

# Request for Proposal for Exchange Planning Support

March 31, 2011

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## 1. Introduction

### 1.1. Objective of the Request for Proposal

The State of Maine's Department of Health and Human Services (DHHS) is seeking proposals for Health Insurance Exchange Planning Services. This Request for Proposal (RFP) provides a description of the services DHHS is seeking.

Broadly, DHHS seeks a partner who is capable of producing a **business operations plan** and an **implementation plan** for the State's Health Insurance Exchange. The business operations plan will describe those systems and operational capacities that Maine will require in running an Exchange. The implementation plan must describe how Maine will build upon, reallocate, and/or streamline its existing resources to efficiently reach the capacities described in the business operations plan.

DHHS expects these deliverables to include:

- an actuarial analysis of the impact of the Affordable Care Act (ACA) on the health market in Maine
- a full technical and operational review of the State's existing capabilities and systems that will be affected in the deployment of the Exchange
- the identification and description of the technical systems required for the operation of the Exchange
- the identification and description of the business processes / workflows required for the operation of the Exchange
- the identification and description of those resources required to deploy the implementation plan

Bidders must propose services and rates according to these requirements. Upon review of all of the bids, DHHS will select the bidder whose proposal represents the best value to the State.

### 1.1. Background of Exchanges

Exchanges are described in detail in the ACA, Section 1311(b). An overview can be found at the Health and Human Services website here:

[http://www.hhs.gov/cciio/regulations/guidance\\_to\\_states\\_on\\_exchanges.html](http://www.hhs.gov/cciio/regulations/guidance_to_states_on_exchanges.html)

## 1.2. Background of this Initiative

In 2010, the U.S. Department of Health and Human Services Office of Consumer Information and Insurance Oversight made available \$1,000,000 grants to all 50 states for Health Insurance Exchange planning. The grant opportunity is available as Appendix A.

Maine applied for and was awarded the grant. The project narrative that Maine submitted for the grant is available as Appendix B. The services requested under this RFP represent a portion and not all of the activities described in the grant.

Bidders should also be aware that Maine is participating in an “Early Innovator” grant with the other New England states to identify and design system and operational Exchange components that can be used by each of the New England states as they deploy their respective Exchanges. The activities and deliverables done under the contract awarded from this proposal should coordinate with the activities that Maine is engaged in under the Early Innovator grant.

Details of the Early Innovator grant submission are available in Appendix C.

## 1.3. Project Organization

DHHS is the lead agency responsible for this RFP initiative. The Dirigo Health Agency (DHA) will provide project management and support staff for the initiative. The DHA Project Manager is:

Karynlee Harrington  
Dirigo Health Agency  
53 State House Station  
Augusta, ME, 04333-0053

The Office of Information Technology (OIT) will also participate in this project.

#### 1.4. Timing

DHHS reserves the right to adjust any of the following dates. If dates are adjusted DHHS will post a revised schedule on its web site.

Event	Date
RFP Issuance	March 31, 2011
Final submission of written questions	April 8, 2011
Agency responses to written questions	April 13, 2011
Proposals Due	April 20, 2011

#### 1.5. RFP Organization

This RFP is organized into three distinct sections.

**Section 1 – Introduction** provides prospective Bidders with general information on the objectives of the RFP, background information relevant to recent history and current environment, organizations involved in this procurement, and the organization of the RFP.

**Section 2 – General Procedures and Instructions** provides prospective Bidders with general information on the procurement process and rules. This section also describes the requirements Bidders must follow for the packaging and submission of the proposal submitted in response to the RFP.

**Section 3 – Response Requirements** contains detailed Bidder response requirements and forms for this RFP.

## 2. General Procedures and Instructions

This section of the RFP contains the solicitation procedures, general proposal format information and submission instructions.

### 2.1. General Instructions

This RFP is designed to select a qualified Bidder to provide a business operations plan and implementation plan for the State's Health Insurance Exchange. Proposals must conform to mandatory requirements, instructions, and conditions of the RFP.

### 2.2. Type of Contract

It is expected that one contract will be awarded as a result of this procurement process between DHHS and the Bidder. The provisions of this RFP and the selected proposals will be incorporated by reference in the resulting contracts. Additionally, any clauses or provisions required by federal or state law or regulation in effect at the time of execution of the resulting contracts will be included. Appendix D contains the required provisions of a State of Maine Contract.

DHHS reserves the right to make contract awards without any further discussion with the Bidders regarding the proposals received. Therefore, proposals should be submitted initially on the most favorable terms available to DHHS from a price and service standpoint (i.e., best and final offer). All bidders are expected to provide their best value pricing with the submission of their proposal. DHHS, however, reserves the right to request oral presentations and/or conduct personnel interviews with all responsible Bidders who submit proposals that result in top scores.

The contract awarded as a result of this procurement process will be for a one year term. Amendments to the original contract will occur as processes change or legislative requirements are altered. It will be the prerogative DHHS to issue a Request for Information or a new Request for Proposal based on market or legislative changes.

### 2.3. Communications With State Staff, State of Maine DHHS

From the date of issue of the RFP and until a determination is made and announced regarding the selection of a vendor, contacts with personnel employed by DHHS, except those made pursuant to any existing obligation, are prohibited. The only exception to these restrictions is with regard to State personnel involved in any scheduled oral presentations or interviews related to this RFP.

Violation of this provision may result in disqualification of the Bidder's proposal

Prospective Bidders are advised that only the Project Manager can clarify issues or render opinions regarding the RFP. No individual member of DHHS or other member of the selection committee is empowered to make binding statements regarding this RFP. The Project Manager will issue any clarifications regarding the RFP in writing on the DHA web site. DHHS will not be bound by any oral statement not subsequently then reduced to writing and distributed by the Project Manager on DHA's web site.

#### 2.4. Written Inquiries and Answers

Any request for explanation regarding the meaning or interpretation of any RFP provision must be submitted in writing to the Project Manager at the address identified in Section 1.3 (Project Organization) no later than April 8th, 2011 at 5:00 pm. Questions may be sent via e-mail to the Project Manager at [dha.rfp@maine.gov](mailto:dha.rfp@maine.gov). Questions may also be transmitted by facsimile at 207.287.9950, but must include a cover sheet clearly indicating that the transmission is to the attention of the Project Manager. DHHS assumes no liability for assuring accurate/complete facsimile or e-mail transmission/receipt and will not acknowledge receipt except by addressing the question received. **Under no circumstances will questions be entertained except in writing.**

The Project Manager will respond no later April 13th, 2011 to substantive questions received. Only those answers provided by the Project Manager on DHA's web site will be considered binding. Any information, including responses to questions about the RFP and the procurement process, amendments to the RFP, and addenda to the RFP, will be posted on DHA's web site.

#### 2.5. Oral Presentations

At DHHS's option, oral presentations by Bidders may be requested for the purpose of explaining or clarifying characteristics or significant elements of the proposals. Bidders will not be allowed to alter or amend their proposals through the presentation process. Bidders will not be permitted to attend competitor oral presentations. DHHS reserves the right to require and conduct oral presentations with Bidders who submit proposals that result in top scores.

#### 2.6. Personnel Interviews

At DHHS's option, personnel proposed by Bidders may be requested to participate in a structured interview to determine their understanding of the service requirements, their authority and reporting relationships within the firm, and any other relevant information. Bidders will not be allowed to alter or amend their proposals through the interview process, nor will they be permitted to attend competitor interviews.

#### 2.7. Disclosure of Data

All proposals, correspondence, addenda, memoranda, working papers, e-mails and any other documents or material related to this RFP are public records under Maine law and will be available for public inspection when the award decision is made. This includes proposals received in response to this RFP, both the selected proposal and the proposals not selected, and all materials included with any proposal without regard to whether the Bidder considers the information provided to be confidential or proprietary.

## 2.8. Cost of Proposal Preparation

The entire cost for the preparation and submission, and the attendance at any oral presentation or personnel interviews will be borne by the Bidder.

## 2.9. Proposals

### 2.9.1. Submission of Proposals

To facilitate the proposal evaluation process, one (1) original and six (6) duplicate copies of the entire proposal must be submitted in a sealed envelope/package marked **“Department of Health and Human Services, Request for Proposal # 201102036 – Health Insurance Exchange Planning Services”** by the proposal due date specified in this RFP to:

Division of Purchases  
Burton M Cross Building, 4th Floor  
111 Sewall Street  
9 State House Station  
Augusta, ME 04333-0009

Bidders must also include one (1) electronic version of their entire proposal on CD, DVD, or flash USB media.

Proposals must be received, in both hard copy and electronic format, by 2:00 pm local time on April 20th, 2011. Proposals that arrive late will be rejected. Proposals must be submitted in accordance with the instructions identified below.

Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to requirements, and completeness and clarity of content. If the Bidder's proposal is presented in a fashion that makes evaluation difficult and overly time-consuming, points will be sacrificed in the evaluation process. The proposal must be numbered in strict accord with the numbering shown in Section 3 of this RFP.

### 2.9.2. Rejection of Proposals

DHHS reserves the right to reject proposals that contain material deviations from the requirements of the RFP. It is understood that proposals, whether rejected or not, will become part of DHHS's official file.

### 2.9.3. Revision of Request for Proposals (RFP)

DHHS alone reserves the right to amend the RFP prior to the proposal due date. DHA will post on its web site any amendments to the RFP a minimum of seven (7) days prior to the due date. Should an amendment be issued with fewer than seven (7) days remaining prior to the due date, the due date will be extended. DHHS will not be responsible for any additional costs incurred as a result of any such changes in the RFP.

## 2.10. Rights of State Government

This RFP does not commit DHHS to award a contract, or pay any cost incurred in the preparation of a proposal in response to this RFP. DHHS reserves the right to reject proposals, and at its discretion may cancel or amend this RFP at any time. By submitting a proposal in response to this RFP, the Bidder grants DHHS the right to contact or arrange a visit in person with the Bidder's clients.

## 2.11. Evaluation of Proposals

DHHS will select a Bidder through a formal evaluation process, established prior to the opening and evaluation of proposals. Consideration will be given to capabilities or advantages that are clearly described in the proposal, confirmed by oral presentations or interviews if conducted, and verified by information from reference sources contacted by DHHS. DHHS reserves the right to contact individuals, entities, or organizations that have had recent dealings with the firm or staff proposed whether or not they are identified as references.

DHHS may designate a selection committee or an outside organization to evaluate the proposal responses. The selection of a vendor will be based upon consideration from all phases of the evaluation process.

