

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

TO <i>Jacobs</i>	DATE <i>3-9-11</i>
---------------------	-----------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  <i>1001401</i>	I I Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <i>cc: Mr. Speck, Deps, CUS file</i>	I I Prepare reply for appropriate signature DATE DUE _____ I I FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action

APPROVALS (only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid, CHIP and Survey & Certification**

---

February 22, 2011

Mr. Anthony Keck  
Director

South Carolina Department of Health and Human Services  
1801 Main Street, Suite J11  
Columbia, SC 29202

**RECEIVED**  
MAR 09 2011  
Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

I am pleased to inform you of your award for the second year of a quality demonstration grant under section 401(d) of the Children's Health Insurance Program Reauthorization Act. Your total 5-year funding award remains \$9,277,361. Your second-year funding is \$1,618,901. Additional funding will be issued as supplemental awards based on attainment of key benchmark accomplishments. We will work with you to determine those benchmarks based on your Final Operational Plan and other considerations.

Drawdown of funds indicates acceptance of this award and the accompanying terms and conditions (STC).

Enclosed are these important documents regarding your Grant Award:

1. **Terms and Conditions** – These are the legal documents that cite the statute, regulations and Centers for Medicare & Medicaid Services (CMS) policies governing this grant and sets forth the general requirements, assurances, reporting requirements, and other terms and conditions that apply specifically to the grant.
2. **Notice of Award** – This document is the “official” notification of your award from the CMS Office of Acquisition and Grants Management.

Your Project Officer is David Greenberg. Mr. Greenberg can be contacted at (410) 786-2637 or via e-mail at: [david.greenberg@cms.hhs.gov](mailto:david.greenberg@cms.hhs.gov).



We appreciate your efforts in planning your demonstration and look forward to continuing to work together as you proceed with implementation. Thank you for your commitment to ensuring that children under the Medicaid and CHIP programs receive the highest quality care.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Steward". The signature is written in a cursive, flowing style.

 Cindy Mann  
Director

Enclosures

cc: David Greenberg, Project Officer  
Mary Greene, Grant Officer



**Department of Health and Human Services  
Centers for Medicare and Medicaid Services  
Notice of Award (NOA)**

**SAI NUMBER:**

**PMS DOCUMENT NUMBER:**

120C30540A

<b>1. AWARDING OFFICE:</b> Centers For Medicare & Medicaid Services		<b>2. ASSISTANCE TYPE:</b> Discretionary Grant		<b>3. AWARD NO.:</b> 120CMS030540-01-02	<b>4. AMEND. NO.</b> 2
<b>5. TYPE OF AWARD:</b> Demonstration		<b>6. TYPE OF ACTION:</b> Supplement		<b>7. AWARD AUTHORITY:</b> CHIPRA of 2009 PL 111-3	
<b>8. BUDGET PERIOD:</b> 02/22/2010 THRU 02/21/2015		<b>9. PROJECT PERIOD:</b> 02/22/2010 THRU 02/21/2015		<b>10. CAT NO.:</b> 93.767	
<b>11. RECIPIENT ORGANIZATION:</b> South Carolina Department of Health and Human Services 1801 Main St Columbia, SC 29201-2409 Anthony Keck, Director				<b>12. PROJECT / PROGRAM TITLE:</b> CHIPRA Quality Demonstration Grant	

<b>13. COUNTY:</b> Richland	<b>14. CONGR. DIST:</b> 06	<b>15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:</b> Lynn Martin CHIPRA Project Director
--------------------------------	-------------------------------	--

<b>16. APPROVED BUDGET:</b>		<b>17. AWARD COMPUTATION:</b>	
Personnel.....	\$ 338,062	A. NON-FEDERAL SHARE.....	\$ 0 0%
Fringe Benefits.....	\$ 112,696	B. FEDERAL SHARE.....	\$ 3,833,164 100%
Travel.....	\$ 154,450	<b>18. FEDERAL SHARE COMPUTATION:</b>	
Equipment.....	\$ 21,000	A. TOTAL FEDERAL SHARE.....	\$ 3,833,164
Supplies.....	\$ 19,223	B. UNOBLIGATED BALANCE FEDERAL SHARE.....	\$ 0
Contractual.....	\$ 2,771,786	C. FED. SHARE AWARDED THIS BUDGET PERIOD..	\$ 2,214,263
Facilities/Construction.....	\$ 0	<b>19. AMOUNT AWARDED THIS ACTION:</b>	\$ 1,618,901
Other.....	\$ 373,550	<b>20. FEDERAL \$ AWARDED THIS PROJECT PERIOD:</b>	\$ 3,833,164
Direct Costs.....	\$ 3,790,767	<b>21. AUTHORIZED TREATMENT OF PROGRAM INCOME:</b>	
Indirect Costs.....	\$ 42,397	ADDITIONAL COSTS	
At % of \$		<b>22. APPLICANT EIN:</b>	<b>23. PAYEE EIN:</b>
		1576000286Z3	1576000286Z3
<b>Total Approved Budget.....</b>	<b>\$ 3,833,164</b>	<b>24. OBJECT CLASS:</b>	

