

American Recovery and Reinvestment Act of 2009, Title XIII -
Health Information Technology, Subtitle B—Incentives for the
Use of Health Information Technology, Section 3013, State
Grants to Promote Health Information Technology

Health Information Exchange Challenge Program

Supplemental Funding Opportunity to the State Health
Information Exchange Cooperative Agreement Program

Funding Opportunity Announcement

Office of the National Coordinator for Health Information Technology

Department of Health and Human Services

2010

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Opportunity Overview

Federal Funding Agency: Office of the National Coordinator for Health Information Technology, U.S. Department of Health and Human Services

Funding Opportunity Title: American Recovery and Reinvestment Act of 2009, State Grants to Promote Health Information Technology (Health Information Exchange Challenge Program)

Announcement Type: Program Expansion Supplement

Funding Opportunity Number: EP-HIT-10-002

Catalog of Federal Domestic Assistance (CFDA) Number: 93.719

Dates: The table below sets out the required submission and other useful target dates related to the Funding Opportunity Announcement (FOA).

Item	Date
Notice of Intent to Apply Due	December 10, 2010 at 5:00 PM, EST
Applications Due	January 5, 2011 at 5:00 PM, EST
Estimated Award Announcements	January 31, 2011
Anticipated Project Start Date	February 1, 2011

Program Overview

The Health Information Exchange Challenge Program supports five breakthrough challenge themes that will enable nationwide health information exchange. The five themes include:

1. Achieving health goals through health information exchange
2. Improving long-term and post-acute care transitions
3. Consumer-mediated information exchange
4. Enabling enhanced query for patient care
5. Fostering distributed population-level analytics

Under this program, the following overview information applies:

- Total funding for this initiative is \$16,296,562.

- Only direct award recipients of the State Health Information Exchange Cooperative Agreement Program may apply.
- Awards will range between \$1 million and \$2 million each, and will be in the form of supplemental funding.
- It is the preference of ONC that at least one award be made for each challenge theme.
- Applicants may apply for grants under any or all of the five challenge themes (submitting a separate application for each theme), but may not submit more than one application under any one challenge theme.
- Each application must address a single challenge theme.
- Any single applicant shall not receive more than two awards under this funding opportunity.
- The match requirements of this program are the same as those required under the State Health Information Exchange Cooperative Agreement Program.
- Additional information regarding ONC and the State Health Information Exchange Cooperative Agreement Program can be found at <http://healthit.hhs.gov>.

1. Funding Opportunity Description

A. Background and Purpose

Background

On February 1, 2009, the President signed the American Recovery and Reinvestment Act of 2009 (ARRA). This statute includes the Health Information Technology for Economic and Clinical Health Act of 2009 (the HITECH Act) that sets forth a plan for advancing the appropriate use of health information technology to improve the quality and efficiency of care. The Office of the National Coordinator for Health Information Technology (ONC) was statutorily created by the HITECH Act within the U.S. Department of Health and Human Services (HHS). ONC serves as the principal federal entity charged with coordinating the overall effort to implement a nationwide health information technology infrastructure that allows for the electronic use and exchange of health information.

As authorized by ARRA (Title XIII, Health Information Technology, Subtitle B, Incentives for Use of Health Information Technology, Sec. 3013, State Grants to Promote Health Information Exchange), the State Health Information Exchange (HIE) Cooperative Agreement Program provides funding to states for planning, capacity building, and implementation activities that will enable health care providers to share health information throughout the continuum of care in order to improve the quality and efficiency of health care.

On August 20, 2009, ONC issued a Funding Opportunity Announcement (FOA), making \$564 million available to states or State Designated Entities (SDEs) to develop and implement the governance, policies,

technical services, business operations and financing mechanisms necessary to advance appropriate and secure health information exchange across the health care system. A Program Information Notice (PIN) was released on July 6, 2010 further detailing the expectations for the strategic and operational HIE plans developed and implemented by states and SDEs.

This FOA seeks to build on other funding opportunities by making approximately \$16 million available for targeted initiatives in five areas.

Purpose

Widespread adoption and meaningful use of HIT is a foundational step in improving the quality and efficiency of health care. The appropriate and secure electronic exchange and consequent use of health information to improve quality and coordination of care is a critical enabler of a high performance health care system.

The State Health Information Exchange Cooperative Agreement Program is intended to:

- Enable statewide capacity for HIE to allow eligible professionals and hospitals to qualify for Medicare and Medicaid meaningful use incentives;
- Ensure that states address privacy and security issues to allow for the proper access to and use of personal health information;
- Build off of existing state-level and regional efforts to advance HIE;
- Encourage the use of shared resources, services, and state directories to reduce HIE development costs and facilitate interoperability among providers within states; and
- Provide states with enough flexibility to accommodate their unique requirements, yet ensure nationwide interoperability on a policy and technical level.

This funding announcement encourages breakthrough progress for nationwide health information exchange in five challenge areas identified as key needs since Federal and State governments began implementation of the HITECH Act. The awards will fund the development of technology and approaches that will be developed in pilot sites and then shared, reused, and leveraged by other states and communities to increase nationwide interoperability.

ONC recognizes that achieving breakthrough innovations requires taking risks. In each of the five challenge themes we need rapid discovery of what approaches work, and which do not. ONC is not looking for applicants to exactly replicate known success, but to recommend innovative and potentially scalable approaches and a strategy for testing what works, making adjustments to the approach and quickly and publicly sharing the results.

Building on the Strategy for Nationwide Interoperability

The five challenge themes in this funding opportunity announcement address persistent barriers to nationwide health information exchange and interoperability.

The two challenge themes related to consumer-mediated information exchange—whereby consumers aggregate and maintain their own health information through a personal health record or other tools—and inclusion of long-term and post-acute care (LTPAC) providers in health information exchange aim to facilitate the development, implementation, and dissemination of health information exchange solutions for stakeholders with unique interoperability concerns. While existing state and SDE grantees have incorporated private sector actors, such as primary care providers, health IT vendors, health plans, and Regional Extension Centers (RECs), into their HIE strategic and operational plans, breakthrough solutions are needed to reach other stakeholders critical to the success of the nationwide strategy.

The two challenge themes enabling population-level health analytics and enhanced data queries aim to advance analytic resources and scalable solutions to leverage health information exchange for population level learning and improvement. Breakthrough solutions in these challenge themes will lead to the identification of more effective care delivery strategies, quality reporting, and surveillance for public health risks.