### 2.11.1. Initial Screening

DHHS will perform an initial screening of responses. Proposals may be rejected that do not meet required timelines and/or do not address all questions and complete all Bid Forms.

### 2.11.2. Evaluation

Those proposals that pass the initial screening will be evaluated on their ability to meet the requirements identified in this RFP based upon demonstrated experience, expert qualifications of personnel, and competitive pricing.

All questions and Bid Forms will be assigned to one of the content areas described below, which together will total a **potential 100** points. The maximum available points will be distributed as follows:

<b>Content Area</b>	<b>Score</b>
Cost	30
Technical Proposal	70
<b>Total</b>	<b>100</b>

At DHHS’s option, top-scoring Bidders may be requested to participate in oral presentations and personnel interviews as detailed in Section 2.5 and 2.6 of this RFP. Following presentations and/or interviews, scores may be adjusted on the basis of information presented in these settings.

The Bidder that achieves the highest rating, that is, the proposal that represents the best value to DHHS, will be awarded the Contract subject to successful negotiations and required approvals.

## 2.12. Contract Award

The evaluation will result in the selection of one proposal which, taken as a whole, represents the best value to DHHS. After analysis, evaluation and validation of Bidder responses, DHHS will notify Bidders of the successful Bidder in writing. Upon resolution of final contract negotiations, DHHS will prepare final contract documents and awards. If for any reason DHHS is unable to secure an acceptable contract with the selected Bidder, that selected Bidder will be disqualified. In this event, DHHS may then proceed to negotiate contracts with the Bidder with the next highest-rated proposal or may cancel negotiations at DHHS’s discretion.

It is to be understood by the parties that the negotiated contract awards will be made in the best interests of DHHS and that the award decision will be final. The RFP and the proposal of the successful Bidder will be incorporated into and form the basis of legal contracts.

## 2.13. Required Contractual Provisions

There are certain requirements, established by DHHS, with respect to proposals submitted in response to this RFP. The words “shall”, “must”, and “will” (except when used to denote futurity) will be considered as indicative of a requirement of this RFP.

# Proposal Requirements

The proposal must consist of the following, in this order:

- A) **Transmittal Letter.** Provide a letter indicating your organization's ability and willingness to enter a contract with the State of Maine, signed by an individual legally authorized to bind the Bidder
- B) **Executive Summary.** Provide a condensed version of the proposal highlighting the contents of the Bidder's proposal.
- C) **Qualifications.** Describe how your experience, education and training, or special knowledge, skills or abilities meet the required minimum qualifications of this RFP. If a bidder intends to subcontract specific services, the bidder should describe the qualifications of the subcontractor and include sufficient information to establish the subcontractor's expertise in the subject area.
- D) **Summary of Relevant Experience.** Provide a listing of projects that the proposer has completed within the last three (3) years in the subject area with emphasis on activities relevant and related to the proposed project. Additionally, please list any contracts in the last three (3) years between the proposer and any agency of the State of Maine.
- E) **Organization Chart.** Provide a diagram showing the hierarchical structure of functions and positions within the organization.
- F) **Financial Condition.** If the proposer is a firm or corporation, include the two (2) most recent annual financial statements prepared by an independent Certified Public Accountant, and reviewed or audited in accordance with Generally Accepted Accounting Principles (USA). If a proposer has been in business for less than two years, such proposer must include any financial statements prepared by a Certified Public Accountant, and reviewed or audited in accordance with Generally Accepted Accounting Principles (USA) for the entire existence of such firm or corporation.
- G) **References.** Include three (3) letters of reference from recent clients. Provide the following information for each reference: name, title, name of company, company address, and telephone number.
- H) **Work Plan.** Provide a detailed, task-oriented breakdown for each activity/task in the Scope of Services and Project Deliverables. Include all conceptual alternatives briefly describing any alternative methods for the development of models that have been used in other states. Proposers wishing to add activities/tasks to those specified in the Scope of Services must show the additions as separately numbered activities/tasks.

- I) **Methodologies.** Provide an overview of how bidder will collaborate with the State while designing and analyzing the various components of this project. Identify data sources and baseline information that will be used in each of the research sections. Include sample size and analysis, survey tools, and what reporting outputs will be produced. Describe how each activity/task will be accomplished, providing a detailed explanation of the procedures or processes that will be used to attain the expected outcomes.
- J) **Deliverables.** List and describe the form and content of each project deliverable. Include a communications plan that identifies how the collaboration and reporting processes will be managed in the context of the overall project between the State and the bidder. Specifically, include a description of the approach, content and format to the delivery and communication of the interim and final reporting.
- K) **Schedule.** Due to strict federal deadlines for Exchange planning and development activity, time is of the essence in acquiring the requested research and data outlined in the Scope of Services. To that end, provide a work schedule, organized by deliverable, with anticipated completion dates identified for each activity/task. Identify reporting milestones and timeframes over the projects duration. The final report is due September 1, 2011.
- L) **Staffing Plan.** Identify the personnel resources that will be assigned to each activity/task delineated in the work plan above. State the proportion of time that personnel will allocate to each activity/task of the project. Include a job description for each title assigned to the personnel identified.
- M) **Key Personnel.** Identify the key personnel that will be assigned to this project. Attach resumes reflecting their qualifications and work experience in the subject area. [Note: The State must be notified in writing and in advance regarding the departure of any key personnel from the project.]

# COST SHEET

Bidders shall submit proposed costs for the development, implementation, and ongoing operation and maintenance of the Contract Deliverables.

**1. Fixed Costs Final and Full.**

- a) All reasonable and necessary equipment, labor, software, and services to make this Project timely operational shall be included in the proposal and included in the fixed costs. The Contractor is responsible for all additional costs not included in the proposal and required to satisfactorily complete the scope of services requested and the State's requirements.
- b) This request is for a firm fixed price contract with payment(s) made only for defined and accepted deliverables.
- c) Prices shall remain firm for the entire contract period and subsequent renewals. Prices quoted shall be net delivered, including all trade, quantity, and cash discounts.
- d) Any price reductions available during the contract period shall be offered to the State of Maine.
- e) Failure to provide available price reductions may result in termination of the contract.
- f) The State will not award or contract for any arrangement that uses estimates, "time and materials," or payments based on "progress" or elapsed time.
- g) The exact payment per deliverable will be determined during negotiations.

**2. Bidders shall submit their proposed timeline and cost for the development of each segment as listed below:**

	<b>Total Cost</b>
<b>Deliverables</b>	
<b>Business Operations Plan</b>	\$ _____
<b>Implementation Plan</b>	\$ _____
<b>Total Cost</b>	\$ _____

## Appendices

**U.S. Department of Health and Human Services  
Office of Consumer Information and Insurance Oversight**

**State Planning and Establishment Grants  
for the Affordable Care Act's Exchanges**

**New Announcement**

**Funding Opportunity Number: IE-HBE-10-001  
CFDA: 93.525**

**Date: July 29, 2010**

**Applicable Dates**

Electronic Grant Application Due Date: September 1, 2010 by 11:59 pm EDT

Anticipated Notice of Grant Award Date: September 30, 2010

Grant Period of Performance/Budget Period: 12 months

**PRA Disclosure Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1101. The time required to complete this information collection is estimated to average (433 hours) per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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## **OVERVIEW INFORMATION**

**Agency Name:** Department of Health and Human Services  
Office of Consumer Information and Insurance Oversight

**Funding Opportunity Title:** State Planning and Establishment Grants  
for the Affordable Care Act's Exchanges

**Announcement Type:** New

**Funding Opportunity Number:** IE-HBE-10-001

**Catalog of Federal Domestic Assistance (CFDA) Number:** 93.525

### **Key Dates:**

Date of Issue: July 29, 2010

Electronic Grant Application Due Date: September 1, 2010 by 11:59 pm EDT

Anticipated Notice of Grant Award Date: September 30, 2010

Grant Period of Performance/Budget Period: 12 months

Pre-Application Conference Call: August 5, 2010 at 2 pm EDT (See page 5 for more information)

## **I. FUNDING OPPORTUNITY DESCRIPTION**

### **A. Purpose**

On March 23, 2010, the President signed into law the Patient Protection and Affordable Care Act. On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 was signed into law. The two laws are collectively referred to as the Affordable Care Act. The Affordable Care Act includes a wide variety of provisions designed to expand coverage, to provide more health care choices, to enhance the quality of health care for all Americans, to hold insurance companies more accountable, and to lower health care costs. Among its provisions, the law provides grant funding to assist States in implementing parts of the Affordable Care Act, such as grants for insurance rate review and consumer assistance.

Section 1311 of the Affordable Care Act provides funding assistance to the States for the planning and establishment of American Health Benefit Exchanges ("Exchanges"). The Affordable Care Act provides that each State may elect to establish an Exchange that would: 1) facilitate the purchase of qualified health plans; 2) provide for the establishment of a Small Business Health Options Program ("SHOP Exchange") designed to assist qualified employers in facilitating the enrollment of their employees in QHPs offered in the SHOP exchange; and 3) meet other requirements specified in the Act.

The first installment of these planning and establishment grants must be awarded no later than March 23, 2011; the authority to award additional grants extends through January 1, 2015. The U.S. Department of Health and Human Services (HHS) has the flexibility to determine the size

and scope of specific awards to States and the District of Columbia (hereinafter collectively referred to as “States” unless context would indicate otherwise).

The funding awarded pursuant to this Funding Opportunity Announcement is intended to assist States with initial planning activities related to the potential implementation of the Exchanges. Grants will be awarded in amounts up to a maximum of \$1 million per State, depending on the number and scope of activities for which funding is sought.

Federal regulations to establish standards for Exchanges are currently under development, as required by Section 1321 of the Affordable Care Act. HHS intends to request broad stakeholder input on the design and implementation of Exchanges through a Request for Comment (RFC) that will be published in the Federal Register.

Federal guidance/notice will be provided in 2011 regarding additional grant funding available for FY 2011 and beyond.

Additional information on the Affordable Care Act can be found at [www.HealthCare.gov](http://www.HealthCare.gov).

## **B. Authority**

This planning grant is being issued by the Office of Consumer Information and Insurance Oversight (OCIIO), within the HHS Office of the Secretary. OCIIO’s Office of Health Insurance Exchanges administers the grant. The funding for this opportunity is authorized by the Affordable Care Act.