<b>25. FINANCIAL INFORMATION:</b>			
<b>ORGN</b>	<b>DOCUMENT NO.</b>	<b>APPROPRIATION</b>	<b>CAN NO.</b>
CMS	120C30540A	75X0515	1-5993392
			<b>NEW AMT.</b> \$1,618,901
			<b>UNOBLIG.</b>
			<b>NONFED %</b>

**26. REMARKS: (Continued on separate sheets)**

See next page

<b>27. SIGNATURE - GRANTS OFFICER</b> <i>Mary Greeffe</i>	<b>DATE:</b> MAR 01 2011	<b>28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY</b> Signature Not Required
<b>29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S)</b> David Greenberg		<b>DATE:</b>
Signature Not Required		



**Department of Health and Human Services  
Centers for Medicare and Medicaid Services  
Notice of Award (NOA)**

**SAI NUMBER:**  
PMS DOCUMENT NUMBER:  
120C30540A

<b>1. AWARDING OFFICE:</b> Centers For Medicare & Medicaid Services		<b>2. ASSISTANCE TYPE:</b> Discretionary Grant	<b>3. AWARD NO.:</b> 120CMS030540-01-02	<b>4. AMEND. NO.</b> 2
<b>5. TYPE OF AWARD:</b> Demonstration	<b>6. TYPE OF ACTION:</b> Supplement		<b>7. AWARD AUTHORITY:</b> CHIPRA of 2009 PL 111-3	
<b>8. BUDGET PERIOD:</b> 02/22/2010 THRU 02/21/2015	<b>9. PROJECT PERIOD:</b> 02/22/2010 THRU 02/21/2015		<b>10. CAT NO.:</b> 93.767	

**11. RECIPIENT ORGANIZATION:**

South Carolina Department of Health and Human Services

**26. REMARKS (Continued from previous page)**

The budget as submitted in the amount of \$1,618,901 is approved supplemental funding.

CMS will now receive the Federal Financial Report, SF-425, in place of the SF-269a.

Additionally the following changes were made:

Authorized Representative – Anthony Keck

Project Director – Lynn Martin

For administrative questions, please contact your Grants Management Specialist: Paul Schimmel at 410-786-2988 or via email at paul.schimmel@cms.hhs.gov.

For programmatic questions, please contact your Project Officer: David Greenberg at 410-786-2637 or via email at david.greenberg@cms.hhs.gov.

Please remember to include your grant number on all correspondences to CMS (award number is located in Block 3 of the Notice of Award).

For CMS Purposes: Transmittal No. 75213392-02/BOAX No.133922





## **CMS STANDARD TERMS AND CONDITIONS**

### **Terms of Award**

With the acceptance of a grant or cooperative agreement from CMS, the grantee has the responsibility to be aware of and comply with the terms and conditions of award.

Individual awards are based on the application submitted to, and as approved by, CMS and are subject to the terms and conditions incorporated either directly or by reference in the following:

- The grant program legislation and program regulation cited in the Notice of Grant Award.
- The restrictions on the expenditure of Federal funds in the appropriation acts, to the extent those restrictions are pertinent to the award.
- 45 CFR Part 74 and 45 CFR Part 92 as applicable.
- The Notice of Award including all terms and conditions (standard and special) cited on the document or attachments.
- DHHS Grants Policy Statement (at <http://www.hhs.gov/grantsnet>)

### **45 CFR Part 74 and 45 CFR Part 92 (Regulations Governing CMS Grants)**

Regulations found at Title 45, Code of Federal Regulations (CFR), Part 74 and Part 92, are the rules and requirements that govern the administration of Department of Health and Human Services (DHHS) grants.

Part 74 is applicable to all grantees except those covered by Part 92, which governs awards to state and local governments.

These regulations are a term and condition of award. Grantees must be aware of and comply with the regulations. (May be accessed by internet from DHHS at <http://www.hhs.gov/grantsnet>.)

