

Part 1 Overview Information

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

Center for Strategic Planning

Patient Protection and Affordable Care Act

Section 4108

Medicaid Incentives for Prevention of Chronic Diseases (MIPCD)

Initial Announcement

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Applicable Dates:

Voluntary Notice of Intent to Apply: April 4, 2011

Electronic Grant Application Due Date: May 2, 2011

Grant Period of Performance/Budget Period: August 1, 2011 – December 31, 2015

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I. FUNDING OPPORTUNITY DESCRIPTION

Overview of Section 4108 of the Patient Protection and Affordable Care Act

Section 4108 of the Patient Protection and Affordable Care Act (Pub. L. 111-148) (The Affordable Care Act) authorizes grants to States to provide incentives to Medicaid beneficiaries of all ages who participate in prevention programs and demonstrate changes in health risk and outcomes, including the adoption of healthy behaviors. The initiatives or programs are to be “comprehensive, evidence-based, widely available, and easily accessible.” The programs must use relevant evidence-based research and resources, including: the Guide to Community Preventive Services; the Guide to Clinical Preventive Services; and the National Registry of Evidence-Based Programs.

An application by a State for a grant under the program must address at least one of the following prevention goals: tobacco cessation, controlling or reducing weight, lowering cholesterol, lowering blood pressure, and avoiding the onset of diabetes or in the case of a diabetic, improving the management of the condition. The incentives provided to a Medicaid beneficiary participating in this program shall not be taken into account for purposes of determining the beneficiary’s eligibility for, or amount of, benefits under the Medicaid program or any program funded in whole or in part with Federal funds.

The Centers for Medicare & Medicaid Services (CMS) plans to use a rapid-cycle evaluation and continuous collaborative learning approach in this grant program evaluation. This will entail frequent quick analysis of recent grant program data by CMS and the feedback to the learning collaborative. Over the course of the grant program CMS will work with States to approve changes to the incentive program processes, as a result of the rapid-cycle evaluation and continuous collaborative learning approach. States should consider this approach when designing and pricing their proposed administrative and operational programs. Meetings of the Learning Collaborative will be scheduled as a part of the quarterly project meetings.

1. Background: Need and Opportunity

Health care cost is recognized as a growing component of the United States Gross Domestic Product and a commensurate leading component of State budgets. While the U.S. generally leads the world in health spending per capita, life expectancy at birth in the U.S. is less than life expectancy in most other developed countries.ⁱ Increasingly there are discussions that growth in health care cost may be unsustainable. Behavioral health patterns (40 percent), genetic predisposition (30 percent) and social circumstances (15 percent) are also important determinants of premature death. A National Health Policy Forum paper reported these preceding observations, and stated that “Some analysts worry that, unless the need for health care is reduced by significantly improving the health of the American people, it will be difficult if not impossible to bring health care costs under control.”ⁱⁱ Interventions that address the behavioral or social circumstances that influence participation in preventive health services and/or otherwise have a positive impact on outcomes of preventive health services may contribute to improving health and decrease growth in health care expenditures.

Examples of the contribution of tobacco use; uncontrolled weight, cholesterol and blood pressure; and onset of, and uncontrolled, diabetes to the level and growth in health care spending are the following:

- Tobacco use is responsible for more than 430,000 deaths each year, and is the largest cause of preventable morbidity and mortality in the U.S. Although rates have declined over the past decades, roughly one in five high school students and adults smoke cigarettes. Cigarette smoking is the leading cause of preventable death, and, for every person who dies from a smoking-related disease, about 20 more people have at least one serious illness related to smoking.^{iii,iv}
- Overweight and obesity have been shown to increase the likelihood of certain diseases and other health problems, and are important concerns for adults, children, and adolescents in the U.S. An estimated 26.7 percent of adults in the U.S. reported being obese in 2009, up 1.1 percentage points since 2007, and approximately 300,000 deaths per year may be attributable to obesity.^{v,vi} In 2008, the annual healthcare cost of obesity in the U.S. was estimated to be as high as \$147 billion a year.^{vii}
- More than one-third of adults have two or more of the major risk factors for heart disease, a leading cause of morbidity, mortality, and health care utilization and spending.^{viii}
- Diabetes is the seventh leading cause of death in the U.S. and accounted for \$116 billion in total U.S. healthcare system costs in 2007, and almost 24 million Americans have diabetes, including 5.7 million who don't know they have the disease. Also about 186,300 people younger than 20 years have Type 1 or Type 2 diabetes.^{ix}

Attitudes and behaviors of individuals affect their participation in, completion of and retention of preventive health interventions. Health promotion programs show promise for employers and employees in work-site health promotion programs.^x

Improving participation in preventive activities will require finding methods to encourage Medicaid consumers to engage in and remain in such efforts. A significant review of the effects of economic incentives on consumers' preventive health behaviors, primarily in commercial insurance program was published in 2004 in the *American Journal of Preventive Medicine*. A systematic literature review identified 111 randomized controlled trials, of which 47 (published between 1966 and 2002) were reviewed. These studies showed that financial incentives worked about 73 percent of the time. Incentives that increased the ability to purchase a preventive service worked better than more diffuse incentives, but the type matters less than the nature of the incentive. Economic incentives were assessed to be effective in the short run for simple preventive care and distinct, well-defined behavioral goals.^{xi}

Experience in operating and evaluating the planned MIPCD Program could contribute to our understanding of the effectiveness of these incentive programs for general populations and for Medicaid populations:

- Since many of the studies have been targeted in scope, population specific and limited duration;
- There is little evidence for Medicaid populations;^{xii}
- Small incentives can produce finite changes, but it is not clear what size of incentive is needed to yield a major sustained effect;^{xiii}

- The longer-term use of incentives should be evaluated;^{xiv} and
- Further testing could be useful to determine effectiveness and extension of lessons learned to other conditions and populations.^{xv}

State Medicaid programs have experimented with Medicaid physician pay-for-performance (P4P) programs and Medicaid beneficiary incentive programs. States designing Section 4108 beneficiary incentive programs may benefit from materials contained in articles that report on lessons learned from commercial sector physician P4P, experiences of State physician P4P programs and early experiences in West Virginia, Florida and Idaho beneficiary incentive programs.^{xvi} Some promising practices include but are not limited to the following:

- strong communication;
- placing enough incentive dollars at stake;
- taking into consideration starting points;
- avoiding penalty approaches to incentives, which have been counterproductive;
- including physicians and other providers in the process;
- incorporating boards or panels (similar to one Florida has in place called the Enhanced Benefits Panel) that function as an independent reviewer and auditor can help with ethical, legal, and practical constraints; and
- incentives for outcomes likely yield the best results, these are difficult to administer and introduce several legal, ethical, and practical issues.

As an approach to including outcome driven incentives, States could consider rewarding or incentivizing beneficiaries on a tiered basis for participation in programs (e.g., engaging in counseling aimed at teaching individuals how to quit smoking), attempts at behavior change (e.g., completing a smoking cessation program), actual behavior change (e.g., not smoking one week after completing the program), and finally achievement of health goals (e.g., remaining “quit” after 6 months). Other examples of a tiered incentive structure include rewarding appointments with providers to discuss health improvement goals, making attempts to improve behavior (e.g., becoming more physically active, eating a more nutritious diet), and finally attaining a behavior change goal (e.g., losing weight, lowering cholesterol levels). A tiered incentive approach to participation is important to sustaining behavior change over the long-term, especially in the areas of physical activity, nutrition, and smoking cessation.