## **C. Background**

Beginning in 2014, tens of millions of Americans will have access to health coverage through newly established Exchanges in each State. Individuals and small businesses can use the Exchanges to purchase affordable health insurance from a choice of products offered by qualified health plans. Exchanges will ensure that participating health plans meet certain standards and facilitate competition and choices by rating health plans’ quality. Individuals and families purchasing health insurance through Exchanges may qualify for premium tax credits and reduced cost-sharing if their household income is between 133 percent and 400 percent of the Federal poverty level. The Exchanges will coordinate eligibility and enrollment with State Medicaid and Children’s Health Insurance Programs to ensure all Americans have affordable health coverage.

## **II. AWARD INFORMATION**

### **A. Total Funding**

The total funding available to States in this Funding Opportunity Announcement is a maximum of \$51 million.

**B. Award Amount**

Each State is eligible for only one grant award from this funding opportunity. Applicants may apply for a grant of up to \$1 million to complete the first phase of planning and implementation activities (including direct and indirect costs).

**C. Anticipated Award Date**

September 30, 2010

**D. The Period of Performance**

The project period will be 1 year in length.

**E. Number of Awards**

Up to fifty-one (51) awards will be made available for the fifty States and the District of Columbia.

**III. ELIGIBILITY INFORMATION**

**A. Eligible Applicants**

This grant opportunity is open to all States and the District of Columbia. For purposes of this grant solicitation, the term “States” includes the District of Columbia. The Governor of the State (the Mayor, if from the District of Columbia) must designate a State entity as the grant applicant. Only one application per State is permitted.

Applicants may apply for a grant of up to \$1 million to complete activities.

Any application that fails to satisfy the deadline requirements referenced in Section IV, *Application and Submission Information* will be considered non-responsive and will not be considered for funding under this announcement.

**B. Cost-Sharing / Matching**

Cost-sharing or matching funds are not required for this funding opportunity. However, applicants are not prohibited from using other sources to supplement this funding. Applicants may also use these funds to complement activities funded under consumer assistance grants. Federal grants for States to establish Exchanges are available to be awarded through January 1, 2015. Applicants are expected to plan for decreasing dependence on Federal funds to meet the law’s requirement that Exchanges, when operational, are self-sustaining by 2015. Applicants that choose to utilize a cost-sharing/matching approach must take care in appropriately tracking and accounting for Federal dollars spent under this Funding Opportunity Announcement.

**C. Pre-Application Conference Call**

OCIIO will hold one pre-application conference call for potential applicants. The conference call will provide an overview of this project guidance and will include an opportunity for States to ask questions. The pre-application call information is as follows:

- 2 pm EDT on August 5, 2010

- Call in number: (888) 995-9574; Passcode: 3223160
- A recording of the call will be on HHS's website at <http://www.hhs.gov/ociio>.
- The recording will be available within 24 hours of the call and will remain available for 30 days.

#### IV. APPLICATION AND SUBMISSION INFORMATION

##### A. Address to Request Application Package

This solicitation serves as the application package for this grant and contains all the instructions to enable a potential applicant to apply for grant funding. The application should be written primarily as a narrative with the addition of standard forms required by the Federal government for all grants.

Application materials will be available for download at <http://www.grants.gov>. Please note that OCIIO is requiring applications for all announcements to be submitted electronically through <http://www.grants.gov>. For assistance with <http://www.grants.gov>, contact [support@grants.gov](mailto:support@grants.gov) or 1-800-518-4726. At <http://www.grants.gov>, applicants will be able to download a copy of the application packet, complete it off-line, and then upload and submit the application via the Grants.gov website. The solicitation can also be viewed on HHS's website at <http://www.hhs.gov/ociio>.

Specific instructions for applications submitted via <http://www.grants.gov>:

- You can access the electronic application for this project on <http://www.grants.gov>. You must search the downloadable application page by the CFDA number **93.525**.
- At the <http://www.grants.gov> website, you will find information about submitting an application electronically through the site, including the hours of operation. The Office of Consumer Information and Insurance Oversight strongly recommends that you do not wait until the application due date to begin the application process through <http://www.grants.gov> because of the time delay.
- All applicants must have a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number. The DUNS number is a nine-digit identification number that uniquely identifies business entities. Obtaining a DUNS number is easy and there is no charge. To obtain a DUNS number, access the following website: [www.dunandbradstreet.com](http://www.dunandbradstreet.com) or call 1-866-705-5711. This number should be entered in the block with the applicant's name and address on the cover page of the application (Item 8c on the Form SF-424, Application for Federal Assistance). The name and address in the application should be exactly as given for the DUNS number.
- The applicant must also register in the Central Contractor Registration (CCR) database in order to be able to submit the application. Applicants are encouraged to register early. You should allow a minimum of five days to complete the CCR registration. Information about CCR is available at <http://www.ccr.gov>. The central contractor registration process is a separate process from submitting an application. In some cases, the registration process can take approximately two weeks to be completed. Therefore, registration should be completed

in sufficient time to ensure that it does not impair your ability to meet required submission deadlines.

- Authorized Organization Representative: The Authorized Organization Representative (AOR) who will officially submit an application on behalf of the organization must register with Grants.gov for a username and password. AORs must complete a profile with Grants.gov using their organization's DUNS Number to obtain their username and password. [http://grants.gov/applicants/get\\_registered.jsp](http://grants.gov/applicants/get_registered.jsp). AORs must wait one business day after registration in CCR before entering their profiles in Grants.gov.
- When an AOR registers with Grants.gov, the E-Biz POC will receive an email notification. The E-Biz POC must login to Grants.gov (using your organization's DUNS number for a username and the "M-PIN" password obtained in Step 2) and approve the AOR, thereby giving him or her permission to submit applications.
- When an AOR registers with Grants.gov to submit applications on behalf of an organization, that organization's E-Biz POC will receive an email notification. The email address provided in the profile will be the email used to send the notification from Grants.gov to the E-Biz POC with the AOR copied on the correspondence.
- The E-Biz POC must then login to Grants.gov (using the organization's DUNS number for the username and the special password called "M-PIN") and approve the AOR, thereby providing permission to submit applications.
- You must submit all documents electronically in PDF format, including all information included on the SF 424 and all necessary assurances and certifications, and all other attachments.
- Prior to application submission, Microsoft Vista and Office 2007 users should review the Grants.gov compatibility information and submission instructions provided at <http://www.grants.gov>. Click on "Vista and Microsoft Office 2007 Compatibility Information."
- After you electronically submit your application, you will receive an automatic acknowledgement from <http://www.grants.gov> that contains a Grants.gov tracking number. OCIIO will retrieve your application form from Grants.gov.
- After OCIIO retrieves your application form from Grants.gov, a return receipt will be emailed to the applicant contact. This will be in addition to the validation number provided by Grants.gov.
- Each year organizations and entities registered to apply for Federal grants through <http://www.grants.gov> will need to renew their registration with the Central Contractor Registry (CCR). You can register with the CCR online; registration will take about 30 minutes to complete (<http://www.ccr.gov>).

Applications cannot be accepted through any email address. Full applications can only be accepted through <http://www.grants.gov>. Full applications cannot be received via paper mail, courier, or delivery service, unless a waiver is granted per the instructions below.

All grant applications must be submitted electronically and be received through <http://www.grants.gov> by 11:59 pm Eastern Daylight Time on September 1, 2010. All applications will receive an automatic time stamp upon submission and applicants will receive an automatic e-mail reply acknowledging the application's receipt.

The applicant must seek a waiver at least ten days prior to the application deadline if they wish to submit a paper application. Applicants that receive a waiver to submit paper application documents must follow the rules and timelines that are noted below.

Applicants that do not adhere to the timelines for Central Contractor Registry (CCR) and/or Grants.gov registration and/or request timely assistance with technical issues will not be considered for a waiver to submit a paper application.

Please be aware of the following:

- Search for the application package in Grants.gov by entering the CFDA number. This number is located on the first page of this announcement.
- Paper applications are not the preferred method for submitting applications. However, if you experience technical challenges while submitting your application electronically, please contact Grants.gov Support directly at: [www.grants.gov/customersupport](http://www.grants.gov/customersupport) or (800) 518-4726. Customer Support is available to address questions 24 hours a day, 7 days a week (except on Federal holidays).
- Upon contacting Grants.gov, obtain a tracking number as proof of contact. The tracking number is helpful if there are technical issues that cannot be resolved and waiver from the agency must be obtained.
- If it is determined that a waiver is needed, you must submit a request in writing (emails are acceptable) to [Michelle.Feagins@hhs.gov](mailto:Michelle.Feagins@hhs.gov) with a copy to [Donna.Laverdiere@hhs.gov](mailto:Donna.Laverdiere@hhs.gov) including a clear justification for the need to deviate from our standard electronic submission process.
- If the waiver is approved, the application should be sent directly to the Grants Management Division by the deadline date of September 1, 2010.

To be considered timely, applications must be sent on or before the published deadline date. However, a general extension of a published application deadline that affects all applicants or only those applicants in a defined geographical area when justified by circumstances such as acts of God (e.g., floods or hurricanes), or disruptions of electronic (e.g., application receipt services) or other services, such as a prolonged blackout, that affect the public at large may be authorized.

**No other deadline extensions are permitted.**

**B. Format, Standard Form (SF), and Content Requirements**

Each application must include all contents described below, in the order indicated, and in conformity with the following specifications:

- Double-space all narrative pages. The project abstract may be single-spaced.

- All applications must meet the requirements outlined in Section III, *Eligibility Information*, Section IV, *Application and Submission Information*, and Section V, *Application Review Information*.
- The application’s project narrative cannot exceed 15 pages in length, and the budget narrative cannot exceed 3 pages (a total of 18 pages in length). The additional documentation listed below is excluded from the page limitation.

The following documents are required for a complete application:

**1. Cover Sheet (please refer to Attachment C)**

**2. Standard Forms**

The following forms must be completed with an original signature and enclosed as part of the application:

- SF 424: Official Application for Federal Assistance (see note below)
- SF 424A: Budget Information Non-Construction
- SF 424B: Assurances-Non-Construction Programs
- SF LLL: Disclosure of Lobbying Activities
- Project/Performance Site Location(s)
- Additional Assurance Certifications (forms will be available for download as part of the application package in Grants.gov)

**Note:** On SF 424 “Application for Federal Assistance:”

- Item 15 “Descriptive Title of Applicant’s Project.” Please indicate in this section the name of this grant: **State Planning and Establishment Grants for the Affordable Care Act’s Exchanges**.
- Check box “C” to item 19, as Review by State Executive Order 12372 does not apply to these grants.
- Assure that the total Federal grant funding requested is for the period of the grant.

**3. Required Letter of Support**

Each applicant must submit a letter from the Governor (or the Mayor, if from the District of Columbia) officially endorsing the grant application and the proposed planning activities. The letter must express a sincere commitment to conduct activities in order to assess whether the State will establish an Exchange.