## Cost Principles

Cost Principles of allowable and unallowable expenditures for CMS grantees are provided in the following documents:

- **Institutions of Higher Education:** OMB Circular A-21 ("Cost Principles for Educational Institutions")
- **State and Local Governments:** OMB Circular A-87 ("Cost Principles for State, Local, and Indian Tribal Governments")
- **Nonprofit Organizations:** OMB Circular A-122 ("Cost Principles for Non-Profit Organizations")
- **Appendix E Hospitals:** 45 CFR Part 74
- **For-profit Organizations:** 48 CFR (Federal Acquisition Regulations System), Subpart 31.2 (Contract Cost Principles and Procedures)

## Administrative Standards

In addition to the cost principles, OMB has established administrative standards and audit requirements for organizations receiving Federal assistance. These administrative standards are contained in the following documents:

- **State and Local Governments:** OMB Circular A-102 ("Grants and Cooperative Agreements with State and Local Governments")
- **Higher Education, Hospitals, and Other Nonprofit Organizations:** OMB Circular A-110 ("Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations")
- **Audits of States, Local Governments, and Nonprofit Organizations:** OMB Circular A-133
- **Copies of the Office of Management and Budget (OMB) Circulars are available on the Internet at:** <http://www.whitehouse.gov/OMB/circulars/>
- **Federal Acquisition Regulations (FAR) (48 CFR Part 31) are also available from the Internet at:** <http://www.acnet.gov/far/>

## Grant Payment

Payments under these awards are made available through the Payment Management System (PMS). PMS is administered by the Division of Payment Management

<http://www.dpm.psc.gov>. Grantees should contact PMS directly for instructions on how to obtain payments. Inquiries should be directed to:

Director, Division of Payment Management, OS/ASAM/PSC/FMS/DPM  
P.O. Box 6021  
Rockville, MD 20852  
Telephone: 1-877-614-5533

### **Reporting Requirements**

**Financial Reports** - The grantee agrees to submit federal financial reports (SF-425 to the CMS Grants Management Officer with a copy to the CMS Project Officer as stipulated in the special terms and conditions. Unless specified as quarterly or semi-annual in the Special Terms and Conditions, financial reports are due annually and at the end of the project. This federal financial report will account for all uses of grant monies during the previous period and project uses of grant money for the ensuing period. Quarterly and semi-annual reports are due 30 days after the end of the reporting period. Annual reports are due 90 days after the budget period ending date. Final SF-425 reports are due for all grants 90 days after the end of the project and encompass costs throughout the project as required in 45 CFR Part 74 and 92 and the HHS Grants Policy Statements.

**Grantees shall liquidate all obligations incurred under the award not later than 90 days after the end of the project period. IMPORTANT- The SF-425 (Federal Financial Report submitted to PMS) and (Federal Financial Report submitted to CMS) must equal before submitting final reports to CMS.**

**Progress Reports** – The grantee agrees to submit progress reports to the CMS Grants Management Officer with a copy to the CMS Project Officer as stipulated in the special terms and conditions. Unless specified as quarterly or semi-annual in the Special Terms and Conditions, progress reports are due annually. These reports are to be consistent with a format and content specified by CMS. CMS reserves the right to require the grantee to provide additional details and clarification on the content of the report. Quarterly and semi-annual reports are due 30 days after the end of the reporting period. Annual reports are due 90 days after the budget period ending date.

**Final Progress Report** - The final report is due within 90 days after the project period date of the last year of the grant. A draft final report should be submitted to the CMS Project Officer for comments. CMS's comments should be taken into consideration by the grantee for incorporation into the final report.

The final progress report may not be released or published without permission from the CMS Project Officer within the first four (4) months following the receipt of the report by the CMS Project Officer.

The final report will contain a disclaimer that the opinions expressed are those of the grantee and do not necessarily reflect the opinion of CMS.

All data provided by CMS will be used for the research described in this grant only. The grantee will return any data provided by CMS or copies of data at the conclusion of the project.

For six (6) months after completion of the project, the grantee shall notify the CMS Project Officer prior to formal presentation of any report or statistical or analytical material based on information obtained through this award. Formal presentation includes papers, articles, professional publication, speeches, and testimony. In the course of this research, whenever the Principal Investigator determines that a significant new finding has been developed, he/she will communicate it to the CMS Project Officer before formal dissemination to the general public.

### **Major Alteration and Renovation Costs**

Approved alteration/repair/renovation projects with a net project cost (excluding equipment) greater than \$500,000 require the grantee to:

- File a Notice of Federal Interest (NFI) with the appropriate jurisdictional records, and
- Submit a notarized and recorded copy of the NFI to the Grants Management Specialist

### **Audit Requirements**

Audit requirements for Federal award recipients are defined in OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

An organization is required to have a non-Federal audit if, during its fiscal year, it expended a total of \$500,000 (\$300,000 for fiscal years ending before December 31, 2003) or more in Federal awards. Federal awards are defined in OMB Circular A-133 to include Federal financial assistance and Federal cost reimbursement contracts received both directly from a Federal awarding agency as well as indirectly from a pass-through entity.