A. Federal and State Requirements under Section 4108 of the Affordable Care Act

The project must include at least 3 years of operation outreach to States by CMS, provider and beneficiary education by States, a Federal independent evaluation, and initial and final reports to Congress. Also, States must track beneficiary participation and outcomes, perform State-level evaluation activities per the mandate, report to the Secretary on process and lessons learned, and report on preventive services as part of reporting on quality measures for Medicaid managed care programs.

Section 4108 of the Affordable Care Act requires significant development, outreach, reporting, and evaluation tasks of Federal and State administrators of these Medicaid Incentives for Prevention of Chronic Diseases (MIPCD) Programs. CMS must procure an independent entity to conduct an evaluation and assessment of the MIPCD Programs carried out by States. The

purpose of the evaluation and assessment includes determining the following: the effect of such initiatives on the use of health care services by Medicaid beneficiaries participating in the program; the extent to which special populations (including adults with disabilities, adults with chronic illnesses, and children with special health care needs) are able to participate in the program; the level of satisfaction of Medicaid beneficiaries with respect to the accessibility and quality of health care services provided through the program; and the administrative costs incurred by State agencies that are responsible for administration of the program. Congress required the Secretary to submit two reports to Congress in conjunction with this grant program: an interim report due by January 1, 2014 and a final report due by July 1, 2016. The initial report is to include interim evaluation of effectiveness and recommendations for expanding or extending initiatives beyond January 1, 2016. This report is to be based on information from States. The final report is to include the results of the independent assessment and recommendations for legislation and administrative actions.

B. Federal and State Evaluation Plans of MIPCD Grant Programs:

In addition to the Federal independent evaluation, section 4108 of the Affordable Care Act includes a mandate for an evaluation of the initiative by each participating State. As mandated in the Act, CMS will enter into a contract with an independent entity to conduct the Federal independent evaluation. Once the State grant applications have been reviewed and the specifics of the State awardees' responses are known, CMS will conduct a procurement for an independent contractor to design an appropriate evaluation to address the issues delineated in the Act.

CMS expects that the State response to the solicitation will specifically address the mandated requirements, as well as the semi-annual data that will be collected and provided to CMS for the independent evaluation. CMS expects to delineate a standardized electronic data collection system for the demonstration. States should include in their response a consideration of the need to collect and transmit individual-level data to CMS (including both clinical and quality data), and to propose how Medicaid Claims Data will be identified for both the participants receiving incentives and any comparison or control groups proposed. During the operation of the grant program all requirements of the Privacy Act and privacy rule are applicable and must be followed by CMS and States.

The CMS plans to use a rapid-cycle evaluation and continuous collaborative learning approach in this grant program evaluation. This evaluation will entail frequent quick analyses of recent grant program operations and data by CMS and the feedback of these analyses to the awardees and stakeholders. States should be attentive in their response to the need for timely reporting of required data, whether qualitative or quantitative.

States must describe the proposed design of their incentive initiative. A description of the services which are already provided without the proposed incentives should be included. States may choose to target multiple behaviors and/or allow individual beneficiaries to participate in multiple incentivized interventions. The State should document that their program design supports the ability to evaluate the effectiveness of the incentives and interventions. Because the mandate provides discretion to the States, the State's program and self-evaluation design might

be a randomized design (at the individual level, clinic level, or geographic level), a quasi-experimental design, a propensity score design or other approaches. States should discuss any sources of selection bias and how such bias will be minimized. States should include an estimate of the number of Medicaid beneficiaries that will participate and an estimate of whether this number is adequate for detecting statistically significant effects of the incentive program over the course of the grant program. The estimate would ideally be based on a formal power analysis, but other well-considered estimates are acceptable.

A description of how the States will “market” their incentive plan should also be included with a consideration of any special populations that might be included, such as adults with disabilities, adults with chronic illnesses, or children with special health needs, including mechanisms for effective outreach and partnership that will further such efforts. This description should include a proposed timeline. States should also describe anticipated methods for incentive program sustainability, including consideration of the use of home and community based services authorities (including 1915(i) HCBS as a State plan option and 1915(c) HCBS waivers) to continue or augment incentive efforts.

To the extent possible, CMS plans to use appropriate quality measures from the Core Set of Health Quality Measures for Medicaid-Eligible Adults and the Core Set for Children in the evaluation of this grant program, whether it be for the general Medicaid population or for more specialized subsets. This will require collection of a minimum set of individual-level data that will vary somewhat depending on which of the behaviors the State chooses to incentivize. The data may include, but are not limited to, socio-economic information, height, weight, use of weight-management medications, status regarding smoking or other tobacco use, use of any medications for tobacco cessation, blood pressure, use of anti-hypertensive medication, diagnosis of diabetes, use of diabetes medication, frequency of diabetic eye exam, frequency of diabetic foot exam, Hemoglobin A1c level, cholesterol level, frequency of full lipid profile, and use of lipid-lowering medication. States should describe how they would collect and report these data to CMS. Awardee applications, including their evaluation-related content will be shared with the independent evaluator so their design for the evaluation will appropriately incorporate the approaches used by the States.

Scoring factors for the evaluation and data collection are included in Section V. Application Review Information. The thoroughness of State evaluation designs, data reporting requirements, and work plans will be reviewed and scored.

C. State requirements in section 4108 of the Affordable Care Act:

As required by section 4108, States participating in MIPCD must design, advertise, track, report and evaluate programs carried out by the State under this grant program, including the following:

- States must conduct outreach and education campaigns to make Medicaid beneficiaries and providers participating in Medicaid aware of programs that are being carried out by the State under the grant.
- States must assess and evaluate the impact of the grant program by developing and implementing a system to:

- Track Medicaid beneficiary participation in the program and validate changes in health risk and outcomes with clinical data, including the adoption and maintenance of healthy behaviors by such beneficiaries;
- To the extent practicable, establish standards and health status targets for Medicaid beneficiaries participating in the program and measure the degree to which such standards and targets are met;
- Evaluate the effectiveness of the program and provide CMS with such evaluations (In addition, CMS will be working with an evaluation contractor to perform an independent evaluation of the experiences and outcomes of the grant program within and across State grantees.);
- Report to CMS on processes that have been developed and lessons learned from the program; and
- Report on preventive services as part of reporting on quality measures for Medicaid managed care programs.
- States participating in MIPCD must provide to CMS:
 - An evaluation of the effectiveness of the program and a report of the results;
 - A description of the processes developed and lessons learned;
 - A report on preventive services as part of quality measures in Medicaid managed care; and
 - Semi-annual reports on the programs supported by grant funds, including information as specified by CMS, regarding:
 - Specific uses of grant funds
 - Assessments of:
 - program implementation,
 - lessons learned,
 - quality improvements, and
 - clinical outcomes.
 - Estimates of cost savings resulting from such programs.