The final challenge theme is geared toward demonstrating improved health outcomes through health information exchange, demonstrating how interoperability among clinical systems can transform health care to achieve measurable health care improvement.

Encouraging the Use, Reuse, and Leveraging of Technical Solutions Developed Under Challenge Grants for Nationwide Health Information Exchange

The breakthrough solutions, designs, and processes created under these challenge grants shall be made available to any state or SDE for incorporation into their health information exchange activities.

To receive an award through this FOA, applicants must demonstrate their ability to satisfy a number of general funding requirements. These requirements include: 1) making breakthrough solutions openly available and re-useable by other regions, states, and/or SDEs; 2) creating initiatives that are easily scalable to other regions, states, and/or SDEs; and 3) participating in an open, transparent sharing process which may require participation in a learning community and/or mentoring and supporting other grantees.

B. Project Approach

Each application shall address one of the challenge themes and the general funding requirements outlined below. ONC expects to make approximately ten awards ranging from \$1 million to \$2 million as supplements to current Cooperative Agreements with states and SDEs.

Applications must address two key aspects of this program:

- Implement an effective and scalable initiative addressing a specific challenge theme from the list provided below
- Broadly share and disseminate the results and innovations developed in the program

C. Challenge Themes

Challenge Theme One: Achieving Health Goals through Health Information Exchange

As is recognized in the Beacon Communities Cooperative Agreement program, health information exchange can help make health care more seamless, integrated, and well-coordinated. This, in turn, can help prevent avoidable hospital readmissions and other indicators of system fragmentation that have profound effects on patient health, experience and satisfaction, and overall costs.

Health information exchange strategies that combine technology to share information with changes in the delivery of care have the potential to reduce preventable hospital admissions, readmissions and duplicate testing. A large portion of readmissions, for instance, are estimated to be avoidable through fairly simple steps at the point of discharge, including consistent efforts to ensure patients' understanding of and access to appropriate prescription medications, and follow-up appointments with primary-care physicians.ⁱ

Successful efforts to improve health outcomes through health information exchange often pair well defined (and frequently simple) information exchange with care delivery changes that set clear accountability for when information will be sent by the sender and how information will be used by the receiver. In a Group Health study, for instance, pharmacists routinely monitored home blood pressure results from patients and made adjustments to medications as needed.ⁱⁱ Multiple medication changes—enabled by a steady feedback of electronic blood pressure information from patients' home monitoring activities to pharmacists—were often needed to achieve blood pressure control.

Yet there is still widespread variation in practice and lack of evidence on how best to use health information exchange to achieve key outcomes. More work is needed to define clear models for how health information exchange can support care delivery changes and produce measurable health improvements and greater efficiency of care in areas such as preventable admissions and readmissions, prescription drug abuse and duplicate testing.

Applications should include the following:

1. Identify community-level improvement goals (baseline level and project targets) in one or more of the following areas: preventable hospital admissions, preventable hospital readmissions,

ⁱ "Payment Policy for Inpatient Readmissions." MedPAC Report. Chapter 5. June 2007; Jencks SF, Williams MV, and Coleman EA, "Rehospitalizations Among Patients in the Medicare Fee-for-Service Program," *New England Journal of Medicine*, Apr. 2, 2009 360(14):1418–28 The MedPAC analysis, drawing on work by 3M, suggests that perhaps as many as 75% of Medicare 30-day readmissions are potentially avoidable.

ⁱⁱ Green, B. B., A. J. Cook, J. D. Ralston, P. A. Fishman, S. L. Catz, J. Carlson, D. Carrell, L. Tyll, E. B. Larson, and R. S. Thompson. "Effectiveness of Home Blood Pressure Monitoring, Web Communication, and Pharmacist Care on Hypertension Control: A Randomized Controlled Trial." *JAMA: The Journal of the American Medical Association* 299.24 (2008): 2857-867.

prescription drug abuse and duplicate testing. Applicants must state their current capacity and willingness to measure performance in the areas of interest.

2. Clearly describe the specific technology, care delivery, and policy interventions that will be initiated to achieve the desired improvements. This shall include:
 - a) What information will be shared by whom, with whom, and at what junctures
 - b) How information will be shared (including technology to be used)
 - c) How participants will be engaged
 - d) What workflow changes will be initiated and by whom
 - e) How information will be presented in a useful and usable manner for clinical workflow and decisions
 - f) How the project will foster sustained motivation for senders and receivers to share and use information, including through policy levers such as reimbursement, incentives, licensing and credentialing policies
3. Define the number of hospitals, provider practices, long-term and post-acute care facilities, home health providers, or others that are committed to participating in the challenge grant effort. Applications shall include:
 - a) Estimates for how many providers and patients shall be “touched” by the proposed interventions; and
 - b) Evidence of the commitments of participating providers in the form of letters of commitment.
4. Define process and outcome measures that will be evaluated and mechanisms for ongoing tracking and assessment of these measures. Key areas for program investment are systems and approaches for monitoring performance, feeding results back to participants and evaluating impact. Applicants shall report performance results on a quarterly basis, using Beacon Program measure definitions when appropriate (once those common measurement specifications have been defined).

Awardees will be eligible to receive technical assistance from the Beacon Community program and to attend Beacon Community meetings.

Challenge Theme Two: Improving Long-Term and Post-Acute Care Transitions

The frail elderly and people with disabilities are particularly vulnerable to poor transitions in care as they move from acute to long-term and post-acute care (LTPAC) settings and back. There is a clear need to engage LTPAC providers in information sharing efforts, especially to support sharing of care summaries across transitions in care and maintenance of an accurate and up to date medication list for patients. According to one study, 22 percent of transfers from acute care to LTPAC facilities were not

accompanied by a formal summary of information, underscoring the need for additional focus on encouraging information sharing between acute care and long-term and post-acute care settings.ⁱⁱⁱ

Applicants should focus on the following areas:

1. Identify the types of long-term and post-acute care providers to be included in information exchange efforts to support transitions in care from: (i) acute care hospitals to targeted LTPAC settings; and (ii) targeted LTPAC settings to acute care hospitals.
2. Clearly describe the technology, care delivery and policy interventions to achieve timely electronic exchange of clinical summaries and other key information most relevant to transitions to and from acute care to LTPCA settings. Examples may include:
 - a) Medication lists for appropriate medication management
 - b) Advance directive content to support patient preferences and identification of surrogate decision makers
 - c) Functional status content so that appropriate supports can be provided and to reduce fall risk
3. Describe how transitions to and from acute care hospitals and LTPAC settings will be monitored using the following measures:
 - a) Percentage of care transitions to and from acute care hospitals and targeted LTPAC settings for which there is an electronic summary of care document containing the types of content described above
 - b) Average time to transmit electronic care summary information from date of discharge/transfer
 - c) Percent change in hospital readmission rates or other clinical measures for patients discharged from acute-care hospitals to targeted LTPAC settings
4. Describe how the factors that enable or create barriers to the timely electronic exchange of care summary documents will be identified and addressed.
5. Describe how policy changes and interventions to improve transitions in care will be identified and addressed.