45 CFR 74.26(d) discusses the requirements and available non-Federal audit options for Department of Health and Human Service awards. Two audit options are available to commercial organizations. One option is a financial related audit as defined in the Government Auditing Standards, GPO stock #020-000-00-265-4 (commonly known as the Yellow Book) of all DHHS awards; the second option is an audit that meets the requirements of OMB Circular A-133.

Commercial organizations that receive annual DHHS awards totaling less than the OMB Circular A-133's audit requirement threshold are exempt from a non-Federal audit for that year, but must make records available for audit or review as requested by CMS or other designated officials.

OMB Circular A-133 now requires that all auditees submit a completed data collection form (SF-SAC) in addition to the audit report. For questions and information concerning the submission process, please visit <http://harvester.census.gov/sac/> or you may call the Federal Audit Clearinghouse (888-222-9907).

Audit reports for both CMS and other HHS awards with fiscal periods ending on or after January 1, 2008 shall be submitted online via <http://harvester.census.gov/sac/>. Audit reports with fiscal periods ending in 2002 – 2007 must be mailed to the address shown below:

Federal Audit Clearinghouse  
Bureau of the Census  
1201 E. 10th Street  
Jeffersonville, IN 47132

### **Fraud and Abuse**

The HHS Office of the Inspector General (OIG) maintains a toll-free number (1-800-HHS-TIPS [1-800-447-8477]) for receiving information concerning fraud, waste, or abuse under grants and cooperative agreements. Information also may be submitted by e-mail to [hstips@oig.hhs.gov](mailto:hstips@oig.hhs.gov) or by mail to Office of the Inspector General, Department of Health and Human Services, Attn: HOTLINE, 330 Independence Ave., SW, Washington DC 20201. Such reports are treated as sensitive material and submitters may decline to give their names if they choose to remain anonymous.

### **Certification of Filing and Payment of Federal Taxes**

As required by the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 2008 (Public Law 110-161, Division G, Title V, section 523), as a financial assistance recipient entering into a grant or cooperative agreement, the grantee certifies that:

- (1) All Federal tax returns have been filed during the three years preceding this certification;

### **AND**

- (2) There has been no conviction of a criminal offense pursuant to the Internal Revenue Code of 1986 (U.S. Code – Title 26, Internal Revenue Code);

### **AND**

- (3) Not more than 90 days prior to this certification, been notified of any unpaid Federal tax assessment for which the liability remains unsatisfied, unless the assessment is the subject of an installment agreement or offer in compromise that has been approved by the Internal Revenue Service and is not in default, or the assessment is the subject of a non-frivolous administrative or judicial proceeding.

## Trafficking In Persons

### a. Provisions applicable to a recipient that is a private entity.

1. You as the recipient, your employees, sub-recipients under this award, and sub-recipients' employees may not—
    - i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
    - ii. Procure a commercial sex act during the period of time that the award is in effect; or
    - iii. Use forced labor in the performance of the award or sub-awards under the award.
  2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a sub-recipient that is a private entity –
    - i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
    - ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—
      - A. Associated with performance under this award; or
      - B. Imputed to you or the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement)," as implemented by our agency at 2 CFR part 376.
- b. **Provision applicable to a recipient other than a private entity.** We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a sub-recipient that is a private entity—
1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or

2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—
  - i. Associated with performance under this award; or
  - ii. Imputed to the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement),” as implemented by our agency at 2 CFR part 376

**c. Provisions applicable to any recipient.**

1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term
2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
  - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
  - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
3. You must include the requirements of paragraph a.1 of this award term in any sub-award you make to a private entity.

**d. Definitions.** For purposes of this award term:

1. “Employee” means either:
  - i. An individual employed by you or a sub-recipient who is engaged in the performance of the project or program under this award; or
  - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.



2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

3. “Private entity”:

i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

ii. Includes:

A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

B. A for-profit organization.

4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102)

### **Federal Financial Accountability and Transparency Act (FFATA) Subaward and Executive Compensation Reporting Requirement**

This award may be subject to the Federal Financial Accountability and Transparency Act (FFATA) subaward and executive compensation reporting requirements of 2 CFR Part 170.

### **Requirements for CCR and DUNS**

a. Requirements for CCR

Unless your entity is exempt from this requirement under 2 CFR 25.110, it is incumbent upon you, as the recipient, to maintain the accuracy/currency of your information in the CCR until the end of the project. Additionally, this term requires your entity to review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

b. Requirements for DUNS numbers:

If you are authorized to make subawards under this award, you:

- Must notify potential subrecipients that no entity may receive a subaward from you unless the entity has provided its DUNS number to you.
- May not make a subaward to an entity unless the entity has provided its DUNS number to you.