D. Paperwork Reduction Act Requirements:

The CMS is currently developing information collection requests (ICRs) for both the Federal and State evaluations and the tracking and reporting requirements as discussed earlier in this solicitation. Under *Federal Register* notice and comment periods separate from this solicitation, CMS plans to submit the ICRs for Office of Management and Budget (OMB) review and approval to obtain valid OMB control numbers.

E. Advantages to Participating States

- **Technical Assistance and Continuous Collaborative Learning Approach:**

The CMS plans to procure an implementation contractor that will provide technical assistance to States during final design, implementation, and operational phases. The technical assistance provided to States will include, but not be limited to, assistance in designing and establishing State systems that fulfill reporting and evaluation tasks and facilitating a Collaborative Learning Process for States. CMS plans to convene four meetings per year, of which two are intended to

be face-to-face discussion among CMS grantees, CMS contractor(s) and CMS staff for self education, sharing of experiences, problem solving and planning. It is also intended that an implementation contractor (to be procured by CMS) will host and facilitate web forums for grantees and CMS to share information. Two of the four meetings per year will be telephonic or web-based.

- **Funding Available for MIPCD Incentives and Supplemental Services:**

Reimbursement in the form of 100 percent Federal funds will be provided through grant funding for incentives and services that will only be available through the MIPCD Program and that are not otherwise covered by Medicaid. Expenditures for State plan preventive services will be reimbursed at the Federal Medical Assistance Percentage rate in effect in Title XIX, and will be claimed under that program (see Section III.2). Examples of incentives and supplemental services are direct cash incentives, supplemental preventive and support services not otherwise available under Medicaid, or alternative forms of inducement. These inducements can include free goods, personalized transportation support, reduced Medicaid program fees, provision of alternative preventive services not normally reimbursable through Medicaid, or payments. Incentive payment may be made to participants directly or indirectly. Indirect incentive payments, for example, may be made to family members, friends or community agencies that provide support and facilitation of a participant's preventive program attendance or towards meeting goals of tobacco cessation, controlling or reducing weight, lowering cholesterol, lowering blood pressure, and avoiding the onset of diabetes or improving the management of the condition. However any incentive payment to a third party must be made on behalf of the participant in recognition of support and facilitation of the participant's wellness activities.

- **Full Reimbursement for Specific Administrative Costs:**

Reimbursement associated with the operation of the MIPCD Program may be provided after the submission, review, and approval of the grant application. Examples of eligible reimbursable items that may be considered in a State application are: key personnel; MIPCD travel, training, outreach and marketing; IT infrastructure to accommodate the MIPCD reporting requirements; and completing the satisfaction survey requirements. State administrative cost must not exceed 15 percent of the grant award.

2. Grant Program Requirements:

The CMS will accept only one application from each State interested in participating in the MIPCD Program. The single State Medicaid agency must be the lead applicant. States must commit to cover all applicable preventive services by the start of enrollment into the demonstration and continue coverage throughout the entire demonstration period. Incentive programs which are negative or disincentives, that could result in one fashion or another in someone losing access to a benefit or coverage that he or she would otherwise qualify for are not approvable MIPCD Program incentives. In making awards, CMS will give preference to a State whose application includes and documents the State's ability to successfully implement the proposed program as determined by legislative support, system readiness, provision of State plan covered services and evaluative capacity of the State. More specifically, the following:

- 1) The State's plan and ability to implement or modify systems that meet the payment and reporting requirements of section 4108 of the Affordable Care Act;
- 2) The State's experience with prevention and incentives initiatives, including physician level P4P, as well as any experience with consumer level P4P;
- 3) The provision and use of incentives that are positive in nature and that serve to augment Medicaid benefit coverage rather than replace services;
- 4) The State's inclusion of preventive services under the State's Medicaid State Plan for the MIPCD prevention goals for which incentives will be paid to Medicaid beneficiaries, including preventive services provided through waiver, demonstration or managed care plans;
 - a) States must cover all applicable preventive services by the start of enrollment into the demonstration and continue coverage throughout the entire demonstration period;
- 5) The alignment of the preventive services, to the extent possible, to the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) and Affordable Care Act initial core set measures;
- 6) Appropriate nesting of incentives and preventive services in systems of care, such as Health Homes that provide comprehensive care and may include addressing co-morbidities including depression;
- 7) Clearly identifies the State's plans for entering into arrangements with providers participating in Medicaid, community-based organizations, faith-based organizations, public-private partnerships, Indian tribes (including clearly identifying how tribes were consulted and the outcomes of the consultation), sister State agencies, or similar entities or organizations to carry out programs to provide incentives to Medicaid beneficiaries;
- 8) Plans for incentive sustainability and diffusion beyond grant period; and
- 9) Demonstration of the State's knowledge and responsiveness to section 4108 of the Affordable Care Act.

3. Number of Grant Program Sites:

The number of grant programs approved by CMS depends on the scope (i.e., proposed enrollment and scope of services) and quality of the proposed programs; however, CMS anticipates the funding level to be sufficient to support approximately 10 States with between \$5 million and \$10 million each over the life of the program.

4. Grant Program Duration and Scope:

The grant period-of-performance will be August 1, 2011 through December 31, 2015. The provision of supplemental services, including incentives and facilitation paid for through MIPCD must end by December 31, 2015. States must commit to operating MIPCD Programs of at least 3 years. The anticipated award date is August 1, 2011, with anticipated enrollment of Medicaid beneficiaries in incentive programs beginning January 2, 2012. The grant funding will be renewed annually. While states must commit to operating a program for a minimum of 3 years, State applicants have considerable flexibility to propose the scope and focus of their grant programs within that timeframe.

5. Grant Program Design and Development:

MIPCD Programs are expected to be comprehensive, evidence-based, widely available, and easily accessible. They must be designed and uniquely suited to address the needs of Medicaid beneficiaries throughout the designated program area and have been demonstrated to be successful in helping individuals achieve one or more of the following prevention goals:

- (i) Ceasing use of tobacco products.
- (ii) Controlling or reducing weight.
- (iii) Lowering cholesterol levels.
- (iv) Lowering blood pressure.
- (v) Avoiding the onset of diabetes or, in the case of a Medicaid beneficiary with diabetes, improving the management of that condition.

A program under this section may also address co-morbidities (including depression) that are related to any of the included prevention goals. It will be incumbent on States that target multiple behaviors/co-morbidities to document that the design of their program and evaluation will support (or does not undermine) the ability to evaluate the effectiveness of the incentives and the interventions they are designed to incentivize. States may choose to operate the programs Statewide or target them less than Statewide.

The CMS plans to schedule technical assistance calls and webinars for interested applicants during the application period.

6. Grant Program Technical Elements:

A. Participant Eligibility Requirements

Individuals must be Medicaid beneficiaries, where the term “Medicaid beneficiary” means an individual who is eligible for medical assistance under a State plan or waiver under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) and is enrolled in such plan or waiver. While States do not need to operate the MIPCD Program in all political subdivisions of the State (MIPCD may be less than Statewide), the State must make the program available and accessible to Medicaid beneficiaries with medical necessity for the treatment program; therefore, all individuals eligible in participating areas of the State who are eligible under the Medicaid State plan must have the opportunity to enroll. However, eligibility for incentives can be tied to eligibility requirements of a particular evidence-based prevention program; therefore, if the prevention program is for adults, children would not be eligible for an incentive. Among other requirements, CMS independent evaluation assessment must determine the extent to which special populations (including adults with disabilities, adults with chronic illnesses, and children with special health care needs) are able to participate in the program. The MIPCD Program is a grant program with very limited authority for program deviation from Title XIX requirements, therefore all title XIX requirements such as Early Periodic Screening Diagnosis and Treatment must continue to operate as otherwise applicable in States.