ⁱⁱⁱState HIE Toolkit Module: Vulnerable Populations and HIE

Challenge Theme Three: Consumer-Mediated Information Exchange

Consumer engagement and information access is foundational to achieving our nation's most pressing health care improvement goals, from reducing smoking and medical errors to adopting better methods for blood pressure control. There is a great deal of interest among consumers and innovation among developers in the consumer-focused e-health sector of the health IT market. Consumer access to their own health data in electronic formats is a basic requirement of these efforts and a right recognized under HIPAA.

Consumer-mediated information exchange may also be a viable approach to enable health information exchange in regions with limited capacity for electronic exchange, including rural areas where patients often seek care across state borders and medical trading areas. This approach may obviate the need to match patient records across settings and to resolve variations in state policies, which make state-to-state exchange challenging.

However, several persistent issues have blocked progress for consumer-mediated exchange, including insufficient information liquidity (i.e., the free flow of relevant information among different applications and across settings); a lack of commonly accepted methods for authenticating consumers in order to connect them to their electronic data; and a lack of commonly accepted methods for managing consumer-directed sharing of information to health care providers.

This challenge theme will fund development of scalable approaches to establish and authenticate the identity of consumers to enable online access to their information and options to increase information liquidity to support consumer-mediated exchange. The intent is not for applicants to build or launch new technology platforms or consumer-facing tools, but rather to create favorable conditions for consumers to access their own data and be able to choose and use consumer health tools developed by technology innovators.

Applications must address the policy, privacy, and security issues in consumer access to health information and shall focus on at least two of the following areas:

1. Make concrete interventions to increase data liquidity in support of consumer-mediated information exchange options. Such interventions might include “blue button” tools that enable patients and their designees to download and reuse information (see Veterans’ Administration Blue Button initiative at <http://www4.va.gov/bluebutton/>) or “publish and subscribe” mechanisms that allow patients to direct ongoing feeds of their own information to a consumer health tool or platform of their choosing.
2. Support consumer-mediated exchange options as a strategy to address geographic areas with limited exchange capability and as a means to give patients direct access to their own health information to meet current and future meaningful use requirements.
3. Demonstrate the use of accurate, secure, easy-to-use and scalable approaches to patient ID resolution and authentication, especially where in-person options are not possible, and also mechanisms consumers can use to designate “proxy” access so that family members and caregivers can access information.

4. Demonstrate the use of secure messaging platforms that facilitate patient-provider communications. These platforms can leverage master patient indices and claims databases to link patients with their providers and may include methods to accommodate patient-generated data.

Challenge Theme Four: Enabling Advanced Query for Patient Care

The ability for providers and patients to search for and access individual health information through a secure, web-based connection motivates many of today's health information exchange efforts designed to support query and retrieve functions. Current models typically rely on document repositories hosted by data suppliers and linked through a record locator service, allowing users to identify and assemble available data for a given patient. However, two major limitations to the current approach must be addressed in order to meet user expectations and increase public trust:

1. Patients may desire a greater degree of choice to determine, at a granular level, which personal health information should be shared, with whom, and for what purpose. This is particularly true for sensitive health information including on behavioral health treatment and for minors.
2. Providers and patients want more refined ways to find and assemble the precise information they need such as the results of specific lab tests for a particular period of time. Currently data are often stored in summary clinical documents, making it difficult to identify and assemble individual data elements of interest.

Providing greater patient choice in information sharing and more precise query can increase public trust through greater reliance on fair information practice principles--and especially purpose specification, collection and use minimization, and individual participation--while producing a more modern web-like search capability.^{iv} But many questions remain about how best to implement these capabilities, including what methods will support patients in making informed and more granular choices about how their information can be used.

This initiative will fund "real world" efforts to implement both of these strategies and incorporate them into existing clinical workflows.

Applications must propose a breakthrough approach for achieving more granular patient control and increased query precision by addressing the following:

1. Query and retrieval constrained by granular patient preferences for sharing their health information. This will require operationally feasible and understandable approaches for giving patients the ability to identify at a granular level what information they want to share, with whom they want to share it, and for what purposes it can be used (e.g., "it is ok to share with other providers for my treatment but not for clinical research"). Applicants are encouraged to

^{iv} "Nationwide Privacy and Security Framework for Electronic Exchange of Individually Identifiable Health Information." Office of the National Coordinator for Health Information Technology, U.S. Department of Health and Human Services. December 15, 2008.

implement these strategies in the context of information exchange of mental health and substance abuse treatment information, engaging relevant providers and consumers.

2. Use of indexing services that enable providers to search for and assemble discrete data elements (rather than clinical documents or summaries) from distributed systems maintained by unaffiliated entities while respecting granular patient preferences about the sharing of these data (e.g., only those data elements that carry appropriate permissions will be assembled in response to a query).
3. Articulate how the approach will address patient choice, purpose specification, information access and use, collection and use of data at the minimum level necessary, system security, and governance and transparency.

Approaches may include:

- Use of metadata tagging that attaches key information to discrete data elements such as who ordered the lab test, when it was ordered and for what reason, demographics of the patient and who the results can be shared with and for what purposes per patient preferences.
- Use of middleware or other mechanisms to enable normalization and sharing of EHR data without requiring changes to the data model or structure of the underlying electronic health record (currently each EHR stores data in particular structures and formats, making it hard to share information).

Challenge Theme Five: Fostering Distributed Population-Level Analytics

In addition to supporting direct patient care, information sharing is equally needed to support population-level analysis that will be the foundation for value-based payment models and population-level quality reporting. For instance, participants in accountable care organizations will need to analyze population health data to identify ways in which patient care is or is not consistent with national quality guidelines.