## **CHIPRA Quality Demonstration Grants Grantee-Specific Special Terms and Conditions**

1. **Planning and Infrastructure Development Phases:** For all grant categories, there will be an opportunity to plan and subsequently implement the activities of the grant. Grant categories A (initial core set measures), B (health information technology), C (provider-based models), and E (other) will have a 9-month planning phase. Grant Category D (pediatric electronic health records), however, will have a 12 month planning and an additional 12 month infrastructure development period due to the complexity of the grant category.

The planning and infrastructure development phases will begin after notification of the grant award. During this time, grantees will work to develop a Final Operational Plan (OP) to meet the goals of the grant program. The Final Operational Plan is to be developed with input from CMS within the first 9-months of the grant award for grant categories A (initial core set measures), B (health information technology), C (provider-based models), and E (other) and is subject to CMS approval. Grantees choosing to pursue Category D (pediatric electronic health record) will have 12 months for planning, 12 months for infrastructure development, and 36 months for implementation with CMS review at significant crossroads as specified in Grant Category D. Grant Category D is the only grant project that will have an infrastructure development phase.

The CMS will provide a draft template for the Final Operational Plan within 2 weeks after award. The grantee will be required to finalize the Final Operational Plan in consultation with CMS during the planning and infrastructure development phases of its demonstration. The Final Operational Plan must be developed in consultation with a wide array of stakeholders. These stakeholders should include advocates, child health providers, consumers, and relevant State agencies, including those operating public health programs and previously awarded grant programs.

If a grantee believes it has a valid Final Operational Plan for the grant program, it does not need to wait the full 9-months (or 24-months for Grant Category D) allotted for this phase. The grantee may submit the plan for CMS review and approval at any time within the 9 month (Category A, B, C, and/or E) or 24-month (Category D) period.

A planning phase will conclude after grantees participate in a CMS exit conference and the Final Operational Plan has been approved by CMS. CMS will notify the grantee of the approval status no later than seven (7) calendar days after the conclusion of the planning phase exit conference.

All subsequent revisions to the State's Final Operational Protocol must be submitted for review and approval by CMS. The State must submit a request to CMS for these changes no later than 30 days prior to the date of implementation of the change(s). Revisions must include an implementation date for the proposed changes and a revised budget as appropriate.

2. **Implementation Phase:** Once the planning phase exit conference has been successfully concluded and the Final Operational Plan approved by CMS, the grantee may begin the implementation phase of the grant program. The implementation phase will continue for the remainder of the grant period of performance.

3. **Financial and Programmatic Reporting:** The grantee agrees to the following reporting requirements:

Financial Status Report Form (SF-269 or SF-269A): The general terms and conditions refer to submittal of a SF-269. This mandated financial status report will account for all uses of grant monies during each reporting period. For purposes of this demonstration, the SF-269 must be submitted semi-annually (a mid-year and end-of-year report). These reports will continue to be submitted until all grant funds have been spent. See 45 CFR Part 92.

Web-based Progress Reports: Web-based progress reports are required to be submitted semi-annually. The submission and approval of the grantees' Final Operational Protocol is considered the grantees' first progress report. Once the Operational Protocol is approved, the grantee must follow the standard reporting schedule for the semi-annual web-based reports. Reports are due August 1 for the period of operation occurring between January 1 and June 30, and February 1 for the period of operation occurring July 1 through December 31. Grantees must report even if they have not operated for a complete reporting period.

Content of the semi-annual progress reports will be decided upon during the planning phase with input from the Grantees and the National Evaluator. Examples of the type of information that will be captured in the semi-annual reports include: the specific use(s) of grant funds, barriers to the implementation of the grant program, and best practices/lessons learned from grant program implementation. Additionally, the semi-annual report will capture grant category-specific information requested by the National Evaluator.

4. **Supplemental Award Process:** CMS will award supplemental funding after the first year of the demonstration for all subsequent years of the grant program. CMS will issue guidance on the process, timing and content of award requests. Supplemental grant funding will be provided for each year of the grant period subsequent to CMS approval of the Final Operational Plan will be contingent on a State's performance in meeting the goals and annual benchmarks approved in the Final Operational Plan and agreed upon by the Grantee and CMS. CMS may rescind the grant award including all un-obligated balances, and issue the unspent grant funds to other projects if the grantee fails to implement key elements of the approved Final Operational Plan and meet prescribed grant program goals.