B. Defining Services and Rates

States may propose the type and the amount of the incentive to be paid to Medicaid beneficiaries. Also grant funds may be used to provide encouragement for adherence and participation and to provide coordination and facilitation providing these expenditures fulfill the MIPCD requirements of “comprehensive, evidence-based, widely available, and easily accessible.”

The preventive services that participants receive must be State plan services that are provided by Medicaid providers and reimbursed through Medicaid under the State plan in place in the State, unless the State provide documentation and support that the service is evidence-based and is not otherwise reimbursable through Medicaid. With justification and approval, such services may be covered and paid as an incentive under MIPCD. States may submit Medicaid State plan amendments to add preventive services to their State Plan if the services are not already in the State plan.

C. Providers

States may enter into arrangements with providers participating in Medicaid, community-based organizations, faith-based organizations, public-private partnerships, Indian tribes, or similar entities or organizations to carry out MIPCD Programs. Other State agencies (e.g., State Mental Health and Substance Use agencies) may be included as partners in the proposal to ensure effective outreach and incentive structures. Public health agencies may be included as providers, coordinators or facilitators in MIPCD Programs. Also, providing all rate setting meets Medicaid regulations, and appropriate data systems are in place to supply encounters and participation information, States may include health plans.

D. Provider and Beneficiary Education

A State awarded a grant to conduct an initiative under this section must conduct an outreach and education campaign to make Medicaid beneficiaries, and providers participating in Medicaid who reside in the State, aware of the MIPCD Programs that are to be carried out by the State. Expenditures for the outreach and education campaign are grant administrative expenses funded by MIPCD and included in the 15 percent administrative cap.

E. Programmatic Reporting and Evaluation Requirements

All MIPCD State grantees must submit semi-annual reports that address various aspects of program implementation. These reports must include, but are not limited to, information regarding the specific uses of the grant funds; an assessment of program implementation and lessons learned from the programs; an assessment of quality improvements and clinical outcomes under these programs; and estimates of cost savings resulting from the programs. The data collected in the reports will provide the national evaluation contractor with information on:

- Structure – implemented program changes, i.e., systems changes;
- Process – implemented strategies and procedures of the MIPCD Program;
- Output – products of the MIPCD Program, i.e., State legislation, agency changes; new

- policies, new procedures;
- Outcomes – results of the MIPCD Program, i.e., what changed, what populations are impacted by the MIPCD changes; and
- Impact – Participant outcomes, i.e., engagement and continuity of services, and retention of behavioral changes; and appropriateness of services delivered based on assessment.

In order to evaluate impact, an MIPCD State grantee must develop and implement a system to track Medicaid beneficiary participation in the program, and validate changes in health risk and outcomes with clinical data, including the adoption and maintenance of healthy behaviors by these beneficiaries. Also, to the extent practicable, MIPCD States must establish standards and health status targets for Medicaid beneficiaries participating in the MIPCD Program and measure the degree to which these standards and targets are met (i.e., establish and measure metrics by which program process, participation and outcomes, including participants health status and behavior practices may be evaluated). The States must evaluate the effectiveness of the MIPCD Program and provide the evaluations to CMS. The evaluation reports must include, but not be limited to, reporting on the processes that have been developed and lessons learned from the MIPCD Program, and report on preventive services as part of reporting on quality measures for Medicaid managed care programs.

F. Financial Reporting Requirements

All MIPCD State grantees will be required to submit financial reporting forms on a quarterly, semi-annual, or annual basis. Below are brief descriptions of the required forms:

1. *CMS 64.9i, 9Pi and 64.10i, 10Pi*: information forms for current and prior period adjustments for medical assistance payments and administrative expenditures - These forms, submitted on a quarterly basis, allow the State and CMS to track expenditures associated with the demonstration participants. The various forms feed into the Medicaid Budget and Expenditure System (MBES), but are not used to draw down funding. They are informational forms that will provide a mechanism for adequately monitoring and projecting estimates on demonstration expenditures.
2. *MIPCD Program Files* - The files of monthly data will be submitted quarterly to the national evaluation contractor. The files will be used to track program enrollment patterns, participant quality of life, and Medicaid claims records extracted from the Medicaid Statistical Information System (MSIS) for each grant program participant.
3. 3. Effective February 1, 2011, all grantees will be required to submit the Standard Form 425 Expenditures Report.

II. AWARD INFORMATION

1. Amount of Funding

Section 4108 of the Affordable Care Act includes an appropriation for \$100 million. Awards made will be Federal grants, and there is no minimum or maximum grant award per State. The number of grant programs approved by CMS depends on the scope (i.e., proposed enrollment and scope of services) and quality of the proposed programs; however, CMS anticipates the funding level to support between 10 States with between \$5 million and \$10 million during the

life of the program.

2. Period of Performance

The grant period-of-performance will be August 1, 2011 through December 31, 2015. States must commit to operating MIPCD Programs of a minimum of 3 years. CMS plan for the program provides for a 60-month project period providing the terms and conditions are met. The provision of supplemental services, including incentives and facilitation paid for through MIPCD must end by December 31, 2015. As of January 1, 2016, funds that remain from obligations made as part of the annual renewals on or before August 1, 2015 may only be used to pay for supplemental services incurred but not reported on or before December 31, 2015, for compensation for evaluation expenses, for expenditures for required reporting activities or for related grant closeout activities.

The CMS will approve funding for the State's MIPCD Program in the grant Notice of Award. The first year funding will be available at the time of award. Each year, the States must request funding based on its proposed budget which is submitted each calendar year. While a State must commit to operating a program for a minimum of 3 years, the State applicant has considerable flexibility to propose the scope and focus of its grant program within that timeframe. The decision to award incremental funding for the second grant year will be determined by the success of the MIPCD grantee in accomplishing the following milestones during the first year of funding:

1. Completion of an Operational Protocol (OP), as described in the next paragraph;
2. Completion of information system changes to accommodate evaluation and reporting requirements of section 4108;
3. Enrollment of individuals into MIPCD incentive program(s); and
4. Providing incentives to Medicaid beneficiaries through the grantee's MIPCD Program.

When the terms and conditions of the program are met, including CMS approval of the OP to be required in the terms and conditions, then the State may begin to enroll eligible individuals and provide incentive payments. The OP will be the document that describes the planning, operation, administration and evaluation of the MIPCD Program operated by the grantee. The OP will include, but is not limited to, the following:

1. An overview of the incentive program(s);
2. Outreach, education and marketing plan;
3. Descriptions of all applicable procedures and requirements, such as:
 - a. a participant's eligibility and enrollment process for the incentive;
 - b. the payment and payment process for the incentive;
 - c. participant's obligations, such as enrollment and attendance in preventive programs and reporting;
4. The plans for meeting evaluation and reporting requirements of section 4108;
5. The plan for making information system changes and other changes that are necessary in order to fulfill requirements of section 4108 such as requirements for enrollment, data collection, evaluating and reporting;

6. The description of administrative systems, such as who will be responsible for fulfilling tasks;
7. The timeline for intermediate activities and completion dates for tasks necessary to fulfill requirements of section 4108; and
8. The grant program budget, as updated on an ongoing basis.