Aggregation and central storage of data is not the only means to enable population-level analytics. Other methods make it possible to search for and analyze information even though the data remain local and distributed. Further innovation and real-world execution is needed to advance approaches for population health analysis that are more distributed, broadly available, and easier to implement. Promising approaches include distributed analytic methods that allow for sophisticated statistical analyses, as well as reporting of simple counts to identify data trends or baseline prevalence without sharing individual level data including for public health surveillance, quality reporting and to monitor adverse events.

Applications must propose a viable strategy for implementing at least one of the following:

1. Use of distributed analytics, including the ability to query across disparate searchable databases and return aggregate results or carry out multivariate analyses without centralizing data. This includes real world implementation of query approaches that operate at the population, rather than at the individual, level.

2. Demonstrate methods for normalizing, sharing and analyzing EHR clinical data that do not require that data in the EHRs adhere to a specific data model or standardized structure. Approaches might include using middleware that normalizes EHR data or document standards, such as CCD or CCR, to normalize and export EHR data.
3. Demonstrate approaches for reporting simple counts (such as for public health surveillance or quality reporting) from provider EHR systems based on clearly defined clinical rules, including potential implementation or extension of the PopHealth tool.^v

All applications must address how the distributed analytic approach supports fair information practice principles including exposure of data at the minimum level necessary, system security, and governance and transparency.

Similar to other challenge areas, we encourage applicants to take an outcome-oriented approach by identifying the population-level questions that will be answered during the project period, corresponding to the nation's priority health care quality and efficiency challenges.

For instance, the applicant could address questions relating to public health surveillance, quality or population level research:

- How prevalent is flu in the population and is the current vaccine effective?
- What percentage of patients had a last BP <140/80 mm Hg.?
- What is the incidence and types of adverse drug events in the population?

General Funding Requirements

All applications for any of the five challenge themes must address the following requirements:

- The applicant's approach can focus on a targeted geographic area and set of participants within the state, but must address health information exchange across unaffiliated entities. For instance, in a state that is connecting regional health information exchange efforts through its state health information exchange program efforts, it may be appropriate to work with one of the regional participants on an initiative demonstrating consumer-mediated health information exchange or enhanced query. The specific geographic target area and partners must be clearly defined.
- The initiative must be aligned with, and support the gaps, assets, strategies, and approaches identified in the state's strategic and operational plans for the State HIE Cooperative Agreement Program.
- Awardees must make breakthrough solutions (technology, process, infrastructure) openly available and reusable by others. For example by offering such solutions as open source tools or under Creative Commons licenses, or through other easily accessible and low-cost options.

^v <http://projectpophealth.org/>

- Initiatives must be scalable to other regions of the state or other states.
- The applicant must participate in learning communities established by ONC and must engage in open transparent sharing of experience and lessons and mentoring and support of other grantees and interested communities.
- Where applicable, the awardee should use the EHR technology standards and implementation specifications adopted by HHS and any other standards and implementation specifications identified by ONC, including those that may be applicable to the Nationwide Health Information Network. Awardees should also participate in the development and refinement of standards and specifications in high priority areas by identifying gaps and contributing to the health IT standards development processes.

D. Statutory Authority

The statutory authority for supplemental awards under this FOA is contained in Section 3013 of the Public Health Service Act (PHSA), as amended by the American Recovery and Reinvestment Act of 2009 (ARRA), Division A—Appropriations Provisions, Subtitle B—Incentives for the Use of Health Information Technology.

II. Award Information

A. Summary of Funding

Type of Award:	Supplements to the State Health Information Exchange Cooperative Agreement Program
Approximate Amount of Funding Available:	\$16,296,562
Award Floor:	\$1,000,000
Award Ceiling:	\$2,000,000
Maximum Applications per Applicant:	Maximum of one application per challenge theme
Approximate Number of Awards:	10
Program Period Length	Starting February 1, 2011 and ending on the end date of the applicant's State Health Information Exchange Cooperative Agreement.
Anticipated Project Start Date	February 1, 2011

B. Substantial Involvement in Cooperative Agreements

Awards will be in the form of supplemental funding to the State HIE Cooperative Agreement Program. ONC will work closely with each recipient as planning and implementation progresses in a collaborative way. The respective roles and responsibilities under this supplement remain the same as those outlined in the original awards under announcement number EP-HIT-09-001.

III. Eligibility Information

A. Eligible Applicants

Current direct award recipients of the State Health Information Exchange Cooperative Agreement Program are eligible to apply for supplemental awards under this program. Applications must meet the requirements of Responsiveness and Screening Criteria found under Section III.C below.

B. Matching Requirements

The required match for this program is the same as that for the State Health Information Exchange Cooperative Agreement Program. Below is a description of those requirements.

Matching requirements can be provided through cash and/or in-kind contributions. Match requirements must be met over the course of the project period.

Fiscal Year of Funding	Match Required
2011 (begins Oct. 1, 2010)	\$1 for each \$10 federal dollars
2012 (begins Oct 1, 2011)	\$1 for each \$7 federal dollars
2013 (begins Oct 1, 2012)	\$1 for each \$3 federal dollars

Example Match Computation

For FY 2011, the applicant's match requirement is \$1 for every \$10 federal dollars. In other words, for every ten dollars received in federal funding, the applicant must contribute at least one dollar in non-federal resources toward the program's total cost. This "one-to-ten" ratio is reflected in the following formula that can be used to calculate the minimum required match:

$$\frac{(\text{Federal Funds Requested})}{10} = \text{Minimum Match Requirement}$$

For example, if \$100,000 in federal funds is requested for FY2011, then the minimum match requirement is \$100,000/10 or \$10,000. In this example the program's total cost would be \$110,000.

If the required non-federal share is not met by the award recipient, ONC will disallow any unmatched federal dollars. For the purposes of this program announcement, the match requirement begins with that for fiscal year 2011. Demonstration of this match will be shown in quarterly financial reports. In preparing the application budget, applicants should consider these match requirements and account for a match on their best estimate of expenditures for each fiscal year. For example, in year one of the project, there will be several months where a 1-to-10 match is required and some months where a 1-to-7 match is required. See table below for more information.