5. **Governing Requirements:** All the requirements in the statute (section 401(d) of the Children's Health Insurance Program Reauthorization Act of 2009) and the solicitation, Medicaid And Children's Health Insurance Programs: Children's Health Insurance Program Reauthorization Act Of 2009 (CHIPRA): Section 401(d) CFDA 93.767, as well as all additional information in the form of Questions and Answers or other policy statements posted on the CMS website (<http://www.cms.hhs.gov/CHIPRA/>) are governing components of this award. Further, the State agrees to abide by future policy issuances that further refine the Quality Grant content. For example, the State will submit any incidents from its incident reporting system that CMS in future policy guidance identifies as mandatory reporting.

6. **Cooperation with the National Evaluation Contractor.** All Grantees must continue to cooperate with the CMS contractor(s) working in support of the CHIPRA Quality Demonstration. The Grantee agrees to participate in all efforts, by CMS and its contractors, to evaluate the programmatic elements and operational components of the Grantee's demonstration program. These activities are expected to include the following:

- Gather qualitative and quantitative information about the effectiveness of the demonstration programs implementation;
- Evaluate the impact of the demonstration programs on the health care quality of children enrolled in Medicaid and/or CHIP; and
- Assess if, and how, the demonstration programs increased transparency and consumer choice.

In so doing, each grantee should be certain to address the specific evaluation questions enumerated in the grant program solicitation (<http://www.cms.hhs.gov/CHIPRA/>).

In the event the Grantee decides to also conduct its own independent evaluation, the Grantee will be expected to substantiate that there is no duplication of effort in relation to the national evaluation and to submit an evaluation plan in its OP with an accompanying budget. States receiving funds under Category D (pediatric electronic health records) are specifically required to coordinate with the National Evaluation Contractor(s) to avoid duplication of effort and to facilitate any complementary evaluation activity by the Contractor focused on integration of Category D with other categories.

Due to conflict of interest concerns, grantees may not contract with the National Evaluator to conduct an independent grantee evaluation. Similarly, a grantee may not utilize any CMS contractor utilized for CHIPRA technical assistance as its independent evaluator.

7. **Cooperation with CMS and/or CMS Contractor(s) Regarding the Provision of Technical Assistance**

➤ Technical Assistance (TA) Needs Assessment: The Grantee must fully cooperate with CMS and/or CMS contractor(s) engaged in assessing the needs of each demonstration grantee and providing technical assistance. This includes working with CMS and/or

its contractor(s) to identify and describe best practices that can serve as models for CMS and other States.

➤ Any targeted TA that grantees purchase using their grant funding must be limited to activities that directly aid in the implementation of the grant program (i.e., contracts for technical planning, development, and implementation) and must not be duplicative of the National TA effort. If TA is to be purchased for help in carrying out the grant activities then the applicant must provide a TA plan and budget as part of the Final Operational Plan.

➤ Grantees receiving funds under Categories B and D should not duplicate technical assistance and outreach efforts to pediatric providers with similar activities supported by the Regional Extension Centers funded under ARRA HITECH the authority of the Health Information Technology for Economic and Clinical Health provisions of the American Recovery and Reinvestment Act (ARRA) of 2009.

8. **Bi-Annual Conferences:** All grantees will be required to attend two conferences (Spring 2011 and Spring 2013) in the Washington, DC or Baltimore, MD area sponsored by CMS. Therefore, the applicants' budgets must include funds for at least one person to attend the CMS-sponsored conferences in the Washington, DC or Baltimore, MD area. The grantee is expected to have, at a minimum, the Demonstration Grant Project Director in attendance at this annual meeting.

9. **Product Development:** Any public use products/materials developed using grant funds have to identify within the written product that it was developed with use of federal funds. Approval by CMS PO prior to release of any outreach/marketing materials is required. The grantee agrees that CMS shall have royalty-free, nonexclusive or irrevocable rights to reproduce, publish, or otherwise use and authorize others to use the items for Federal government purposes.

10. **Work Products and Use of Data Resulting from Grant Funds:** Any report regarding grant outcomes or findings may not be released or published by the grantee, partnering State(s) and organizations, and contractors without permission from the CMS Project Officer within the first four (4) months following the receipt of the report by the CMS Project Officer.

The grantee agrees to include the following attribution and disclaimer on all materials developed for public distribution, which are funded under the grant:

“This document was developed under grant CFDA 93.767 from the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services. However, these contents do not necessarily represent the policy of the U.S. Department of Health and Human Services, and you should not assume endorsement by the Federal Government.”

In addition, the grantee agrees that all materials developed through Federal grant funding

will be made accessible to people with special needs (e.g. 508 compliant).

For the six (6) months after completion of the project, the Grantee shall notify the CMS Project Officer prior to formal presentation of any report or statistical or analytical material by the grantee, partnering State(s) and organizations, and contractors based on information obtained through this award. Formal presentation includes papers, articles, professional publication, speeches, and testimony.