The OP will be maintained and updated throughout the grant period to reflect the status and evolution of the program.

At any point during the grant program, if a State fails to meet the terms and prevention goals of the program or is unable to operate the program as declared in the OP approved by CMS, CMS may rescind the grant award including all un-obligated balances, and issue the unspent grant funds to other projects or withhold incremental funding until the requirements are met.

III. ELIGIBILITY INFORMATION

1. Eligible Applicants

Any single State Medicaid Agency may apply. By “State,” we refer to the definition provided under 45 CFR §74.2 as “any of the several States of the U.S., the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the U.S., or any agency or instrumentality of a State exclusive of local governments.” By “territory or possession” we mean Guam, the U. S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands. Only one application can be submitted for a given State. Territories should note that any grant awards received as part of the MIPCD Program will contribute to their total Medicaid allotment.

The CMS expects that the single State Medicaid Agency will partner with local governments, other agencies and service providers who contribute to successful public health preventive initiatives in the State. However, since the single state Medicaid Agency is responsible for contributing the state match for preventive service covered under the State plan, and since Medicaid beneficiaries must be the benefactor of the incentives provided under the MIPCD Program, the Medicaid State Agency must be the lead applicant for the project.

Applicants are strongly encouraged to include, in an appendix, letters of support indicating a history of collaboration from major partners, including consumers and advocacy groups. These letters and memorandums of agreement should critique and substantiate the applicant’s readiness. An applicant should include all such letters as part of its application package as instructed in this solicitation (please see Section IV subsection 2. D). CMS will disregard any letter received outside of the submitted application. Letters should be included as a PDF file as instructed in the requirements of the application submission.

2. Cost Sharing or Matching

There is no Federal requirement for State cost sharing or State matching for MIPCD incentive payments, including the MIPCD supplemental services funded by the (100% Federal) MIPCD

grant program. However, preventive services generally will be covered as provided in the State's Medicaid State plan and will be reimbursed at the Federal Medical Assistance Percentage (FMAP) rate in effect in Title XIX, including any statutory adjustments to the FMAP as a result of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) and subsequent extension in P.L. 111-226, when applicable.

A State may request reimbursement for 100 percent of administrative costs up to 15 percent of the total award, the limit established for the MIPCD Program. States may be reimbursed for administrative costs such as key personnel, MIPCD travel, training, outreach and marketing and IT infrastructure to capture the required data, report generation, etc., that accomplish the MIPCD reporting requirements. All requested reimbursement for administrative expenses must be presented in the Worksheet for Proposed Budget and described in detail in the Budget Narrative. Administrative costs, including the costs of participating in the national evaluation, will be reimbursed according to the requirements of 42 CFR §433.15.

3. Eligibility - Threshold Criteria

Only applications received by the specified deadline will be reviewed and scored. However, an application will not be funded if the application fails to meet any of the requirements as outlined in Section III., Eligibility Information, and Section IV., Application Submission Information. Applicants are strongly encouraged to use the review criteria information provided in Section V., Application Review Information, to help ensure that all of the criteria that will be used in evaluating the proposals are adequately addressed.

4. Foreign and International Organizations

Foreign and international organizations are not eligible to apply.

5. Faith-based Organizations

Faith-based organizations are not eligible to apply.

IV. APPLICATION AND SUBMISSION INFORMATION

1. Address to Request Application Package

Applicants must submit their applications electronically through <http://www.grants.gov>. A complete electronic application package, including all required forms for this demonstration grant, is available at <http://www.grants.gov>. The solicitation can also be viewed on the CMS website at <http://www.cms.gov/MIPCD>.

Standard application forms and related instructions may also be requested from:
Mary Greene
Centers for Medicare & Medicaid Services
Office of Acquisition and Grants Management
Mail Stop C2-21-15

7500 Security Boulevard, Baltimore, MD 21244-1850
Or by e-mail at Mary.Greene@cms.hhs.gov

CMS is in the process of setting up a TTY/TDD line for individuals using those devices.

Grants.gov complies with Section 508 of the Rehabilitation Act of 1973. If an individual uses assistive technology and is unable to access any material on the site including forms contained with an application package, they can email the Grants.gov contact center at support@grants.gov or call 1-800-518-4726.

2. Content and Form of Application Submission

A. Form of Application Submission

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

- Use 8.5" x 11" letter-size pages (one side only) with 1" margins (top, bottom, and sides). Other paper sizes will not be accepted. This is particularly important because it is often not possible to reproduce copies in a size other than 8.5" x 11".
- All pages of the project narrative must be paginated in a single sequence.
- Font size must be no smaller than 12-point with an average character density no greater than 14 characters per inch.
- The narrative portions of the application must be DOUBLE-SPACED.
- The project abstract is restricted to a one-page summary which may be single-spaced.
- Applications must not be more than 40 pages in length and should include not more than 30 pages of supporting material (e.g., documentation related to financial projections, profiles of participating communities and/or practices, letters of endorsement from professional/collaborating associations).

B. Required Contents

For the MIPCD Program, a complete application consists of the following materials organized in the following sequence:

i. Standard Forms (SF)

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

*SF 424: Official Application for Federal Assistance

*SF 424A: Budget Information

SF 424B: Assurances - Non-Construction Programs

SF LLL: Disclosure of Lobbying Activities

Additional Assurances Certifications

*Note: SF424/424A: The applicant must submit required financial form, SF 424 and SF 424A. When completing the SF 424, Section 18 and SF 424A, Sections B and C:

- SF 424, Section 18: Please include the total for all years of the project.
- SF 424, Section 8B: Enter the Employer Identification Number (EIN) as assigned by the Internal Revenue Service (IRS). Please note that the legal name and EIN listed on this application must match what is assigned by the IRS. If you have been selected for an award and the legal name and EIN do not match what is assigned by the IRS, this will cause major delays with receiving Federal funds.
- SF 424A, Section B: Please include the categorical breakdown for the first year of the project. The amounts shown in each category should be for the first year of the project. Additional program budget detail, for instance when programs include multiple incentives or chronic conditions should be shown in columns (1), (2) and (3). As needed supplemental sheets may be used to show additional details.
- SF 424A, Section C: Please include the budget amount for the first year of the project for each non-Federal resource that is applicable.
- Sections A, and D of the SF 424A are NOT to be completed.