Ratio of Recipient to Federal Funding Share by Month*													
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Fiscal Year Start Begins	Oct	Nov	Dec	Jan
FY 2011	1 to 10		1 to 7	1 to 7	1 to 7	1 to 7							
FY 2012	1 to 7		1 to 3	1 to 3	1 to 3	1 to 3							
FY 2013	1 to 3		1 to 3	1 to 3	1 to 3	1 to 3							

C. Responsiveness and Screening Criteria

Application Responsiveness Criteria

Applications that do not meet the following responsiveness criteria will be administratively eliminated and will not be sent forward for objective review:

- Each application addresses only one challenge theme.
- Each applicant submits no more than one application per challenge theme.
- The application clearly addresses the challenge theme under which the application is submitted.
- The applicant meets the eligibility criteria as required by Section III.A, Eligible Applicants.
- The application is received by the deadline required under Section IV.C, Submission Dates and Times.

Application Screening Criteria

ONC will screen all applications to identify those that do not meet criteria outlined below. The application screening criteria are:

- The application meets the formatting and length requirements found in Section IV.B, Content and Form of Application Submission.
- The application is complete and includes the required components, including all elements of the program narrative needed to forward it for objective review. This includes specification of the geographic area and target population (number of patients and providers) that will be covered.
- Appendices and attachments are not used as a mechanism to exceed page limits of the Project Narrative.

IV. Application and Submission Information

A. Address to Request Application Package

This FOA includes all needed materials to apply under this initiative. This FOA may be found online at <http://www.Grants.gov>.

If you have difficulty obtaining the application materials from the site above, please email ONC at StateHIEgrants@hhs.gov.

APPLICATIONS CANNOT BE ACCEPTED THROUGH ANY EMAIL ADDRESS OR THROUGH ANY WEBSITE OTHER THAN [Grants.gov](http://www.Grants.gov). APPLICATIONS CANNOT BE RECEIVED VIA PAPER MAIL, FAX, COURIER, OR DELIVERY SERVICE.

B. Content and Form of Application Submission

Notice of Intent

Applicants are strongly encouraged to submit a non-binding e-mail notice of intent to apply for this funding opportunity to assist ONC in planning for the objective review process. Only the primary applicant should submit this notice. This notice should simply identify the name of the applicant organization, the city and state in which it is located, and the number of applications planned to be submitted, including the challenge theme addressed by each (see Section I, Funding Opportunity Description for challenge themes). ONC requests that these notices be received by the deadline required in Section IV.C, Submission Dates and Times. Notices of intent should be sent to StateHIEgrants@hhs.gov and copied to Christopher.Muir@hhs.gov.

Project Abstract

Applicants shall include an abstract of the application of no more than two pages single spaced and 500 words. This abstract is often distributed to provide information to the public and Congress and represents a high-level summary of the project. Applicants should prepare a clear, accurate, and concise abstract that can be understood without reference to other parts of the application and which gives a description of the proposed project, including: the project's goal(s), objectives, the challenge theme addressed, overall approach (including target population and significant partnerships), anticipated outcomes, products, and duration.

The Project Abstract must have a font size of not less than 11 point font.

The applicant shall place the following information at the top of the Project Abstract (this information is not included in the 500 word maximum):

- Project Title
- Challenge Theme Addressed
- State/territory, geographic area and target population for the effort

- Applicant Name
- Address
- Contact Name
- Contact Phone Numbers (Voice, Fax)
- E-Mail Address
- Web Site Address, if applicable
- Congressional districts within the target area

Project Narrative

The Project Narrative is the most important part of the application because it is the primary information used to score applications during the objective review process. In the Project Narrative, the applicant shall provide a detailed understanding of the need for the project, the specific solutions to address those needs, the approach proposed to implement the solutions, the plans to share results with other states and nationally, and other information needed to evaluate the application.

The Project Narrative must be on 8 ½” x 11” size sheets with 1” margins on both sides, and a font size of not less than 11. Smaller font sizes may be used to fill in the Standard Forms and Sample Formats. The maximum length for the Project Narrative is 20 pages single spaced. Resumes of key staff will not count as part of the Project Narrative for purposes of the 20-page limit.

The Project Narrative must follow the outline provided below and include the information required under each section.

- Understanding of Project Purpose
- Approach, Work Plan, and Activities
- Applicant Capabilities
- General Funding Requirements
- Budget, Level of Effort, and Justification

Section 1: Understanding of Project Purpose

This section must identify an important, coherent, and parsimonious set of issues related to the challenge theme and a clear strategy to address the identified issues. This section must include:

- The applicant’s conceptualization of the selected challenge theme along with an explanation of why the selected challenge theme is a priority and how the effort to be undertaken will provide a breakthrough solution scalable to other areas and states.

Section 2: Approach, Work Plan, and Activities

This section must set out the approach and strategy proposed to address the identified challenge theme. It must also explain the timeline in a way that fully demonstrates its feasibility and includes clear benchmarks and performance metrics to achieve the program goals. This section must also include:

- A clear and concise description of the approach the applicant is proposing to use to conduct the project, including identifying the major challenges that will be addressed. This should be outlined in a conceptual “logic model” tying project activities to expected impact and outcome goals.
- A project plan that builds upon the logic model and specifies the technology, care delivery, and policy interventions that will be initiated to achieve desired outcomes. The plan must clearly show the relationship of each element of the plan to each of the challenges identified. The plan must also include timelines, resources, partners, and major milestones as well as align with the budget.
- A description of the specific geographic area to be served by this supplemental funding, including the targeted number of participants (e.g., providers, patients and other stakeholders).

Section 3: Applicant Capabilities

This section must clearly demonstrate that the organizational and personnel capabilities of the applicant support its ability to implement the project. It must also demonstrate the applicant’s ability to bring together all of the resources necessary to perform the proposed work. This section must include:

- The organization’s capabilities relevant to the challenge theme and partners and collaborative relationships with healthcare stakeholders that will support the project’s success.
- Demonstration of support from key program partners, such as participating providers.
- Potential strategies the organization may employ in an effort to sustain efforts beyond the scope of the project timeframe.
- Relevant organizational resources available to perform the proposed project such as facilities, equipment, and other resources.
- The capabilities of the applicant not included in other portions of the project narrative, such as any current or previous relevant experience and/or the record of the project team in conducting the proposed activities.
- A description of the qualifications of the proposed key staff. Resumes may be included as attachments and will not be counted within the 20-page maximum for the project narrative.

