Meetings and Sharing.** It is extremely important for States to share with one another lessons learned and best practices; as such it is expected that grantees attend CMS (CCIIO and/or CMCS) grantee meetings or workshops; it is also highly encouraged for grantees to attend regional or other types of meetings/workshops that would further their work to establish their Exchanges.
- 8. Collaborative Responsibilities.** Close coordination between the Department of Insurance and the Medicaid Director is required. Grantees will be expected to show evidence, including but not limited to, regular communication and meetings, and Memoranda of Agreement based on business owners of processes, and inclusion in critical milestones.
- 9. Consumer Assistance Program (Section 1002).** As Exchange grantees engage in planning and implementation activities around the Core Area of Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints, they must keep in mind that it is not possible to replace CAP grant funding with 1311 funding. The activities must be integral to the Exchange and are subject to the minimum requirements of Section 1311, not those in Section 1002. Funds applied for must not supplant other grant funds, or otherwise misuse or misappropriate grant funds.
- 10. Basic Health Program.** Funding under the Establishment Cooperative Agreements cannot be used solely for waiver activities, the Basic Health Program or investigation of the feasibility of those options.
- 11. Risk Adjustment.** States must seek approval to commence specific tasks associated with risk adjustment. Please submit plans to carry out tasks related to risk adjustment to your project officer for review and approval prior to commencing activities.

**Cooperative Agreement to Support Establishment of
State-Operated Health Insurance Exchanges
Special Programmatic Terms and Conditions**

I. Exchange IT Systems Contractual Line Item

Funds in the Exchange IT Systems Contractual Line Item are restricted per the conditions outlined in the Special Terms and Conditions #2- Restriction of Funds.

Mississippi	\$12,035,000
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