Note: On SF 424 “Application for Federal Assistance,” check “No” to item 16b, as review by State Executive Order 12372 does not apply to these grants.

ii. Cover Letter

A letter from the State Medicaid Director identifying the Medicaid agency applicant as the lead organization, indicating the title of the project, the principal contact person, amount of funding requested, and the name of the agency that will administer the grant under the Medicaid office and all major partners, departments, divisions, services, and organizations actively collaborating in the project is required. This letter should be addressed to:

Mary Greene
Centers for Medicare & Medicaid Services
Office of Acquisition and Grants Management
Mail Stop C2-21-15
7500 Security Boulevard
Baltimore, MD 21244-1850

iii. Project Abstract and Profile (maximum of one page)

The one-page abstract should serve as a succinct description of the proposed project and should include the goals of the project, the total budget, the number of projected participants, and a description of how the grant will be used to fill gaps in existing preventive health programs in the State. It should also include information to assist participants in accomplishing healthy behaviors and other wellness outcomes.

iv. Required Letters of Endorsement

Letters of endorsement from major partners that are not the lead agency, but will be integrally

involved in developing and implementing the demonstration grant to the target population(s) are expected. Please submit all letters in support and memoranda/letters of agreement for your application in an application appendix with a table of contents for all included documents.

v. Application Narrative

The application is expected to address how the State will implement the grant program, and ultimately, meet the requirements of section 4108 of the Affordable Care Act for the MIPCD Program.

The required elements (sections) of the application are listed below. Also, provided is a brief description of the type of information that is required to be addressed within each specific section. The application must be organized by these headings, noted as the operational element sections, outlined below.

1. Organization and Administration - The application must include a description of the organizational and structural administrations that will be in place to implement, monitor, and operate the grant program. The tasks to be conducted by each administrative component also must be described. The application should document the State's ability to successfully implement the proposed program as determined by legislative support, system readiness, provision of State plan covered services and evaluative capacity of the State.
2. Program Targeting - The application must list, describe, and justify the selected prevention goals (ceasing use of tobacco products; controlling or reducing weight; reducing cholesterol levels; lowering blood pressure; avoiding the onset of diabetes or, in the case of a diabetic, improving the management of that condition); targeted populations; preventive services; and geographic area of the MIPCD Program. A detailed discussion should be included that explains the rationale for why the prevention goals, population, and geographic location of the program selected are meaningful and important and are expected to result in significant positive outcomes.
3. Comprehensive and Evidence-based - The application must describe the design of the incentives, the targeted preventive services, and the support and facilitation of participants. The description provided in order to be comprehensive and complete, must describe the amount, duration, and scope of the incentives, services, and support. The description must also address how the proposed program is evidence-based and comprehensive. Evidence-based practices are most important and can help to determine the appropriate type and level of intensity for selected intervention(s).
Comprehensiveness can be defined in terms of the following:
 - a. Accommodating additional risk factors or co-morbidities of the participants; and
 - b. Facilitation and support for critical behavioral, social and economic barriers that prevent individuals from achieving the following:
 - i. Engagement in prevention program;
 - ii. Continued participation in prevention programs; and
 - iii. Retention of healthy behaviors.

4. Promotion and Outreach - The application must describe the State's outreach, marketing, education, and staff training strategies. The State must describe its plan for conducting the required outreach and education campaign to make Medicaid beneficiaries and providers participating in Medicaid who reside in the State aware of the programs that are to be carried out by the State under the grant.
5. Participant Recruitment and Enrollment - The application may include samples of recruitment and enrollment materials and/or a detailed plan that includes the strategies that will be employed, including strategies for identifying prospective participants from administrative records in Medicaid or provider offices. Include discussion of the State's ongoing strategies that promote continuous coverage and retention so that results of the demonstration are minimally confounded due to people coming off and on the program over the course of a year.
6. Informed Consent and Guardianship - The application must describe the procedures that will be used to obtain informed consent. The application must include proposed samples of forms, letters, and other documents or statements that will be used to inform potential participants/authorized representatives about the grant program and the process to obtain informed consent.
7. Stakeholder involvement in the proposal and program - The application must list the consumer groups conferred with while developing the proposal and describe the State's method for involving stakeholders in the initial implementation of the grant program, and its method for continuing to have them meaningfully involved throughout the life of the program. The consumer groups and other stakeholders to be conferred with could include groups such as the American Heart Association, the American Diabetes Association, and/or the American Cancer Society.
8. Reporting and Evaluation -
 - a. The application must include a description of the State's plan for collecting, identifying, and otherwise producing the data, information, and analysis required to be provided to CMS.
 - b. The application must include detailed information on the State's evaluation plan, including evaluation design for process assessment and outcome evaluation, variables, and data sources. The design should include discussion of control groups, research questions, study hypotheses, and power analysis.
 - c. The data and analysis includes, but is not limited to, the following:
 - i. States must assess and evaluate the impact by developing and implementing a system to:
 1. Track Medicaid beneficiary participation in the program, including the adoption and maintenance of healthy behaviors by such beneficiaries and validate changes in health risk and outcomes with clinical data as a result of the incentive;
 2. Establish, to the extent practicable, standards and health status targets for Medicaid beneficiaries participating in the program and measure the degree to which these standards and targets are met;

3. Evaluate the effectiveness of the program and provide the Secretary with such evaluations;
 4. Report to the Secretary on processes that have been developed and lessons learned from the program; and
 5. Report on preventive services as part of reporting on quality measures for Medicaid managed care programs.
- ii. States participating in MIPCD must report or provide to CMS:
1. Results of Evaluating the effectiveness of the program;
 2. Description of the processes developed and lessons learned;
 3. Report on preventive services as part of quality measures in Medicaid managed care; and
 4. Semi-annual report to include:
 - a. Specific use of grant funds
 - b. Assessment of:
 - i. program implementation;
 - ii. lessons learned;
 - iii. quality improvements;
 - iv. clinical outcomes; and
 - v. Estimate of cost savings.

vi. Proposed Budget (Services & Administrative Costs) & Staffing Plan

Budget Narrative: For the budget recorded on form SF 424A, a budget narrative must be included and provide detail on all requests to fund incentive and administrative cost claims for each budget line item. The narrative and budget for the incentive plan must at a minimum include the amount, frequency and type of incentives for each covered preventive services and the estimated number of participants. State personnel and personnel contract costs must include detailed salary and fringe benefit costs broken out for review.

Staffing Plan: The applicant must provide a preliminary staffing plan. The following key components must be addressed:

- Organizational Structure: Provide an organizational chart that describes the entity that is responsible for the management of this grant. Describe the relationship between that entity and all other departments, agencies, and service systems that will provide care and services and have interface with the eligible beneficiaries under the grant program.
- Narrative Staffing Plan:
 - The number, title, and, if known, the names of staff that will be dedicated to the grant program. Percentage of time each individual/position is dedicated to the grant.
 - Brief description of roles/responsibilities of each position.
 - Any positions providing IN-KIND support to the grant.
 - Percentage of time each position will provide to the grant.
 - Brief description of role/responsibilities of each position.

- Number of contracted individuals supporting the grant.
- A resume of the proposed Project Director.

vii. Notice of Intent to Apply - Due April 4, 2011

Applicants are encouraged to submit a non-binding Notice of Intent to Apply. Notices of Intent to Apply are not required, and a State's submission or failure to submit a notice has no bearing on the scoring of proposals received. However, receipt of such notices enables CMS to better plan for the application review process. These notices should be submitted using Attachment 1. Notices of Intent to Apply should be faxed to Jeffrey Clopein at 410-786-9004 no later than April 4, 2011.

3. Submission Dates and Times

A. Applicant's Teleconference

Information regarding the date, time and call-in number for an open applicants' teleconference will be e-mailed to all State Medicaid Directors.