Section 4: General Funding Requirements

This section must fully describe the ways in which the project is broadly applicable to and/or replicable in other States and nationwide by explaining how the results of the project will be disseminated and can be scaled, replicated, or used nationally. It must include proposed strategies to openly share and offer for

reuse the technologies, best practices, and infrastructure developed through this project to other States and communities. Any IT system components (e.g., software, data models, etc.) developed by the awardees under this funding opportunity will be made available to any state (including the District of Columbia) or eligible territory for incorporation into its programs.

Additionally, it must discuss how the applicant will use an open, transparent process to develop the project and share implementation experience as the project develops. This section must also discuss how the applicant will use, as relevant, current Nationwide Health Information Network standards and specifications as well as the standards used to certify EHRs to meet meaningful and also contribute to identification of standards gaps. It must outline how the program is aligned with and supports the gaps, assets, strategies and approaches in the state's strategic and operational plans under the applicant's State HIE Cooperative Agreement Program.

Section 5: Budget, Level of Effort, and Justification

This section must provide the proposed levels of effort of the project director(s), key personnel, and consultants and describe how they are adequate to advance the project in accordance with the timelines. It must also justify the proposed budget with respect to the adequacy and reasonableness of resources requested, and how the amount of the budget allocated to administration will be minimized while still allowing coherent management of an integrated project. The budget and justification must reflect the costs for the entire project period, inclusive of match. This section must also include:

- An explanation of how the proposed budget supports the proposed project and is reasonable to meet the project's needs and is as cost-efficient as possible.
- An outline of the proposed costs that support all project activities and how they support them.
- A description of how the proposed expenditures align with the project plan at a high level. (No expenditures are allowed until the start date listed on the Notice of Grant Award for the approved projects.)
- A description of the sources for the matching requirement and if those funds are currently available or are guaranteed should the applicant be successful in receiving an award.

C. Submission Dates and Times

- Notices of Intent to Apply should be submitted electronically, no later than 5:00 p.m. Eastern Standard Time on December 10, 2010.
- Applications must be submitted via Grants.gov no later than 5:00 p.m. EST on January 5, 2010.
- Applications that fail to meet the application due date will not be reviewed and will receive no further consideration.
- Grants.gov will automatically send applicants a tracking number and date of receipt verification electronically once the application has been successfully received and validated in Grants.gov. After the Office of Grants Management retrieves the 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.

D. Intergovernmental Review

This program is excluded from Executive Order 12372.

E. Funding Restrictions

- Applicants responding to this announcement may request funding for a project period starting February 1, 2011 and with the same end date as the applicant's State Health Information Exchange Cooperative Agreement.
- ONC will negotiate with applicants regarding allowable activities.
- Funds under this announcement cannot be used for the following purposes:
 - To supplant or replace current public or private funding.
 - To fund activities already outlined in Strategic and Operational Plans submitted by award recipients under the State Health Information Exchange Cooperative Agreement Program.
 - To supplant on-going or usual activities of any organization involved in the project.
 - To purchase or improve land, or to purchase, construct, or make permanent improvements to any building except for minor remodeling.
 - To reimburse pre-award costs.
- Funds are to be used in a manner consistent with program policies developed by ONC and within allowable budget categories outlined in Appendix A. Allowable administrative functions/costs include:
 - Usual and recognized overhead, including indirect rates for all partner organizations that have an approved indirect cost rate by a federal cognizant agency.

F. Application Submission Requirements

ONC requires that applications for this and all other announcements be submitted electronically through <http://www.Grants.gov> by the deadline required in Section IV.C, Submission Dates and Times.

To meet this requirement, it is critical for the applicant agency to ensure that they have current registrations, active logins, and passwords for the related systems.

Grants.gov Registration

Registration with Grants.gov can take several days. Applicants are strongly encouraged to locate and test current logins and passwords for this system well in advance of the deadline date. For assistance with

Grants.gov, please contact them at support@Grants.gov or 1-800-518-4726 between 7 a.m. and 9 p.m. Eastern Standard Time.

Applying Electronically through Grants.gov

All information needed to submit applications electronically through this site can be found at Grants.gov. Additionally, there are a variety of requirements that are critical to know and comply with in order to meet the application deadline and submission requirements:

- 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 website.
- Applicants can access the electronic application for this program on Grants.gov. Applicants must search the downloadable application page by the Funding Opportunity Number EP-HIT-09-002 or CFDA number 93.719.
- ONC strongly recommends that applicants not wait until the application due date to begin the application process through Grants.gov.
- To complete an application in Grants.gov, applicants must have a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number and be registered in the Central Contractor Registry (CCR). Applicants should allow a minimum of five days to complete the CCR registration. The DUNS number was required for the initial award, and the same number should be used for this supplemental program. It is critical to know that CCR registration requires an annual renewal. As a result, ONC strongly encourages applicants to ensure that their registrations are current or to renew their registrations well in advance of the application deadline. For more information or to check or renew registrations, go to <http://www.ccr.gov>.
- Applicants must submit all documents electronically, including all information included on the SF424 and all necessary assurances and certifications.
- Prior to application submission, Microsoft Vista and Office 2007 users should review the Grants.gov compatibility information and submission instructions provided at Grants.gov (click on “Vista and Microsoft Office 2007 Compatibility Information”).
- After applications are submitted electronically, applicants will receive an automatic acknowledgement from Grants.gov that contains a Grants.gov tracking number. ONC will retrieve application forms from Grants.gov.
- After ONC retrieves applications 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.

V. Application Review Information

A. Objective Review Criteria

Applications that meet the requirements of Section III.C, Responsiveness and Screening Requirements, will be forwarded for objective review. Panels will review applications against a standard scoring sheet that reflects the review criteria outlined below. Applicants will be scored by assigning a maximum of 100 points across five criteria.

- Understanding of Project Purpose - (8 points)
- Approach, Work Plan, and Activities - (33 points)
- Applicant Capabilities - (10 points)
- General Funding Requirements (34 points)
- Budget, Level of Effort, and Justification - (15 points)

Section 1: Understanding of Project Purpose (8 points)

The extent to which the applicant has identified an important, coherent, and parsimonious set of challenges related to the Challenge Area and a clear strategy to address them.