**11. Project Coordination and Oversight:** The Grantee retains ultimate responsibility for coordination and oversight of all project-related activity, including any involvement of partner States and organizations, regardless of the extent to which it utilizes contractual arrangements to assist with project management. Each Grantee must maintain a full-time Project Director whose salary will be 100% paid through grant funds. This individual must be a State employee, who has sufficient authority and expertise to run the demonstration program. The Project Director must not have financial conflicts of interest in the project.

**12. Partnerships:** The Grantee must coordinate its project activities with other State, local and Federal agencies that serve the population targeted by their application and maintain its partnerships with the specific State or national external associations or organizations and others such as other State agencies, child health providers, private foundations, and / or academic institutions referenced in its grant application.

**13. Administrative and National Policy Requirements:** Grantees must comply with the following additional requirements:

- Specific administrative and policy requirements of grantees as outlined in 45 CFR 74 and 45 CFR 92 apply to this grant opportunity.
- All grantees receiving awards under these grant programs must meet the requirements of:
  - Title VI of the Civil Rights Act of 1964,
  - Section 504 of the Rehabilitation Act of 1973,
  - The Age Discrimination Act of 1975,
  - Hill-Burton Community Service nondiscrimination provisions, and
  - Title II Subtitle A of the Americans with Disabilities Act of 1990.
- All equipment, staff, and other budgeted resources and expenses must be used exclusively for the projects identified in the grantee's original grant application or agreed upon subsequently with CMS and may not be used for any prohibited uses.
- Consumers and other stakeholders must have meaningful input into the planning, implementation, and evaluation of the project.



- The Grantee and any partner States participating in its demonstration are expected to comply with all Medicaid and Children's Health Insurance Program (CHIP) law and regulations, including the provision of services under the Early and Periodic, Screening, Diagnostic and Treatment (EPSDT) benefit. Failure of the grantee or partner State(s) to comply with these requirements may cause CMS to exclude the non-complying State from participation in the demonstration or re-evaluate the appropriateness of continuing the grant award.

#### **14. Prohibited Uses of Grant Funds:**

- To match any other Federal funds.
- To provide services, equipment, or supports that are the legal responsibility of another party under Federal or State law (e.g., vocational rehabilitation or education services) or under any civil rights laws. Such legal responsibilities include, but are not limited to, modifications of a workplace or other reasonable accommodations that are a specific obligation of the employer or other party.
- To provide infrastructure for which Federal Medicaid matching funds are available at the 90/10 matching rate, such as certain information systems projects.
- To supplant existing State, local, or private funding of infrastructure or services, such as staff salaries, etc.

#### **15. Duplication of Federal Funding -**

Grantees are not permitted to use the CHIPRA grant funding for purposes that would otherwise be fundable through other Medicaid or Federal grants, Medicaid Management Information System or HITTECH administrative matching funds. Please also refer to item # 20 on Category-specific requirements. Questions related to this term and condition should be addressed to both the CHIPRA Grant Project Officer and the Regional Office HITTECH/Systems Point of Contact.

#### **16. Other Funding Restrictions:**

**Indirect Costs** - If requesting indirect costs, an Indirect Cost Rate Agreement will be required. Applicants are required to use the rate agreed on in the state's Indirect Cost Rate Agreement. However, if there is not an agreed upon rate, the applicant is allowed indirect costs of 10 percent. The provisions of the OMB Circular A-87 govern reimbursement of indirect costs under this solicitation. A copy of OMB Circular A-87 is available online at: <http://www.whitehouse.gov/omb/rewrite/circulars/a087/a087-all.html>.

**Direct Services** - Grant funds may not be used to furnish direct services to Medicaid service recipients. Direct services do not include expenses budgeted for provider and/or consumer task force member participation in conferences, provision of technical assistance, or attendance at technical assistance conferences sponsored by CMS or its National Technical Assistance providers for the benefit of CHIPRA Quality Grant grantees.

**Reimbursement of Pre-Award Costs** - No grant funds awarded under this solicitation may be used to reimburse pre-award costs.

#### **17. Revised Budget and Work Plan:**

- By March 22, 2010, the Grantee must submit a revised SF-424a and a revised budget narrative based on the CMS final grant award, distinct from the budget narrative originally submitted as part of the State's grant application. These forms must be submitted to the CMS Project Officer and the CMS Office of Acquisition and Grants Management. The Grantee is also required to submit a new work plan by March 22, 2010 that reflects any changes to tasks resulting from the reduced award amount to the CMS Project Officer and the CMS Office of Acquisition and Grants Management.
- Any Grantee receiving funds under Category B must delineate in its revised budget narrative any planned HIT-related expenditures, as well as details regarding how they comport with the HIT-related requirements under special term and condition #20, below.
- In the event that a partner State's participation in the demonstration terminates, the Grantee will be expected to submit a revised work plan and budget.