B. Grant Applications

All grant applications are due by May 2, 2011. Applications submitted through <http://www.grants.gov> until 5 p.m. Eastern Time on May 2, 2011, will be considered "on time." A confirmation screen will appear once the submission is complete. A Grants.gov tracking number will be provided at the bottom of this screen, as well as the official date and time of the submission. The tracking number is necessary to refer to should the grantee need to contact Grants.gov support.

C. Late Applications

Late applications will not be reviewed.

D. Grant Awards Timeframe

All grants are planned to be awarded by August 1, 2011.

4. 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).

5. Funding Restrictions

Indirect Costs - The provisions of OMB Circular A-87 govern reimbursement of indirect costs under this solicitation. A copy of OMB Circular A-87 is available online at:

<http://www.whitehouse.gov/omb/circulars/a087/a087.html>

If indirect costs are included in the budget, a copy of the approved Indirect Cost Rate Agreement must be submitted with the application. The agreement may be uploaded in Grants.gov as an attachment. Failure to include the approved Indirect Cost Rate Agreement will result in ten percent of indirect costs of salary/wages only.

Direct Services - The object of this grant is to provide Federal fund reimbursement for direct services from the grant awards.

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

6. Other Submission Requirements

Electronic Applications - The deadline for all applications to be submitted through <http://www.grants.gov> is **May 2, 2011**. For information getting started with Grants.gov, please visit http://www.grants.gov/applicants/get_registered.jsp. We strongly recommend that you do **not** wait until the application deadline date to begin the application process through grants.gov. We recommend you visit the Grants.gov site at least 30 days prior to filing your application to fully understand the process and requirements. We encourage applicants to submit well before the closing date, so that if difficulties are encountered, an applicant will have time to solicit help.

The registration process for an organization can take from 3 to 5 business days or as long as 4 weeks if all steps are not completed in a timely manner. So please register early! Applications not submitted “on time” due to applicant’s failure to complete the entire Grants.gov registration process in a timely manner will not be accepted.

Grants.gov Registration in Brief:

Central Contractor Registration (CCR) and Data Universal Numbering System (DUNS)
Effective October 1, 2010, the U.S. Department of Health and Human Services (HHS) requires all entities (except those outlined in the non-applicability section of the policy) that plan to apply for and ultimately receive Federal grant funds from any HHS Operating/Staff Division (OPDIV) or receive subawards directly from recipients of those grant funds to:

- **Be registered in the CCR prior to submitting an application or plan;**
- **Maintain an active CCR registration with current information at all times during which it has an active award or an application or plan under consideration by an OPDIV; and**
- **Provide its DUNS number in each application or plan it submits to the OPDIV.**

STEP 1: Obtain DUNS Number

Same day - If requested by phone (1.866.705.5711) DUNS is provided immediately. If requesting via web, you will need to go to the DUN & Bradstreet website at <http://fedgov.dnb.com/webform> to obtain the number.

This number should be entered in the block with the applicant's name and address on the cover page of the application (Item 5 on the Form SF-424, Application for Federal Assistance), with the annotation "DUNS" followed by the DUNS number that identified the applicant. The name and address in the application should be exactly as given for the DUNS number.

STEP 2: Register with CCR

Three to five business days or up to 2 weeks. If you already have a Taxpayer Identification Number, your Central Contractor Registration (CCR) registration will take 3-5 business days to process. If you are applying for an Employee Identification Number (EIN) please allow up to 2 weeks. Ensure that your organization is registered with the CCR at <http://www.ccr.gov>. If your organization is not registered, an authorizing official of your organization must register.

STEP 3: Username & Password

Same day - Complete your Authorized Organization Representative (AOR) profile on Grants.gov. and create your username and password. You will need to use your organization's DUNS Number to complete this step. <https://apply07.grants.gov/apply/OrcRegister>.

STEP 4: AOR Authorization

***Same day** - The E-Business Point of Contact (E-BIZ POC) at your organization must login to Grants.gov to confirm you as an AOR. Please note that there can be more than one AOR for your organization. In some cases the E-BIZ POC is also the AOR for an organization.

***Time depends on responsiveness of your E-Biz POC.**

STEP 5: Track AOR Status

At any time, you can track your AOR status by logging in with your username and password. Login as an Applicant (enter your username & password you obtained in Step 3) using the following link: [applicant.profile.jsp](#).

Submit Your Application Early! CMS strongly encourages applicants to submit well before the closing date and time so that if your application is rejected due to errors, an applicant will have time to correct the errors and/or to solicit help from grants.gov. Please note: Validation or rejection of your application by grants.gov may take up to 2 business days after submission. Please consider in developing your submission timeline.

For issues including, but not limited to, downloading the application, retrieving your password, or understanding error messages, please contact grants.gov directly at 1-800-518-4726 or support@grants.gov. Hours of Operation: 24 hours a day, 7 days a week, closed on Federal

Holidays. Please have the following information available when contacting grants.gov to help expedite your inquiry:

- Funding Opportunity Number (FON)
- Name of Agency to Which You Are Applying
- Specific Area of Concern

Please do not contact CMS regarding Grants.gov related issues.

You can visit the following website: <http://Grants.gov/resources/newsletter.jsp> for Help Resources.

V. APPLICATION REVIEW INFORMATION

1. Review Criteria

This section fully describes the evaluation criteria for this grant program. In preparing applications, applicants are strongly encouraged to review the programmatic requirements detailed in Section I, Funding Opportunity Description. The application must be organized as detailed in Section IV, Application and Submission, of this solicitation. Incentive programs which are negative or disincentives, that could result in one fashion or another in someone losing access to a benefit or coverage that he or she would otherwise qualify for are not approvable MIPCD Program incentives.

The following criteria will be used to evaluate applications received in response to this solicitation. Applications will be scored with a total of 100 points available.

A. Design of Grant Program (35 points)

The proposed grant program is well-designed to likely succeed in improving the health status of beneficiaries with one or more of the conditions described in the statute, or associated co-morbidities. The proposed grant program is based on knowledge of prevention of chronic diseases, and also on proposed use of effective strategies of using incentives to motivate behavior change to prevent chronic disease; including incorporating features described in Section I.2: Program Requirements and identified as promising practices in Section I.1 in this Funding Opportunity Announcement. The condition(s) targeted and the population(s) targeted should be broad enough to have a significant impact in the context of the State program. Incentives and other measures to further disease prevention should be tailored to the condition and population, based on available literature and evidence to ensure maximum effectiveness. The proposed incentives and other measures should be ones that could be applied by other States. Recruitment plans must be adequately described and use viable strategies. The proposal includes plans to effectively integrate the grant program with providers of health care, and to coordinate effectively with any other groups that will implement the project.

B. Administration and Organization (20 points)

The proposing Medicaid program has plans for effective administration of the grant program that are coordinated with existing Medicaid and CHIP administration, including other demonstration projects. The State has a documented ability to successfully implement the proposed program as determined by legislative support, system readiness, provision of State plan covered services and evaluative capacity of the State. Experience in successfully operating previous innovative disease prevention programs will be a supporting factor in reviewing State administration and organization. Plans to partner with health care providers and other implementing organizations should show a likelihood of being successful, and the grant program partners themselves should have administrative ability to carry out the grant program. Tasks for implementation, and the organizations responsible for these tasks, should be fully described and explained.