Approach, Work Plan and Activities (33 points)

- The extent to which the application outlines a clear strategy to address identified challenges using a logic model that ties the challenges to the project approaches to the anticipated outcomes. The extent to which the applicant describes the specific geographic area and number of providers/patients/other stakeholders to be included in the effort. Preference will be given to feasible projects covering a larger population. (15 points)
- The extent to which the proposed approach is feasible within the timeline and includes clear benchmarks and performance metrics to achieve the program goals. The extent to which the application includes a project approach and plan that builds upon the logic model and specifies the technology, care delivery, and policy interventions that will be initiated to achieve desired outcomes. The plan must clearly show the relationship of each element of the plan to each of the challenges identified. The plan must also include timelines, resources, partners, major milestones and align with the budget. (18 points)

Applicant Capabilities (10 points)

- Strength of evidence that the applicant brings the organizational and personnel capabilities needed for successful project implementation.
- Extent to which the applicant demonstrates support from key program partners and stakeholders, including participating providers, by including letters of commitment.

General Funding Requirements (34 points)

- Extent to which the program is broadly applicable to and/or replicable in other States, communities and nationwide and proposes a plan for disseminating results and scaling and replicating the approach. Extent to which the applicant plans to openly share and offer for re-use the technologies, best practices, and infrastructure developed through this program. Extent to which the applicant plans to use and participate in an open, transparent process to develop the program and share implementation experience as the program develops, including both successes and failures. (22 points)
- Extent to which the program is aligned with and supports the gaps, assets, strategies, and approaches in the state's strategic and operational plans. (6 points)
- Extent to which the applicant plans to contribute to identification of standards gaps and will adopt ONC specified and adopted standards, including standards for the Nationwide Health Information Network as well as standards adopted to certify EHRs to meet meaningful use. (6 points)

Budget, Level of Effort, and Justification (15 points)

- Extent to which the proposed levels of effort of the project director(s), key personnel and consultants are adequate to advance the project in accordance with the timelines.
- Extent to which the budget is justified with respect to the adequacy and reasonableness of resources requested, and the amount of the budget allocated to administration is minimized while still allowing coherent management of an integrated project.

B. Review Process

ONC will appoint multiple objective review panels of at least three unbiased experts each to review applications. These reviewers may be internal or external to HHS and will be qualified to review the approach and/or technical aspects of the application. As part of the objective review, all invited applications will:

- be independently reviewed and scored by each objective review panel member;
- be discussed and scored by the panel; and
- be documented with a written critique.

C. Considerations in Making Final Award Decisions

Final award decisions will be made by The National Coordinator for Health Information Technology. In making these decisions, the National Coordinator for Health Information Technology will take into consideration the application scores determined by the objective review panel; the breakthrough innovation potential of applications; the past performance of the applicants based on assessments by ONC Project Officers; geographic distribution of the potential awardees; the distribution of potential awardees across identified topics; the policy, technology, and other priorities of ONC and HHS; and availability of funds at the time of award.

Applicants have the option of omitting from the application specific salary rates or Social Security Numbers for individuals specified in the application budget.

D. Anticipated Announcement and Award Dates

ONC anticipates making award announcements regarding selected applications on January 31, 2011. The project periods for approved projects will begin on February 1, 2011.

VI. Award Administration Information

A. Award Notices

Each applicant will receive notification of the outcome of the review process outlined in Section V above, including whether the application was selected for supplemental funding. The authorized representative of the state or SDE selected for funding will be required to accept the terms and conditions placed on their application before funding can proceed. Letters of notification acknowledge that an award was funded, but do not provide authorization for the applicant to begin performance and expend funds associated with the award until the start date of the award as indicated in the notice. Applicants may request a summary of the objective review panel's assessment of the application's merits and weaknesses.

The Notice of Grant Award (NGA) contains details on the amount of supplemental funds awarded, the terms and conditions of the cooperative agreement, the effective date of the award, the budget period for which support will be given, the required match to be provided, and the total project period timeframe. This NGA is then signed by the ONC Grants Management Officer. The successful applicants' Authorized Representatives will receive the NGA electronically from ONC. The NGA is considered the official authorizing award document. Unsuccessful applicants are notified within 30 days of the final funding decision and will receive a disapproval letter via e-mail or U.S. mail.

B. Administrative and National Policy Requirements

The award is subject to HHS Administrative Requirements, which can be found in 45 CFR Part 74 and 92 and the Standard Terms and Conditions implemented through the HHS Grants Policy Statement located at <ftp://ftp.hrsa.gov/grants/hhsgrantspolicystatement.pdf>.

Post-Award Reporting Requirements

All reporting requirements will be provided to applicants of successful applications, adherence to which is a required condition of any award. In general, the successful applicant under this guidance must comply with the following reporting and review activities:

Audit Requirements

The recipient shall 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 at <http://www.whitehouse.gov/omb/circulars>.

Financial Status Reports

Until such time as HHS migrates to the SF-425 FFR, the recipient shall submit one final Financial Status Report (FSR) using form SF-269 annually (December 30) and at the end of the budget period. Failure to submit this report in a timely manner could affect future funding. The report is the accounting of expenditures under the project. More specific information on this reporting requirement will be included in the Notice of Award.

Performance Reports

The awardee shall submit semi-annual progress reports related to their projects and overall Project performance. A specific Performance Report format will be finalized between the awardee and ONC following the award date.

In accepting an ONC award, the recipient assumes legal, financial, administrative, and programmatic responsibility for administering the award in accordance with the terms and conditions of the award, as well as applicable laws, rules, regulations, and Executive Orders governing HHS assistance awards, all of which are incorporated into this award by reference. Failing to comply with these requirements may result in suspension or termination of the award and/or ONC's recovery of award funds.

Recovery Act-Specific Reporting

Quarterly Financial and Programmatic Reporting: Consistent with the Recovery Act's emphasis on accountability and transparency, reporting requirements under Recovery Act programs will differ from and expand upon HHS's standard reporting requirements for grants and cooperative agreements. In particular, Section 1512(c) of the Recovery Act sets out detailed requirements for quarterly reports that must be submitted within 10 days of the end of each calendar quarter. The information from recipient reports will be posted on a public website. To the extent that funds are available to pay a recipient's administrative expenses, those funds may be used to assist the recipient in meeting the accelerated time-frame and extensive reporting requirements of the Recovery Act.