**4. Applicant’s Application Cover Letter**

A letter from the applicant must identify the:

- Project Title
- Applicant Name
- Principal Investigator/Project Director Name (with email and phone number)

## 5. Project Abstract

A one page abstract should provide a succinct description of the proposed project and must include the goals of the project, the total budget, and a brief description of how the grant will be used to plan for an Exchange in the State.

## 6. Project Narrative

The project narrative may be no more than 15 pages in length. The project narrative must address the State's planning activities for the development and implementation of an Exchange. The following topics must be included:

- **Background Research** – May include research to determine the number of uninsured in the State including, but not limited to, those potentially eligible for the Exchange, and those eligible for Medicaid or their employer's coverage and currently not enrolled.
- **Stakeholder Involvement** – May include a list of the stakeholders within the State who will be involved in the State's decision about whether to operate the Exchange and planning/implementation of the Exchange, including the role proposed for each stakeholder as well as agreements with those stakeholders that may be in place at this time. Developing stakeholder involvement may include a plan to gain public awareness and commitment of key stakeholders through task forces and activities in various venues to obtain stakeholders' input.
- **Program Integration** – May include a description of how an Exchange will build on existing State and Federal programs such as Medicaid and CHIP. This may also include current State activities similar to an Exchange.
- **Resources and Capabilities** – May include an assessment of current and future staff levels, contracting capabilities and needs, and information technology.
- **Governance** – May include planning for a State-run Exchange or an Exchange run by an independent entity. If an Exchange is expected to be State-run, planning could include determinations of where the Exchange would reside, what the governing structure would be, and to what departments or officials it would be accountable. If an Exchange is expected to be established through an independent entity, planning could include the development of the governance structure, appointment process, conflict of interest rules, and mechanisms of accountability. If the State is planning to coordinate with other States for a regional Exchange, activities relating to coordination with other States to establish an Exchange, determine markets, and ensure licensure and consumer protections could be developed.
- **Finance** – May include pathways to developing accounting and auditing standards, mechanisms of transparency to the public, and procedures to facilitate reporting to the Secretary.

- **Technical Infrastructure** – May include the planning for a web portal and/or a call center to meet the increased need for consumer education, the coordination of Medicaid and Exchange-related activities, and the integration of Health Information Exchange standards for program interoperability.
- **Business Operations** – May include plans for eligibility determinations, plan qualification, plan bidding, application of quality rating systems and rate justification, administration of premium credits and cost-sharing assistance, and risk adjustment.
- **Regulatory or Policy Actions** – May include a determination of the scope and detail of enabling legislation and implementing State regulations.

## 7. Work Plan and Timeline

A timeline is required with the project goals and objectives consistent with those outlined in the project narrative. The work plan submitted with the application should document reasonable milestones with associated timeframes, and identify by name and title of the individual responsible for accomplishing the goals of the project.

## 8. Budget Narrative

The applicant is required to provide a detailed budget for the grant period. The budget narrative must not exceed 3 pages.

Applicant must submit a budget with appropriate line items and a narrative that identifies the funding needed to accomplish the grant's goals. For the budget recorded on form SF 424 A, the applicant must provide a breakdown of the aggregate numbers detailing their allocation to each major set of activities. The budget narrative must separately distinguish and support all technical assistance activities. The proposed budget for the project should distinguish the proportion of grant funding designated for each grant activity.

The budget narrative must include the following:

- An estimated budget total;
- Total estimated funding requirements for each of the following line items, and a break down for each line item:
  - Personnel
  - Fringe benefits
  - Contractual costs, including subcontracted contracts
  - Equipment
  - Supplies
  - Travel
  - Indirect charges, in compliance with the appropriate OMB Circulars. If requesting indirect costs in the budget, a copy of the indirect cost rate agreement is required (<http://rates.psc.gov/fms/dca/orgmenu1.html>).
  - Other costs

- Completion of the Budget Form 424A remains a requirement for consideration of your application. This Estimated Budget Presentation is an important part of your application and will be reviewed carefully by HHS staff. Remember all quarters of the budget must be included on this form.
- Provide budget notes for major expenditures and notes on personnel costs and major contractual costs; and
- For existing Exchanges (or similar programs), details of the Exchange’s current budget and preceding fiscal years’ budgets.

**9. Required Supporting Documentation**

Please provide the following items to complete the content of the application. Please note that these are supplementary in nature and are not intended to be a continuation of the project narrative. Be sure each Appendix is clearly labeled.

**1. Application Attestation.** Please refer to Attachment B.

**2. Organizational Chart & Job Descriptions for Key Personnel**

To the extent possible, a State must provide an organizational chart and job descriptions of staff who will be dedicated to the project indicating the time that staff will spend on grant activities.

**3. Letters of Agreement and/or Description(s) of Proposed/Existing Project**

Provide any documents that describe working relationships between the applicant and agencies and programs cited in the application. Documents that confirm actual or pending contractual agreements should clearly describe the roles of the subcontractors and any deliverable. Letters of agreements must be dated.

**C. Intergovernmental Review**

Applications for these grants are not subject to review by States under Executive Order 12372, “Intergovernmental Review of Federal Programs” (45 CFR 100). Please check box “C” to item 19 of the SF 424 (Application for Federal Assistance) as Review by State Executive Order 12372, does not apply to these grants.

**D. Funding Restrictions**

**1. Reimbursement of Pre-Award Costs**

No grant funds awarded under this solicitation may be used to reimburse pre-award costs. (e.g. consultant fees associated with preparing the State Planning and Establishment Grant application).

**2. Prohibited Uses of Grant Funds**

No grant funds awarded under this solicitation may be used for any item listed in the Prohibited Uses of Grant Funds as detailed in Section VII, *Attachments*.

## V. APPLICATION REVIEW INFORMATION

### A. Review Criteria

In order to receive a grant award for planning activities related to the implementation of an Exchange, States must submit an application, in the required format, no later than the deadline date. This grant project is intended to assist States to begin or continue planning for such Exchanges.

If an applicant does not submit **all** of the required documents and does not address each of the topics described below, the applicant risks not being awarded a grant.

As indicated in Section IV, *Application and Submission Information*, all applicants **must** submit the following:

1. Cover Sheet
2. Standard Forms
3. Required Letter of Support
4. Applicant's Cover Letter
5. Project Abstract
6. Project Narrative
7. Work Plan and Timeline
8. Budget Narrative
9. Required Supported Documentation (Appendices)

As indicated in Section IV, *Application and Submission Information*, each applicant **must** address how the State will plan for the Exchange as it pertains to each of the following:

- Background Research,
- Stakeholder Involvement,
- Program Integration,
- Resources and Capabilities,
- Governance,
- Finance,
- Technical Infrastructure,
- Business Operations, and
- Regulatory or Policy Actions

### B. Review and Selection Process

A team consisting of qualified experts will review all applications. The review process will include the following:

1. Applications will be screened to determine eligibility for further review using the criteria detailed in the Section III, *Eligibility Information* of this solicitation. Applications that are received late or fail to meet the eligibility requirements as detailed in this solicitation or do not include the required forms will not be reviewed.
2. The results of the objective review of applications by qualified experts will be used to advise the approving HHS official.

3. Successful applicants will receive one grant award based on this solicitation.

### **C. Anticipated Announcement and Award Date**

The anticipated date of award for the State Planning and Establishment Grants for the Affordable Care Act's Exchanges is September 30, 2010.

## **VI. AWARD ADMINISTRATION INFORMATION**

### **A. Award Notices**

Successful applicants will receive a Notice of Grant Award signed and dated by the HHS Grants Management Officer. The Notice of Grant Award is the document authorizing the grant award and will be sent through the U.S. Postal Service to the State as listed on the SF 424. Any communication between HHS and applicants prior to issuance of the Notice of Grant Award is not an authorization to begin performance of a project. Unsuccessful applicants will be notified by letter, sent through the U.S. Postal Service to the applicant organization as listed on the SF 424, after September 1, 2010.

### **B. Administrative and National Policy Requirements**

The following standard requirements apply to applications and awards under this solicitation:

1. Specific administrative requirements, as outlined in 2 CFR Part 215 and 45 CFR Part 92, apply to this grants awarded under this announcement.
2. All States receiving awards under this grant project must comply with all applicable Federal statutes relating to nondiscrimination including, but not limited to:
  - a. Title VI of the Civil Rights Act of 1964,
  - b. Section 504 of the Rehabilitation Act of 1973,
  - c. The Age Discrimination Act of 1975,
  - d. Hill-Burton Community Service nondiscrimination provisions, and
  - e. Title II Subtitle A of the Americans with Disabilities Act of 1990.
3. All equipment, staff, other budgeted resources, and expenses must be used exclusively for the project identified in the applicant's original grant application or agreed upon subsequently with HHS, and may not be used for any prohibited uses.
4. Consumers and other stakeholders must have meaningful input into the planning, implementation, and evaluation of the project. All grant budgets must include some funding to facilitate participation on the part of individuals who have a disability or long-term illness and their families. Appropriate budget justification to support the request for these funds must be included.

### **C. Terms and Conditions**

Grants issued under this Funding Opportunity Announcement are subject to the *Health and Human Services Grants Policy Statement (HHS GPS)* at

<http://www.hhs.gov/grantsnet/adminis/gpd/>. Standard terms and special terms of award will accompany the Notice of Grant Award. Potential applicants should be aware that special

requirements could apply to grant awards based on the particular circumstances of the effort to be supported and/or deficiencies identified in the application by the HHS review panel. The general terms and conditions that are outlined in Section II of the HHS GPS will apply as indicated unless there are statutory, regulatory, or award-specific requirements to the contrary (as specified in the Notice of Grant Award).

#### **D. Reporting**

All successful applicants under this announcement must comply with the following reporting and review activities:

##### **1. Quarterly Project Report**

Grantees must provide the Project Officer information such as, but not limited to, project status, implementation activities initiated, accomplishments, barriers, and lessons learned in order to ensure that funds are used for authorized purposes and instances of fraud, waste, error, and abuse are mitigated. More details and a template of the report will be outlined in the Notice of Grant Award.

##### **2. Final Project Report**

Grantees are expected, at the end of the one year project period, to have developed a report on how the funding was used. If the State has decided it will run an Exchange, the report could include an initial plan for the development and implementation of an Exchange that would include, but not be limited to:

- A draft implementation plan that includes goals, objectives, responsible parties, costs, timeframes, and milestones;
- A needs assessment that includes baselines of staff, funding, and information technology needs;
- A list of resources and capabilities, an organizational chart that includes key personnel, and biographical sketches of such personnel; and
- An evaluation plan to include a detailed description of data collection activities and analyses, from which the State will base its design for covering its uninsured.