C. Staffing and Budget (20 points)

The staff proposed to lead the grant program has the skills and experience needed to assure smooth and effective implementation. The proposed budget is carefully developed, with plans for an efficient use of funds.

D. Plans for Evaluation and Data Collection (25 points)

The proposal includes plans for a control group or comparison group that avoids selection bias in the analysis. The proposal should also include suggested outcome measures and evaluation methods to be used by the CMS evaluation contractor, which should be applicable in evaluating similar programs in other States. The proposing Medicaid program will collaborate with the CMS evaluation contractor and report data on the types of beneficiaries in the program and the effects of the program, as specified in the authorizing legislation. The Medicaid program will report individual level clinical and quality data needed to support the analyses for the mandated reports to Congress. The proposal includes plans to track and report on data from the grant program on such issues as grant program participation, and effects of the grant program on utilization and costs. As mentioned in the last paragraph of the overview of Section I: Funding Opportunity Description (page 4), CMS plans to use a Learning Collaborative and rapid cycle analysis approach in this demonstration for ongoing demonstration process improvement. We do not envision a separate data collection for this effort.

2. Review and Selection Process

An independent review of all applications will be conducted by a panel of experts. The review panel will assess each application to determine the merits of the proposal and the extent to which the proposed grant program furthers the purposes of the grant program. CMS reserves the right to request that States revise or otherwise modify certain sections of their proposals based on the recommendations of the panel and the budget. Final approval of grant programs will be made by the CMS Administrator after consideration of the comments and recommendations of the review panelists, program office recommendations, and the availability of funds. CMS reserves the right to approve or deny any or all proposals for funding.

3. Anticipated Announcement and Award Dates

Awards are planned to be announced and awarded by August 1, 2011.

VI. AWARD ADMINISTRATION INFORMATION

1. Award Notices

Successful applicants will receive a Notice of Award (NoA) signed and dated by the CMS Grants Management Officer that will set forth the amount of the award and other pertinent information. The award will also include standard Terms and Conditions, and may also include additional specific grant “special” terms and conditions that will address the requirement to prepare an OP. 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 review panel.

The NoA is the legal document issued to notify the grantee that an award has been made and that funds may be requested from the HHS payment system. The grant award will be sent through the U.S. Postal Service to the applicant organization as listed on its SF 424. Any communication between CMS and applicants prior to issuance of the NoA 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 its SF 424, after August 2011.

2. Administrative and National Policy Requirements

A. Standard Requirements

The following standard requirements apply to applications under this announcement.

- a) Specific administrative and policy requirements of grantees as outlined in 45 CFR 92, and OMB Circulars A-102, A-87 and A-133 apply to this grant opportunity.
- b) All grantees receiving awards under these grant programs must meet the requirements of:
 - i. Title VI of the Civil Rights Act of 1964,
 - ii. Section 504 of the Rehabilitation Act of 1973,
 - iii. The Age Discrimination Act of 1975,
 - iv. Hill-Burton Community Service nondiscrimination provisions, and
 - v. Title II Subtitle A of the Americans with Disabilities Act of 1990.
- c) All equipment, staff, and other budgeted resources and expenses must be used exclusively for the projects identified in the grantee’s original application or agreed upon subsequently with CMS in an OP, and may not be used for any prohibited uses.
- d) Consumers and other stakeholders must have meaningful input into the planning, implementation, and evaluation of the project.
- e) State grantees must coordinate their project activities with other State, local and Federal agencies that serve the population targeted by their application (e.g., Administration for Children and Families, Administration on Developmental Disabilities, Department of

Education, etc.). CMS also encourages collaboration with a broad range of public and private organizations whose primary purpose is advocating for children, volunteer groups, faith-based service providers, private philanthropic organizations, and other community-based organizations.

B. Prohibited Uses of Grant Funds:

Medicaid Incentive for Prevention of Chronic Diseases Grant funds may not be used for any of the following:

1. To match any other Federal funds.
2. 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.
3. To supplant existing State, local, or private funding of infrastructure or services such as staff salaries for programs and purposes other than those disclosed in the application for the MIPCD Program, etc.
4. To be used for expenses that will not primarily benefit individuals of any age who have a disability or long-term illness.

3. Reporting

Grantees must agree to cooperate with any Federal evaluation of the program and provide all of the quarterly, semi-annual (every 6 months), annual and final (at the end of the grant period) reports in a form prescribed by CMS. Reports will be submitted electronically. These reports will outline how grant funds were used, describe program progress, and describe any barriers and measurable outcomes. CMS will provide the format for program reporting and technical assistance necessary to complete required report forms. Grantees must also agree to respond to requests that are necessary for the evaluation of the national efforts and provide data on key elements of their own grant activities.

This award may be subject to the Transparency Act subaward and executive compensation reporting requirements of 2 CFR Part 170.

VII. AGENCY CONTACTS

1. Programmatic Content

Programmatic questions about the Medicaid Incentives for Prevention of Chronic Diseases Program may be directed to an e-mail address accessed by multiple staff. This ensures that someone from CMS will respond even if others are unexpectedly absent during critical periods. This e-mail address is: MIPCDGrant@cms.hhs.gov. In addition, programmatic inquiries may be directed to:

Ed Hutton, Ph.D.
Centers for Medicare & Medicaid Services
Office of Research, Development and Information
7500 Security Boulevard
Mail Stop C4-14-15
Baltimore, MD 21244-1850,

410-786-6616 (voice), or 410-786-1048 (fax).

2. Administrative Questions

Grant and solicitation administrative questions concerning this grant opportunity may be directed to the following mailbox: MIPCDGrant@cms.hhs.gov. Questions submitted telephonically will not be honored.

VIII. OTHER INFORMATION

Applicant's Teleconference.

Information regarding the date, time, and call-in number for an open applicants' teleconference will be e-mailed to all State Medicaid Directors.

Attachments:

Attachment 1 – Notice of Intent to Apply

ⁱ Organisation for Economic Co-Operation and Development (OECD), "Health Status: Life Expectancy at Birth, in Health at a Glance 2009: OECD Indicators (2009), fig. 1.1.4; available at <http://www.oecd-library.org/content/serial/199991312>.

ⁱⁱ Orza, Michele J., High Hopes: Public Health Approaches to Reducing the Need for Health Care, National Health Policy Forum Background Paper no. 78 (September 27, 2010), p. 6.

ⁱⁱⁱ Centers for Disease Control and Prevention (CDC), "Smoking and Tobacco Use: Fast Facts," available at www.cdc.gov/tobacco/data_statistics/fact_sheets/fast_facts/index.htm;

^{iv} CDC, "Health, United States, 2009," available at <http://www.cdc.gov/nchs/hus.htm>.

^v Behavioral Risk Factor Surveillance System (BRFSS): <http://www.cdc.gov/brfss/>

^{vi} Office of the Surgeon General: http://www.surgeongeneral.gov/topics/obesity/calltoaction/fact_glance.html

^{vii} Finkelstein EA, Trogon JG, Cohen JW, Dietz W. Annual medical spending attributable to obesity: payer-and service-specific estimates. Health Aff (Millwood). 2009 Sep-Oct;28(5):w822-31.

^{viii} CDC, "Health, United States, 2009," available at <http://www.cdc.gov/nchs/hus.htm>.

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