

**State Innovation Models:
Round Two of Funding for Design and Test Assistance
Cooperative Agreement**

**Application Review - Budget Negotiation Questions
August 28, 2014**

Applicant: CT Office of the Healthcare Advocate

Budget Questions

Please submit a revised SF-424A and Budget Narrative which addresses all of the questions/concerns outlined below. **Note: This request for additional information is not a guarantee of funding.*

Budget Worksheet/SF-424A

1. Per SIM FOA, cost sharing and in-kind support is not required under the SIM program as such the applicant should not include such information on the SF-424 and SF-424A.

This information has been removed from those forms and the budget narrative.

2. The SF424A should only include the estimated federal funds for the SIM project. Please omit the following costs from the budget worksheet:
 - State Funds - \$19,796,196

SF424A will only include estimated federal funds for the SIM project.

3. Provide a revised SF-424 and SF424A with the total estimated federal funds

A revised form has been completed.

Personnel Costs

1. The employment chart provides a salary breakdown for the staff dedicated to SIM but it did not include the annual salary; percentage of time budgeted for this program; total months of salary budgeted; and total salary requested.

Included on page 2 of the revised budget narrative.

2. The proposal should clearly state whether the positions dedicated to SIM are new staff or current employees of the agency.

All the positions listed under the “Personnel” section will be new staff. See page 1 of the revised budget narrative.

3. Please omit the Nurse Consultant position. The Nurse Consultant should be listed under the Contractual Budget category.

“Nurse Consultant” is a classified position title in CT, and this is not a contracted position. See page 5 of the budget narrative where this is clarified. Follow this [link](#) to see a description of the classified position: Class Code 5904, Nurse Consultant (Healthcare Advocate), Pay Plan HC-28, Step 6.

Fringe Benefits

1. What are the types of fringe benefits (for example retirement, FICA, health & etc.)?

The components that make up our fringe benefits are FICA, Medicare, unemployment, retirement, life insurance, and medical insurance. See the chart on page 6 of the revised budget narrative.

2. Please provide justification for the high fringe rate.

One of the major contributors to Connecticut’s high fringe benefit rate is the retirement component rate. This rate consists of employer contributions for retirement (including normal costs and unfunded liability), retiree health insurance costs, and retirement administration costs. Connecticut’s large unfunded pension liability and its contribution to retiree health insurance costs are the drivers behind this high rate. In previous years, the pension ARC calculation included adjustments which artificially reduced the State’s contribution to the fund and were significant contributors to the system’s underfunding. During the current administration, these adjustments were eliminated and more conservative actuarial assumptions were adopted. See page 6 of the revised budget narrative.

Travel

1. **In-State Travel:** Your proposal should be very clear about the travel to take place. List where travel will be undertaken, number of trips planned, who will be making the trip, and approximate dates. If mileage is to be paid, provide the number of miles and the cost

per mile. The revised cost breakdown and justification should provide a clear picture of the travel to be undertaken, by whom, the cost, and how it directly links to the purpose of the SIM program.

See pages 7 and 8 of the revised budget narrative.

2. **Out-of-State Travel:** Dollars requested in the travel category should be for **staff travel only**. Travel for other participants, advisory committees, review panel, etc. should be itemized and placed in the “**Other**” category.
3. Consumer Annual Conference - Please omit the Consumer Advisory Board (CAB) estimated travel cost. The CAB travel costs to attend the conference should be listed under the “**Other**” budget category.

See page 32 of the revised budget narrative; this cost was moved from “travel” and put into the “other” category.

Note: Costs for per diem/lodging cannot exceed the rates set by GSA. Please refer to the GSA website by using the following link <http://www.gsa.gov/portal/content/104877>

Equipment

N/A

Supplies

OK

Contractual

1. Contract and Consultant – The proposal should list all contract staff positions dedicated to the SIM program including the annual salary, percentage of time budgeted for, and total number of months. The revised proposal should clearly state the tasks, deliverables and the Expected Rate of Compensation.

We completed this for the Health Information Technology, Program Evaluation, Community Health Workers, and Inter-Professional Education contracts. See pages 14 through 23 of the revised budget narrative.

2. When the contractors are formally selected, provide the missing required information for the following contracts:

We state will we provide the missing information once the contractors are formally selected on page 14 of the budget narrative.

- Population Health
- Medical QISSP
- AMH Glide Path
- Targeted Technical Assistance
- Care Experience Survey
- Health Information Technology – *completed on pages 19 through 20*
- Program Evaluation – *completed on pages 16 through 18*

3. When the consultants are formally selected, provide the missing required information for:

We state will we provide the missing information once the consultants are formally selected on page 14 of the budget narrative.

- VBID
- Consumer Engagement

4. Honorarium is generally unallowable. Is the cost for honorarium speaker fees?

5.

Yes, this is speaker fees. This has been clarified on page 27 of the revised budget narrative.

6. Innovation Awards – The proposal is not clear whether this is a subaward program or contract. If subaward/subgrant, provide a detailed description of the program for prior approval.

These are subawards/subgrants. A detailed description of the innovation awards program will be provided for prior approval. The specifics of the program will be defined during the pre-implementation period by the SIM PMO and an innovation awards committee, with input from the practice transformation task force and the population health plan initiative. See page 25 of the revised budget narrative.

7. **Contract Staff Training and Education** – The cost for training and education program for contract staff/providers is generally unallowable. Please provide a revised justification that clearly states why SIM is paying these costs and how it is directly linked to the goals of the SIM program.

- Community Health Worker (\$997,178) – marketing support, product development, training curriculum, certification program, placement, and community college partnership program.
- Inter-Professional Education (\$912,202)
- Teaching Health Center (\$822,662)

See revised justification on pages 28 through 31 of the revised budget narrative.

8. Please provide a summary table that outlines the indirect cost per project year for each contractor/consultant in the format below.

See chart on page 15 of the revised budget narrative.

Sample Contractual Budget Indirect Cost

Contract/Consultant	Rate	Year1	Year 2	Year 3	Year 4	Total
CMS	10%	\$10,000	\$9,000	\$8,000	\$7,000	\$34,000

Note: Please omit all equipment and supplies related costs from the contractual budget. All equipment and supplies for the SIM project **must** be purchased by the prime recipient/applicant.

This has been corrected throughout the revised budget narrative and reflected in the revised SF424A.

Other

Ok

Indirect

N/A