The project's final report and any products developed through the grant are to be provided to the Division of Grants Management Operations (DGMO) within 90 days of the end of the project period. The DGMO will forward these materials to the Project Officer. More details and a template of the report will be outlined in the Notice of Grant Award.

##### **3. Public Report**

Grantees will be required to prominently post specific information about planning grants on their respective Internet websites to ensure that the public has information on the use of funds. More details will be outlined in the Notice of Grant Award.

**4. Performance Review**

OCIIO is interested in enhancing the performance of its funded programs within communities and States. As part of this agency-wide effort, grantees will be required to participate, where appropriate, in an on-site performance review of their OCIIO-funded project(s) by a review team. The timing of the performance review is at the discretion of OCIIO.

**5. Federal Financial Report (FFR) (SF 425: Expenditure Report)**

Grantees are required to submit a final FFR within 90 days of the end of the project/budget period. The report is an accounting of expenditures made by the recipient under the current reporting period. More details will be outlined in the Notice of Grant Award.

**6. Audit Requirements**

Grantees must comply with audit requirements of Office of Management and Budget (OMB) Circular A-133. Information on the scope, frequency, and other aspects of the audits can be found on the Internet at [www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars).

**7. Payment Management Requirements**

Grantees must submit a quarterly electronic SF-425 via the Payment Management System. The report identifies cash expenditures against the authorized funds for the grant. Failure to submit the report may result in the inability to access grant funds. The SF 425 Certification page should be faxed to the PMS contact at the fax number listed on the SF-425, or it may be submitted to the:

Division of Payment Management  
HHS/ASAM/PSC/FMS/DPM  
PO Box 6021  
Rockville, MD 20852  
Telephone: (877) 614-5533

**E. Agency Contacts**

For questions and concerns regarding this grant announcement, please contact:

**Grants Management Official/Business Administration**

Michelle Feagins  
Office of Consumer Information and Insurance Oversight  
Department of Health and Human Services  
(301) 492-4312  
[Michelle.Feagins@hhs.gov](mailto:Michelle.Feagins@hhs.gov)

**Program Official/Programmatic Management**

Donna Laverdiere  
Office of Consumer Information and Insurance Oversight  
Department of Health and Human Services  
(301) 492-4145  
[Donna.Laverdiere@hhs.gov](mailto:Donna.Laverdiere@hhs.gov)

## **VII. ATTACHMENTS**

### **A. Attachment A: Prohibited Uses of Grant Funds**

The Department of Health and Human Services State Planning and Establishment Grants for the Affordable Care Act's Exchanges may not be used for any of the following:

1. To cover the costs to provide direct services to individuals;
2. To meet matching requirements of any other Federal program;
3. To cover excessive executive compensation;
4. To promote Federal or State legislative and regulatory modifications;
5. To improve systems or processes solely related to Medicaid/CHIP eligibility;
6. Activities unrelated to Exchange planning and establishment such as:
  - a. Staff retreats;
  - b. Promotional giveaways; and
7. 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.

**B. Attachment B: Application Attestation**

Check as many items that apply, as appropriate. States are not required to accomplish all activities nor should this list be considered exhaustive.

1. With the Planning and Establishment Grant, the State intends to:
  - Determine needed and available staff and hire key staff
  - Determine resource needs
  - Develop a work plan and timeline for first year activities
  - Determine needed statutory, regulatory, and other administrative changes (including statutory changes that may be necessary to set up the governance structure, facilitate health plan contracting, consumer outreach, etc.)
  - Conduct an initial assessment of IT systems and modifications/new systems needed to facilitate eligibility and enrollment and other Exchange functions
  - Plan the coordination of eligibility and enrollment across Medicaid, CHIP, and the Exchanges
  - Provide public notice and other stakeholder engagement activities
  - Develop a budget justification and implementation plan
  - Develop performance metrics and planned milestones
  - Plan for customer services processes, including a call center
  
2. The State attests that it has submitted a budget narrative and justification that fully supports the activities the State intends to pursue with Planning and Establishment Grant funds:  
YES \_\_\_\_\_ NO \_\_\_\_\_
  
3. The State has adhered to the required Format, Standard Form (SF), and Content Requirements contained in Section IV.  
YES \_\_\_\_\_ NO \_\_\_\_\_
  
4. The State commits to submitting a draft detailed implementation plan with the final report within 90 days of the end of the project period.  
YES \_\_\_\_\_ NO \_\_\_\_\_

**C. Attachment C: Application Cover Sheet**

**IDENTIFYING INFORMATION**

Grant Opportunity: **State Planning and Establishment Grants for the Affordable Care Act's Exchanges**

DUNS #: \_\_\_\_\_ Grant Award: \_\_\_\_\_

Applicant: \_\_\_\_\_

Primary Contact Person, Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax number: \_\_\_\_\_

Email address: \_\_\_\_\_

## D. Attachment D: Application Check-Off List

### REQUIRED CONTENTS

A complete application consists of the following materials organized in the sequence below. Please ensure that the project narrative is page-numbered. The sequence is:

- Cover Sheet
- Forms/Mandatory Documents (Grants.gov) (with an original signature)
  - SF-424: Application for Federal Assistance
  - SF-424A: Budget Information
  - SF-424B: Assurances-Non-Construction Programs
  - SF-LLL: Disclosure of Lobbying Activities
  - Project/Performance Site Location(s)
  - Additional Assurance Certifications
- Required Letter of Support
- Applicant's Application Cover Letter
- Project Abstract
- Project Narrative
- Work plan and Timeline
- Budget Narrative
- Required Appendices
  - Application Attestation
  - Organizational Chart & Job Descriptions for Key Personnel
  - Letters of Agreement and/or Description(s) of Proposed/Existing Project

# Appendix B

## **Project Narrative**

### **Introduction**

Maine has a long history of health reform and is well positioned to implement the Affordable Care Act (ACA). Specifically, Maine has been a leader in expanding access to the uninsured through insurance reforms, Medicaid expansions, and the enactment of Dirigo Health reform in 2003. In 2009, Maine was one of 13 states to be awarded a State Health Access Program (SHAP) grant from the US Health Resources and Services Administration (HRSA). This grant, renewable until 2014, provides funding to develop a voucher program, offered through the Dirigo Health Agency, to uninsured lower income part time/seasonal and direct care workers who have access to employer coverage but cannot afford it. Multiple employers and insurance companies are participating in the voucher program and Dirigo functions like an Exchange, by determining income levels and providing subsidies to eligible workers so that they can afford their employer sponsored insurance (ESI) coverage. The HRSA grant has provided support for an examination of options for Maine to sustain access initiatives through ACA implementation opportunities.

Maine has also used HRSA funding to begin the education and planning process with stakeholders for the overall health care reform, which includes identifying high level policy options for our Exchange. Those efforts are conducted through an important partnership with our consultants, Bailit Health Purchasing (Bailit), whose team includes former state officials responsible for creating the Massachusetts Connector. Maine proposes using these grant funds to continue that partnership, complement current efforts, and support the development of a detailed implementation plan for the Exchange.

Maine has established significant infrastructure to support the planning for the Exchange specified in the ACA:

- The Governor has convened, by Executive Order (Attachment 10), a Health Reform Steering Committee (members listed in Attachment 11) comprised of key state officials and has charged a legislatively established group, the Advisory Council on Health Systems Development (ACHSD) (members listed in Attachment 12), to provide oversight and stakeholder input. These groups are working with the Legislature as well.
- Prior state-level reforms place Maine ahead of the coverage curve and align the state's insurance market regulations with the new federal rules making it easier to move forward on establishing an Exchange.
- Maine's 2010-2012 State Health Plan (Attachment 13) commits the state to implementing the ACA including considering the establishment of an Exchange.
- The state already administers, through the Dirigo Health Agency (DHA), health care tax credits; insurance subsidies for individuals, self-employed and employees in small businesses under 300% FPL; an insurance voucher program; and the Pre-Existing Condition Insurance Plan. DHA has also developed a consumer-focused call center and a website that it is in the process of enhancing.
- Maine's commitment to quality measurement and data reporting through the DHA's Maine Quality Forum give the state a head start on federal reforms and provides a good foundation on which to build payment reform within an Exchange environment.

Maine has the infrastructure, knowledge, and experience necessary to implement an Exchange. This proposal outlines how Maine will use Exchange planning funds to develop a specific implementation plan which will address the most pressing policy and implementation issues and tasks identified for the Maine Exchange to date. As the federal government begins to release draft regulations regarding the Exchange and shape the features included in the ACA, new policy issues undoubtedly will arise. Our transparent strategic planning process, consulting partners, and proposed budget allow for some flexibility in addressing policy and implementation issues that arise as the federal government continues to shape the features of the ACA.

The questions Maine has identified and the activities proposed to conduct under this grant are described below under each of the categories provided by OCIO. Maine will use these grant funds primarily to continue its partnership with Bailit who will expand its team as needed to include actuarial and IT consultants who will help evaluate and model various options for Maine's Exchange and develop detailed protocols to implement the Exchange under the ambitious timelines set by the federal government.

**A. Background Research**

State reforms instituted in 2003 have improved Maine's uninsured rate to the sixth best in the nation in 2009 (up from 19<sup>th</sup> in 2003) and the state population's health status to thirteenth best in the nation in 2009 (up from 25<sup>th</sup> in 2003). Maine's Medicaid and Children's Health Insurance Programs (CHIP) provide comprehensive benefits and eligibility levels near or exceeding ACA requirements

Employer-sponsored coverage remains the most common source of coverage in Maine, but due to the declining economy, the state has recently seen the percentage of

residents receiving coverage through their employers decline to just over 50 percent. Maine's employer base is composed mostly of small businesses, many of which are service-oriented or seasonal, typically businesses that have difficulty with the cost of health insurance. Maine needs a more refined understanding of the factors, beyond the downturn in the economy, that have contributed to the recent decline in employer coverage in order to establish an Exchange that provides the right incentives for both individuals and employers to purchase insurance.