#### **18. Privacy and Security:**

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that access to Protected Health Information (PHI) shall be managed to guard the integrity, confidentiality, and availability of electronic PHI data. Each demonstration grantee shall ensure that appropriate policies and procedures are in place to ensure the protection and security of PHI. These security measures include all Medicaid, CHIP and dual eligible electronic health information or health care payment information, including demographic information collected from an individual, which identifies the individual or can be used to identify the individual. PHI does not include students records held by educational institutions or employment records held by employers.

#### **19. Scope of Work:**

Any changes in the scope of the project made by the Grantee, including a reduction in effort by any partnering State, requires approval by the Project Officer and the CMS Office of Acquisition and Grants Management.

#### **20. Category-Specific Requirements:**

Categories A (initial core set measures) and E (other):

Grantees developing new measures to complement the pediatric initial core set measures developed under section 401(a) of CHIPRA are required to use the criteria established by CMS and the Agency for Healthcare Research and Quality and to align activities through the Pediatric Quality Measures Program coordinating center.

+Category B (HIT):

- Grantees for Category B must utilize HHS recognized health information technology (HIT)/health information exchange (HIE) standards per the certification criteria specified in final regulation and subsequent updated regulations developed by the HHS Office of the National Coordinator.
- Grantees for Category B must reflect their CHIPRA Category B grant activities in the State Medicaid HIT Plans that they will submit to CMS in order to receive 90 percent Federal financial participation for the Medicaid EHR Incentive Program under ARRA legislation. The programmatic, resource, and fiscal linkages between the CHIPRA Category B grant activities and the State's HITTECH activities to promote adoption and meaningful use of certified EHRs must be clearly delineated in the State Medicaid HIT Plan.

Categories B and D (pediatric electronic health records):

- Grantees for Categories B and D who are utilizing electronic health records, must utilize *certified* electronic health records (EHR), per the certification criteria specified in final regulation and subsequent updated regulations developed by the HHS Office of the National Coordinator. Grantees using existing EHRs must upgrade to a certified EHR by December 31, 2010 (i.e., the date by which the new certification criteria are expected to be finalized and upgrades to existing EHRs are available).
- Any grant funding used to modify proprietary EHR/HIT/HIE software must result in that modified product being available to the public on a non-proprietary basis. CMS funding cannot be used to make enhancements to proprietary software unless that software is then made available on a non-proprietary basis in the public domain.
- Plans to develop or construct data repositories or data warehouses for the collection of CHIPRA quality measures should be considered along with States' needs for similar data repositories for HITTECH meaningful use data. Information technology systems modification and development that can potentially serve both CHIPRA and HITTECH interests should be coordinated at the State-level. Prior approval must be received from both the CMS CHIPRA Grant Project Officer and the Regional Office HIT/Systems Points of Contact prior to proceeding with such initiatives.

## **Attachment A**

### **Award Term for Federal Financial Accountability and Transparency Act (FFATA) Subaward and Executive Compensation Reporting Requirement**

#### **I. Reporting Subawards and Executive Compensation.**

##### **a. Reporting of first-tier subawards.**

1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

##### **2. Where and when to report.**

i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

##### **b. Reporting Total Compensation of Recipient Executives.**

1. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

i. the total Federal funding authorized to date under this award is \$25,000 or more;

ii. in the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:

i. As part of your registration profile at <http://www.ccr.gov>.

ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if--

i. in the subrecipient's preceding fiscal year, the subrecipient received--

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

2. Where and when to report. You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

i. To the recipient.

ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

**d. Exemptions**

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

i. Subawards, and

ii. The total compensation of the five most highly compensated executives of any subrecipient.

**e. Definitions.** For purposes of this award term:

1. Entity means all of the following, as defined in 2 CFR part 25:

i. A Governmental organization, which is a State, local government, or Indian tribe;

ii. A foreign public entity;

iii. A domestic or foreign nonprofit organization;

iv. A domestic or foreign for-profit organization;

v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

2. Executive means officers, managing partners, or any other employees in management positions.

**3. Subaward:**

i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. \_\_\_\_ .210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").

iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

4. Subrecipient means an entity that:

i. Receives a subaward from you (the recipient) under this award; and

ii. Is accountable to you for the use of the Federal funds provided by the subaward.

5. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

i. Salary and bonus.

ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

v. Above-market earnings on deferred compensation which is not tax-qualified.

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.