To determine the best model of an Exchange for Maine, grant funds will be used to support our consulting partner, Bailit, and allow for the addition of specialized expertise such as information technology and actuarial consultants to study population demographics, insurance carrier market share, and provider networks and to project the impact of various Exchange models. The consultants will use available quantitative data and will conduct focus groups with small employers, brokers, and individuals as needed. This effort will produce information to answer questions such as:

1. How many individuals and small employers will be eligible for the Maine Exchange? How many individuals are likely to purchase through the Exchange with and without a subsidy and under various incentives?
2. How many employees working for small businesses are between 133-400% FPL, and are likely to drop their employer coverage and buy directly from the Maine Exchange as individuals in order to receive premium credits?
3. What are the current distribution channels for insurance purchase and how are these distribution channels affected by implementing various Exchange models?
4. What is the role of navigators and how should that function be delivered?

5. What are the potential incentives and disincentives to continuing employer-sponsored insurance in an Exchange environment?

**B. Stakeholder Involvement**

Implementing the Maine Exchange will require significant attention and activity by both the Executive and Legislative branches of government and the private sector in Maine over the next several years. Planning strategies must also recognize the transition that will occur after the November election when Maine elects a new Governor and Legislature. Maine needs to build knowledge and stakeholder engagement to develop policy and processes that will be sustained through the transition to ensure that the new administration can revise policy and processes as warranted and implement the Exchange in a timely fashion.

Maine is using its Health Reform Steering Committee (Steering Committee), an Executive Branch group, and its Advisory Council on Health System Development (ACHSD), a legislatively established group that includes legislators and external stakeholders, to implement health reform in a thoughtful and transparent manner. The tasks outlined here build on Maine's State Health Plan, a 2-year plan required by law over which the ACHSD has oversight. The ACHSD will be supported from this grant by project staff to help oversee the Exchange implementation. The Legislature has also established the Joint Select Committee on Health Care Reform and Implementation. These structures will allow for both the Governor and the Legislature to be well informed of the implications of the ACA in Maine and to receive comprehensive policy options, analysis and recommendations.

Maine has already involved stakeholders in its implementation of the ACA. All meetings of the Steering Committee and ACHSD, held monthly since April 2010, are open to the public, either in person or on-line. Presentations are made available on a website developed specifically for the public, [www.healthreform/maine.gov](http://www.healthreform/maine.gov). Maine proposes extending this activity during the Exchange planning process to ensure broad stakeholder participation. Grant funding will be used to assure compliance with the ADA and public accessibility of all meetings and materials. Grant funding will also be used to contract for project staff including a full-time project manager and project analyst who will also have responsibility for assisting with this stakeholder process.

Maine will hold forums and focus groups with individuals, small employers, and brokers to get specific stakeholder input as the state begins to shape the Exchange. In addition, ad hoc workgroups will be formed with key stakeholders as the planning process unfolds.

### **C. Program Integration**

A central feature of the ACA is the integration of all state and federal health insurance programs so that eligibility and enrollment in health insurance is streamlined for the individual and/or business. Maine has made significant progress integrating its programs but the federal reforms provide even greater opportunity for integration.

Maine will need to develop a transition plan for its current DirigoChoice enrollees, individuals, self-employed and small business employees under 300% FPL who now receive subsidized health coverage through a private carrier, to move to the Exchange. In addition, individuals receiving coverage through Dirigo under the Pre-Existing Condition Insurance Plan (PCIP), Health Care Tax Credit program and the

HRSA voucher program will need to be transitioned. Maine may also shift some members with incomes between 133% and 200% FPL who are currently enrolled in MaineCare into a Basic Health Plan or directly to the Exchange. Maine will introduce managed care to the MaineCare population and, as part of the Exchange process, will want to consider opportunities for continuity of care for members who will undoubtedly move back and forth between programs.

In addition to the program integration noted above, Maine will need to consider the funding for the Dirigo subsidies. Dirigo subsidies are funded by a 2.14% assessment on claims paid by Maine health insurers and third party administrators that run self-insured plans. The assessment is expected to generate \$42.1 million in State Fiscal Year 2011. Because the federal revenues for premium and cost sharing credits will replace state spending for most DirigoChoice subsidies, the same level of assessment funding may no longer be needed. Plans will be developed regarding the future of this assessment. For example, should the assessment be eliminated or scaled back to support other related activities such as Dirigo's Maine Quality Forum and Maine's Health Information Exchange? In addition, Maine may want to consider whether the assessment could be used to support the cost of continuing some of Maine's mandated benefits for individuals receiving subsidized coverage in the Exchange. This decision will depend on what benefits are ultimately included in the essential benefit package determined by the federal government. Finally, Maine will consider whether the assessment could be a source of funding to establish a reinsurance plan to reduce premium costs in the individual market or in a merged market. Other questions that will be answered during this planning process include:

1. How will the eligibility expansions, payment rules and benefit requirements under ACA affect Maine's current public programs and private insurance coverage?
2. How will Maine transition residents with incomes above 133% FPL?
3. Should Maine include a public option in the Exchange?
4. What are the opportunities for implementing the managed care options in MaineCare to provide continuity of care for those moving between programs?

#### **D. Resources and Capabilities**

Another important consideration for Maine is determining what both public and private capacity currently exists to operate a state-level Exchange. Whether to establish a new entity or build upon current state infrastructure is a question facing every state, including Maine. The Exchange needs the capacity to accomplish an extensive list of tasks—including (but not limited to) processing applications, a call center, confirming eligibility for tax credits, billing premiums, monitoring employer contributions, reconciling payments, developing and maintaining a website, payment of commissions, ongoing marketing and outreach, and developing and maintaining an electronic interface.

Maine proposes using grant funding to assess the functionality that already exists in state agencies including the Dirigo Health Agency (DHA), the Department of Health and Human Services, the Bureau of Insurance, and the Department of Labor. The start-up costs of an Exchange will be lower if it builds upon existing infrastructure.

Another important consideration for Maine regarding infrastructure capacity and needs is whether opportunities exist to work regionally to create economies of scale. Considerations here include coordination, capacity, flexibility, efficiency and how similar

the market characteristics are among states (including demographics of those purchasing through the Exchange, number and type of carriers and plans, employer offer rates, etc.). Given the ambitious federal timelines, challenges of working across states with multiple state agencies and Maine's unique characteristics and needs compared with neighboring states, it is unlikely that a regional Exchange would be initially desirable. However, Maine will allocate some funding from this grant to explore regional opportunities with the other New England states and, at the very least, participate in meetings to share best practices, consider regional purchasing of "back-office" functions, and other activities. Bailit will participate in regional discussions and help Maine answer the following questions:

1. What are the current public and private resource capabilities present in the State that can help facilitate the establishment of an Exchange?
2. What are the infrastructure requirements of the Exchange?
3. What are the benefits and challenges of operating and/or sharing certain functionality with some or all of the other five New England states?

#### **E. Governance**

The priorities, function and scope of Maine's Exchange will drive governance decisions. While further federal guidance will provide some direction, Maine will need to decide how robust an Exchange it desires. The Exchange can be established as a website and information portal or can transform the marketplace by using its purchasing power to set standards for quality, cost, and payment reform. Once Maine determines the goals and scope of its Exchange, we will want to tackle decisions regarding its governance structure very early in its planning process so that enabling legislation may be drafted.

Working with our partner Bailit and engaging a stakeholder process, Maine will consider the following important questions:

1. Will Maine's Exchange be a new marketplace, a website or something in between?
2. What functions must an Exchange perform and what capacity exists to conduct them now?
3. Should the Exchange be a private, quasi-governmental or fully governmental entity?
4. Should Maine create a new agency for Exchange functions or assign the responsibilities to an existing agency?
5. Should Maine establish separate Exchanges for businesses and individuals?

**F. Finance**

There are a number of provisions in the ACA related to accounting and auditing standards. The Exchange is responsible for ensuring program integrity in conjunction with the federal government including the management of a voucher system established through the ACA. Maine's Department of Administrative and Financial Services and other appropriate state agencies will be responsible for developing and publicizing appropriate accounts and controls and auditing practices for the Exchange. Details of these accounts and controls will be developed during this planning process and will be integrated with the detailed implementation protocols.

**G. Technical Infrastructure**

The ACA nationalizes, standardizes and simplifies eligibility standards for Medicaid and subsidies and provides new opportunities for transparent, fast and

streamlined eligibility to health coverage and subsidies for individuals between 0-400% FPL. One of the challenges is to assure a simple entry point for health coverage without compromising the advances in integrated eligibility for human services programs. Maine envisions an eligibility and enrollment system that allows easy access to health coverage information and seamlessly, through the “back office,” cascades an individual potentially eligible for MaineCare through the full array of human service eligibility determinations.

Today, the Maine Department of Health and Human Services (DHHS) operates an integrated eligibility system that performs eligibility functions for 26 public assistance programs, including MaineCare, Cub Care (CHIP) and Maine’s prescription drug programs, and also includes TANF and the Supplemental Nutrition Assistance Program. This integrated eligibility system provides streamlined “one-stop” access to services for Maine citizens that is not available in most states. DHHS is in the process of developing a web portal to its integrated eligibility system that will provide an electronic option for eligibility determinations, enrollments and re-certifications. At the same time, the Dirigo Health Agency (DHA) manages an eligibility system for a range of subsidized health care coverage initiatives.

Maine will create an IT workgroup and use grant funding to hire an IT consultant to work with the state’s Office of Information Technology (OIT) to assess its current systems and make recommendations regarding IT infrastructure needs. The work will be structured so that it is an iterative process beginning with a review of Maine’s current infrastructure and capabilities and then assessing system requirements that meet ACA standards and Maine’s priorities for its Exchange and develop a plan with detailed specifications to build the needed IT infrastructure.

The OIT will lead the workgroup and, with its consultant, work closely with Bailit to make sure the answers to the questions below drive the system requirements. The IT consultant will draft the specifications for the RFP(s) that will be used during the implementation phase to develop the necessary Exchange software and hardware technology.

1. How will DHHS' current web-portal activity interface with the Exchange to accommodate ACA requirements for streamlined, on-line eligibility for subsidies and/or MaineCare?
2. Will the web-portal serve as the only entry into the system or will there be other methods for eligibility applications to be accepted directly by the Exchange and DHHS (i.e., provide for a "no wrong door" approach)?
3. What modifications are needed to the state's current eligibility system to provide for streamlined eligibility? What resources are needed? What is the estimated timing required for the necessary system modifications?

#### **H. Business Operations**

The ACA provides significant flexibility for states and it is expected that there will be a fair amount of variation in how states design and implement the business operations of their Exchange. One important responsibility for an Exchange is how it interacts with carriers or others that will offer health benefit plans through the Exchange. One consideration is how many and the type of plans that will be offered through the Exchange and how the market outside the exchange will be structured to address issues of adverse selection. Exactly how Maine limits or requires the number of plans will depend on many factors and Maine plans to assess these options in the upcoming months.

Maine will also need to consider whether to require standardization beyond the categories required by the ACA. Maine may want to develop incentives to encourage higher value benefit plans to participate in the Exchange. In addition, Maine will want to consider the potential for adverse selection into the Exchange and explore opportunities to mitigate it. We will also need to define how the Navigator role will function in the Exchange. Maine will work with stakeholders to make sure that the Exchange is an effective distribution channel for health insurance. Maine will also need to consider whether and how to partner with third party administrators.

Exchanges will operate within a new environment of insurance regulation and it is unclear how this new environment will affect the marketplace. Maine needs to consider how to make coverage more affordable for its residents and will re-examine an earlier study conducted in response to The Blue Ribbon Commission on Dirigo Health that analyzed whether to merge the individual and small group markets. The Bureau of Insurance is planning to update that study. Exchange planning grant funds will be used to complement that work and examine the potential for lowering premiums in the Exchange through adoption of a reinsurance program, possibly funded by the current Dirigo assessment.

Working with Bailit and their actuarial consultants, Maine will consider the questions below and use its stakeholder process to establish an Exchange that best meets the needs of Maine's residents and businesses.

1. How can Maine develop strategies to avoid adverse selection in and outside the Exchange?

2. How can Maine best support and/or conduct payment reform and cost containment within the Exchange environment?
3. What are the options for ensuring that the business operations of Maine's Exchange are financially viable?
4. How should Maine interact with insurance carriers, providers, intermediaries and brokers in the Exchange? What are the roles of Navigators and of brokers? How will Navigators be financed?
5. Should Maine implement a reinsurance program either in the individual market, the small group or in a combined marketplace?

#### I. **Regulatory/Policy Action**

Once certain decisions are made regarding governance and location of Maine's Exchange, legislation and accompanying regulations will be required to establish the Exchange. Project staff will assist departments in developing a plan and timetable for needed regulation.

#### **The following deliverables will be made possible by this grant funding:**

- **Options papers**, which include, but are not limited to, program integration; options for Medicaid enrollees between 133 and 200% FPL; incentives for employees, individuals, and employers to purchase insurance through the Exchange; and opportunities for payment reform in an Exchange environment.
- **A Strawman proposal**, which outlines goals of the exchange and its target market, and includes a governance model that is consistent with those goals. The strawman proposal will also address what aspects of the exchange are best addressed regionally.

- **A Business Operations plan**, which identifies business requirements for the web portal and financial systems, provides a staffing plan for the Exchange, and answers important questions about the overall operations of the Exchange.
- **An Implementation plan**, which outlines the activities needed to operationalize the Exchange.
- **Scan of current information systems and development of specifications for information systems requirements** and upgrades to existing systems to support the business operations of the Exchange.
- **An Evaluation plan**, which provides for an on-going assessment of the Exchange implementation and assures that Exchange goals are being met.

# Appendix C

## New England States Collaborative Insurance Exchange Systems (NESCIES) 2/15/2011

The goal of the *New England States Collaborative Insurance Exchange Systems* (NESCIES) project is to create Information Technology (IT) components that are consumer-focused, cost-effective, reusable, and sustainable to operate Health Insurance Exchanges (HIXs) as a key element of health care reform. The NESCIES project approach will be to create and build a flexible HIX Information Technology framework in Massachusetts designed to connect consumers, small businesses, and health plans that can be tailored to the needs of the New England states and beyond.

Massachusetts and the New England states possess the technical expertise to deliver standards-based, system components on an accelerated development cycle in cooperation with the Office of Consumer Information and Insurance Oversight (OCIO). The OCIO funding, \$35 million over 2 years, will be used to develop technology solutions that are component-based, adaptable, and based on national standards so that Massachusetts and other states can gain efficiencies in advance of 2014 health reforms and accelerate HIX operations for state based exchanges.

The University of Massachusetts Medical School (UMMS) will serve as the recipient and manager for the lead state of Massachusetts. **Jay Himmelstein** MD, MPH will serve as Principle Investigator, and **Michael Tutty**, MHA, MS will serve as Project Director. **Manu Tandon**, MBA, MPA, is the Chief Information Officer for the Executive Office of Health and Human Services (EOHHS) in Massachusetts and will serve as Principal Technology Lead. **Robert Nevins**, the Chief Operating Officer of the Massachusetts Connector Authority, will serve as Principle Functional Lead.

UMMS has a well-established partnership with EOHHS in evaluating and implementing innovations in health care systems involving those served by the public sector. UMMS has been a thought leader in the area of public sector health information technology policy and has extensive experience in partnering with state agencies and providing multi-state technical assistance on complex CMS-funded projects.

In addition to working directly with Massachusetts to develop the IT system components under this initiative, UMMS will work in partnership with the New England States Consortium Systems Organization (NESCSO), a non-profit corporation organized by the six New England Health and Human Services agencies, to foster communication and collaboration among states. **Nancy Peterson**, Deputy Director of NESCSO will serve as Interstate Project lead. Overall project priorities and shared development activities will be informed by an Interstate Steering Committee convened and chaired by **Brenda Harvey**, NESCSO Executive Director, and made up of business and technical leads of the collaborating states.

The goal of the NESCIES Interstate Steering Committee is to provide guidance and feedback to the Massachusetts team to assure that HIX components developed for Massachusetts will be consumer-friendly, cost-effective IT systems that can be used and adopted by other New England states (and nationally) and help each New England state save money as they work to develop their own Exchanges. The Interstate Steering Committee will work to share or leverage the Massachusetts implementation to reuse the appropriate residuals and knowledge base or lower acquisition costs through regional group purchasing agreements.

NESCIES Key Contacts:

**University of Massachusetts Medical School**

**Jay Himmelstein**, MD, MPH, Principal Investigator

**Michael Tutty**, MHA, MS, Project Director

**Massachusetts Health Connector**

**Robert Nevins**, Principal Functional Lead

**Massachusetts Executive Office of Health and Human Services**

**Manu Tandon**, MBA, MPA, Principal Technology Lead

**New England States Consortium Systems Organization**

**Brenda Harvey**, NESCSO Executive Director

**Nancy Peterson**, MS, Interstate Project Lead

# Appendix D

AdvantageME CT No: \_\_\_\_\_

STATE OF MAINE  
DEPARTMENT OF \_\_\_\_\_  
Agreement to Purchase Services

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, is by and between the State of Maine, \_\_\_\_\_, hereinafter called "Department," and \_\_\_\_\_, located at \_\_\_\_\_, telephone number \_\_\_\_\_, hereinafter called "Provider", for the period of \_\_\_\_\_ to \_\_\_\_\_.

The AdvantageME Vendor/Customer number of the Provider is \_\_\_\_\_

WITNESSETH, that for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the Department, the Provider hereby agrees with the Department to furnish all qualified personnel, facilities, materials and services and in consultation with the Department, to perform the services, study or projects described in Rider A, and under the terms of this Agreement. The following riders are hereby incorporated into this Agreement and made part of it by reference:

- Rider A - Specifications of Work to be Performed
- Rider B - Payment and Other Provisions
- Rider C - Exceptions to Rider B
- Rider D, E, and/or F - (At Department's Discretion)
- Rider G - Identification of Country in Which Contracted Work will be Performed

IN WITNESS WHEREOF, the Department and the Provider, by their representatives duly authorized, have executed this agreement in \_\_\_\_\_ original copies.

**DEPARTMENT OF** \_\_\_\_\_

By: \_\_\_\_\_  
Name and Title, Department Representative

and

By: \_\_\_\_\_  
Name and Title, Provider Representative

Total Agreement Amount: \$ \_\_\_\_\_

Approved: \_\_\_\_\_  
Chair, State Purchases Review Committee  
BP54 (Rev 6/04)



RIDER A  
SPECIFICATIONS OF WORK TO BE PERFORMED

RIDER B  
METHOD OF PAYMENT AND OTHER PROVISIONS

1. **AGREEMENT AMOUNT** \$ \_\_\_\_\_

2. **INVOICES AND PAYMENTS** The Department will pay the Provider as follows:

\_\_\_\_\_  
\_\_\_\_\_

Payments are subject to the Provider's compliance with all items set forth in this Agreement and subject to the availability of funds. The Department will process approved payments within 30 days.

3. **BENEFITS AND DEDUCTIONS** If the Provider is an individual, the Provider understands and agrees that he/she is an independent contractor for whom no Federal or State Income Tax will be deducted by the Department, and for whom no retirement benefits, survivor benefit insurance, group life insurance, vacation and sick leave, and similar benefits available to State employees will accrue. The Provider further understands that annual information returns, as required by the Internal Revenue Code or State of Maine Income Tax Law, will be filed by the State Controller with the Internal Revenue Service and the State of Maine Bureau of Revenue Services, copies of which will be furnished to the Provider for his/her Income Tax records.

4. **INDEPENDENT CAPACITY** In the performance of this Agreement, the parties hereto agree that the Provider, and any agents and employees of the Provider shall act in the capacity of an independent contractor and not as officers or employees or agents of the State.

5. **DEPARTMENT'S REPRESENTATIVE** The Agreement Administrator shall be the Department's representative during the period of this Agreement. He/she has authority to curtail services if necessary to ensure proper execution. He/she shall certify to the Department when payments under the Agreement are due and the amounts to be paid. He/she shall make decisions on all claims of the Provider, subject to the approval of the Commissioner of the Department.

6. **AGREEMENT ADMINISTRATOR** All progress reports, correspondence and related submissions from the Provider shall be submitted to:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_

who is designated as the Agreement Administrator on behalf of the Department for this Agreement, except where specified otherwise in this Agreement.

7. **CHANGES IN THE WORK** The Department may order changes in the work, the Agreement Amount being adjusted accordingly. Any monetary adjustment or any substantive change in the work shall be in the form of an amendment, signed by both parties and approved by the State Purchases Review Committee. Said amendment must be effective prior to execution of the work.

8. **SUB-AGREEMENTS** Unless provided for in this Agreement, no arrangement shall be made by the Provider with any other party for furnishing any of the services herein contracted for without the consent and approval of the Agreement Administrator. Any sub-agreement hereunder entered into subsequent to the execution of this Agreement must be annotated "approved" by the Agreement Administrator before it is reimbursable hereunder. This provision will not be taken as requiring the approval of contracts of employment between the Provider and its employees assigned for services thereunder.

9. **SUBLETTING, ASSIGNMENT OR TRANSFER** The Provider shall not sublet, sell, transfer, assign or otherwise dispose of this Agreement or any portion thereof, or of its right, title or interest therein, without written request to and written consent of the Agreement Administrator. No subcontracts or transfer of agreement shall in any case release the Provider of its liability under this Agreement.

10. **EQUAL EMPLOYMENT OPPORTUNITY** During the performance of this Agreement, the Provider agrees as follows:

a. The Provider shall not discriminate against any employee or applicant for employment relating to this Agreement because of race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability, or sexual orientation, unless related to a bona fide occupational qualification. The Provider shall take affirmative action to ensure that applicants are employed and employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, physical or mental disability, or sexual orientation.

Such action shall include but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Provider agrees to post in conspicuous places available to employees and applicants for employment notices setting forth the provisions of this nondiscrimination clause.

b. The Provider shall, in all solicitations or advertising for employees placed by or on behalf of the Provider relating to this Agreement, state that all qualified applicants shall receive consideration for employment without regard to race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability, or sexual orientation.

c. The Provider shall send to each labor union or representative of the workers with which it has a collective bargaining agreement, or other agreement or understanding, whereby it is furnished with labor for the performance of this Agreement a notice to be provided by the contracting agency, advising the said labor union or workers' representative of the Provider's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. The Provider shall inform the contracting Department's Equal Employment Opportunity Coordinator of any discrimination complaints brought to an external regulatory body (Maine Human Rights Commission, EEOC, Office of Civil Rights) against their agency by any individual as well as any lawsuit regarding alleged discriminatory practice.

e. The Provider shall comply with all aspects of the Americans with Disabilities Act (ADA) in employment and in the provision of service to include accessibility and reasonable accommodations for employees and clients.

f. Contractors and subcontractors with contracts in excess of \$50,000 shall also pursue in good faith affirmative action programs.

g. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

11. **EMPLOYMENT AND PERSONNEL** The Provider shall not engage any person in the employ of any State Department or Agency in a position that would constitute a violation of 5 MRSA § 18 or 17 MRSA § 3104. The Contractor shall not engage on a full-time, part-time or other basis during the period of this Agreement, any other personnel who are or have been at any time during the period of this Agreement in the employ of any State Department or Agency, except regularly retired employees, without the written consent of the State Purchases Review Committee. Further, the Provider shall not engage on this project on a full-time, part-time or other basis during the period of this Agreement any retired employee of the Department who has not been retired for at least one year, without the written consent of the State Purchases Review Committee. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

12. **STATE EMPLOYEES NOT TO BENEFIT** No individual employed by the State at the time this Agreement is executed or any time thereafter shall be admitted to any share or part of this Agreement or to any benefit that might arise therefrom directly or indirectly that would constitute a violation of 5 MRSA § 18 or 17 MRSA § 3104. No other individual employed by the State at the time this Agreement is executed or any time thereafter shall be admitted to any share or part of this Agreement or to any benefit that might arise therefrom directly or indirectly due to his employment by or financial interest in the Provider or any affiliate of the Provider, without the written consent of the State Purchases Review Committee. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

13. **WARRANTY** The Provider warrants that it has not employed or contracted with any company or person, other than for assistance with the normal study and preparation of a proposal, to solicit or secure this Agreement and that it has not paid, or agreed to pay, any company or person, other than a bona fide employee working solely for the Provider, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon, or resulting from the award for making this Agreement. For breach or violation of this warranty, the Department shall have the right to annul this Agreement without liability or, in its

discretion to otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

14. **ACCESS TO PUBLIC RECORDS** As a condition of accepting a contract for services under this section, a contractor must agree to treat all records, other than proprietary information, relating to personal services work performed under the contract as public records under the freedom of access laws to the same extent as if the work were performed directly by the department or agency. For the purposes of this subsection, "proprietary information" means information that is a trade secret or commercial or financial information, the disclosure of which would impair the competitive position of the contractor and would make available information not otherwise publicly available. Information relating to wages and benefits of the employees performing the personal services work under the contract and information concerning employee and contract oversight and accountability procedures and systems are not proprietary information. The Provider shall maintain all books, documents, payrolls, papers, accounting records and other evidence pertaining to this Agreement and make such materials available at its offices at all reasonable times during the period of this Agreement and for such subsequent period as specified under Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) rules. The Provider shall allow inspection of pertinent documents by the Department or any authorized representative of the State of Maine or Federal Government, and shall furnish copies thereof, if requested. This subsection applies to contracts, contract extensions and contract amendments executed on or after October 1, 2009.

15. **TERMINATION** The performance of work under the Agreement may be terminated by the Department in whole, or in part, whenever for any reason the Agreement Administrator shall determine that such termination is in the best interest of the Department. Any such termination shall be effected by delivery to the Provider of a Notice of Termination specifying the extent to which performance of the work under the Agreement is terminated and the date on which such termination becomes effective. The Agreement shall be equitably adjusted to compensate for such termination, and modified accordingly.

16. **GOVERNMENTAL REQUIREMENTS** The Provider warrants and represents that it will comply with all governmental ordinances, laws and regulations.

17. **GOVERNING LAW** This Agreement shall be governed in all respects by the laws, statutes, and regulations of the United States of America and of the State of Maine. Any legal proceeding against the State regarding this Agreement shall be brought in State of Maine administrative or judicial forums. The Provider consents to personal jurisdiction in the State of Maine.

18. **STATE HELD HARMLESS** The Provider agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims, costs, expenses, injuries, liabilities, losses and damages of every kind and description (hereinafter in this paragraph referred to as "claims") resulting from or arising out of the performance of this Agreement by the Provider, its employees, agents, or subcontractors. Claims to which this indemnification applies include, but without limitation, the following: (i) claims suffered or incurred by any contractor, subcontractor, materialman, laborer and any other person, firm, corporation or other legal entity (hereinafter in this paragraph referred to as "person") providing work, services, materials, equipment or supplies in connection with the performance of this Agreement; (ii) claims arising out of a violation or infringement of any proprietary right, copyright, trademark, right of privacy or other right arising out of publication, translation, development, reproduction, delivery, use, or disposition of any data, information or other matter furnished or used in connection with this Agreement; (iii) Claims arising out of a libelous or other unlawful matter used or developed in connection with this Agreement; (iv) claims suffered or incurred by

any person who may be otherwise injured or damaged in the performance of this Agreement; and (v) all legal costs and other expenses of defense against any asserted claims to which this indemnification applies. This indemnification does not extend to a claim that results solely and directly from (i) the Department's negligence or unlawful act, or (ii) action by the Provider taken in reasonable reliance upon an instruction or direction given by an authorized person acting on behalf of the Department in accordance with this Agreement.

19. **NOTICE OF CLAIMS** The Provider shall give the Contract Administrator immediate notice in writing of any legal action or suit filed related in any way to the Agreement or which may affect the performance of duties under the Agreement, and prompt notice of any claim made against the Provider by any subcontractor which may result in litigation related in any way to the Agreement or which may affect the performance of duties under the Agreement.

20. **APPROVAL** This Agreement must have the approval of the State Controller and the State Purchases Review Committee before it can be considered a valid, enforceable document.

21. **LIABILITY INSURANCE** The Provider shall keep in force a liability policy issued by a company fully licensed or designated as an eligible surplus line insurer to do business in this State by the Maine Department of Professional & Financial Regulation, Bureau of Insurance, which policy includes the activity to be covered by this Agreement with adequate liability coverage to protect itself and the Department from suits. Providers insured through a "risk retention group" insurer prior to July 1, 1991 may continue under that arrangement. Prior to or upon execution of this Agreement, the Provider shall furnish the Department with written or photocopied verification of the existence of such liability insurance policy.

22. **NON-APPROPRIATION** Notwithstanding any other provision of this Agreement, if the State does not receive sufficient funds to fund this Agreement and other obligations of the State, if funds are de-appropriated, or if the State does not receive legal authority to expend funds from the Maine State Legislature or Maine courts, then the State is not obligated to make payment under this Agreement.

23. **SEVERABILITY** The invalidity or unenforceability of any particular provision or part thereof of this Agreement shall not affect the remainder of said provision or any other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision or part thereof had been omitted.

24. **INTEGRATION** All terms of this Agreement are to be interpreted in such a way as to be consistent at all times with the terms of Rider B (except for expressed exceptions to Rider B included in Rider C), followed in precedence by Rider A, and any remaining Riders in alphabetical order.

25. **FORCE MAJEURE** The Department may, at its discretion, excuse the performance of an obligation by a party under this Agreement in the event that performance of that obligation by that party is prevented by an act of God, act of war, riot, fire, explosion, flood or other catastrophe, sabotage, severe shortage of fuel, power or raw materials, change in law, court order, national defense requirement, or strike or labor dispute, provided that any such event and the delay caused thereby is beyond the control of, and could not reasonably be avoided by, that party. The Department may, at its discretion, extend the time period for performance of the obligation excused under this section by the period of the excused delay together with a reasonable period to reinstate compliance with the terms of this Agreement.

26. **SET-OFF RIGHTS** The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any monies due to the Provider under this Agreement up to any amounts due and owing to the State with regard to this Agreement, any other Agreement, any other Agreement with any State department or agency, including any Agreement for a term commencing prior to the term of this Agreement, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Controller.

27. **ENTIRE AGREEMENT** This document contains the entire Agreement of the parties, and neither party shall be bound by any statement or representation not contained herein. No waiver shall be deemed to have been made by any of the parties unless expressed in writing and signed by the waiving party. The parties expressly agree that they shall not assert in any action relating to the Agreement that any implied waiver occurred between the parties which is not expressed in writing. The failure of any party to insist in any one or more instances upon strict performance of any of the terms or provisions of the Agreement, or to exercise an option or election under the Agreement, shall not be construed as a waiver or relinquishment for the future of such terms, provisions, option or election, but the same shall continue in full force and effect, and no waiver by any party of any one or more of its rights or remedies under the Agreement shall be deemed to be a waiver of any prior or subsequent rights or remedy under the Agreement or at law.

RIDER C  
EXCEPTIONS TO RIDER B

RIDER D

Not Required: For use at Department's Discretion

RIDER E

Not Required: For use at Department's Discretion

RIDER F

Not Required: For use at Department's Discretion

RIDER G  
IDENTIFICATION OF COUNTRY  
IN WHICH CONTRACTED WORK WILL BE PERFORMED

**Please identify the country in which the services purchased through this contract will be performed:**

**United States. Please identify state: \_\_\_\_\_**

**Other. Please identify country: \_\_\_\_\_**

Notification of Changes to the Information

The Provider agrees to notify the Division of Purchases of any changes to the information provided above.