Additional instructions and guidance regarding required reporting will be provided as they become available. For planning purposes, however, all applicants shall be aware that Recovery Act Section 1512(c) provides as follows regarding recipient reports:

- Not later than 10 days after the end of each calendar quarter, each recipient that received recovery funds from a federal agency shall submit a report to that agency that contain:
 - the total amount of recovery funds received from that agency;
 - the amount of recovery funds received that were expended or obligated to projects or activities; and
 - a detailed list of all projects or activities for which recovery funds were expended or obligated, including--
 - the name of the project or activity;

- a description of the project or activity;
 - an evaluation of the completion status of the project or activity;
 - an estimate of the number of jobs created and the number of jobs retained by the project or activity; and
 - for infrastructure investments made by state and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made under this Act, and name of the person to contact at the agency if there are concerns with the infrastructure investment.
- Detailed information on any sub-contracts or sub-grants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.
 - OMB guidance for implementing and reporting Recovery Act activities can be found at http://www.whitehouse.gov/omb/recovery_default/.
 - Information related to reporting the number of jobs created and the number of jobs retained as required by the Recovery Act is contained in Appendix F of the FOA for the original award under announcement number EP-HIT-09-001.

Cooperative Agreement Terms and Conditions of Award

Responsibilities

The respective roles and responsibilities under this supplement remain the same as those included as part of the original award under announcement number EP-HIT-09-001.

Performance and Implementation Requirements

Awards are subject to performance and implementation requirements to ensure alignment with interstate interoperability and state health information exchange plans as well as HHS policy and standards overall, including requirements issued throughout the performance period of this supplement.

Modifications and Amendments

Once a cooperative agreement is in place, requests to modify or amend the agreement or the work plan may be made by ONC or the recipient pursuant to HHS grant policy and regulations.

Intellectual Property

The Government reserves all rights granted by, and the recipient agrees to be bound by, HHS regulations regarding rights in intangible property, 45 C.F.R. § 74.3, which is specifically incorporated herein. Generally, the recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under this award. The Government reserves a royalty-free,

nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

Dispute Resolution

Both ONC and the recipient are expected to work in a collegial fashion to minimize misunderstandings and disagreements. Pursuant to 45 C.F.R. §74.3, ONC will resolve disputes by using alternative dispute resolution (ADR). ADR often is effective in reducing the cost, delay, and contentiousness involved in appeals and other traditional ways of handling disputes. ONC will determine the specific technique to be employed on a case-by-case basis. ADR techniques include mediation, neutral evaluation, and other consensual methods. The National Coordinator for Health IT will make final determinations pertaining to cooperative agreements based on the output of these resolution methods and in accordance with 45 C.F.R. Part 74.

Recovery Act Terms and Conditions

The following are the standard terms and conditions for Recovery Act grant programs.

HHS Standard Terms and Conditions

HHS award recipients must comply with all terms and conditions outlined in their award, including policy terms and conditions contained in applicable (HHS) Grant Policy Statements, and requirements imposed by program statutes and regulations and HHS grant administration regulations, as applicable, unless they conflict or are superseded by the terms and conditions implementing the Recovery Act's requirements below.

In addition to the standard terms and conditions of award, recipients receiving funds under Division A of the Recovery Act must abide by the terms and conditions set out below. The terms and conditions below concerning civil rights obligations and disclosure of fraud and misconduct are reminders rather than new requirements, but the other requirements are new and are specifically imposed for awards funded under the Recovery Act. Recipients are responsible for contacting their HHS grant/program managers for any needed clarifications.

Preference for Quick Start Activities

In using funds for this award for infrastructure investment, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of the Recovery Act. Recipients shall also use funds in a manner that maximizes job creation and economic benefit. (Recovery Act Sec. 1602)

Limit on Funds

None of the funds appropriated or otherwise made available in the Recovery Act may be used by any state or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool. (Recovery Act Sec. 1604)

Recovery Act: One-Time Funding

Unless otherwise specified, Recovery Act funding to existent or new recipients should be considered one-time funding.

Civil Rights Obligations

While the Recovery Act has not modified Awardees' civil rights obligations, which are referenced in the HHS Grants Policy Statement, these obligations remain a requirement of federal law. Recipients and sub-recipients of Recovery Act funds or other federal financial assistance must comply with Title VI of the Civil Rights Act of 1964 (prohibiting race, color, and national origin discrimination), Section 504 of the Rehabilitation Act of 1973 (prohibiting disability discrimination), Title IX of the Education Amendments of 1972 (prohibiting sex discrimination in education and training programs), and the Age Discrimination Act of 1975 (prohibiting age discrimination in the provision of services). For further information and technical assistance, please contact the HHS Office for Civil Rights at (202) 619-0403, OCRmail@hhs.gov, or <http://www.hhs.gov/ocr/civilrights/>.

Disclosure of Fraud or Misconduct

Each recipient or sub-recipient awarded funds made available under the Recovery Act shall promptly refer to the HHS Office of Inspector General any credible evidence that a principal, employee, agent, contractor, sub-recipient, sub-contractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds. The HHS Office of Inspector General can be reached at <http://www.oig.hhs.gov/fraud/hotline/>.

Recovery Act Transactions Listed in Schedule of Expenditures of Federal Awards and Recipient Responsibilities for Informing Sub-Recipients

- To maximize the transparency and accountability of funds authorized under the Recovery Act as required by Congress and in accordance with 45 CFR 74.21 "Uniform Administrative Requirements for Grants and Agreements", as applicable, and OMB A-102 Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of Recovery Act funds.
- For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," recipients agree to separately identify the expenditures for federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133. This shall be accomplished by identifying expenditures for federal awards made under the Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF-SAC by CFDA number, and inclusion of the prefix "ARRA-" in identifying the name of the federal program on the SEFA and as the first characters in Item 9d of Part III on the SF-SAC.
- Recipients agree to separately identify to each sub-recipient, and document at the time of sub-award and at the time of disbursement of funds, the federal award number, CFDA number, and

amount of Recovery Act funds. When a recipient awards Recovery Act funds for an existing program, the information furnished to sub-recipients shall distinguish the sub-awards of incremental Recovery Act funds from regular sub-awards under the existing program.

- Recipients agree to require their sub-recipients to include on their SEFA information to specifically identify Recovery Act funding similar to the requirements for the recipient SEFA described above. This information is needed to allow the recipient to properly monitor sub-recipient expenditure of Recovery Act funds as well as oversight by the federal awarding agencies, Offices of Inspector General and the Government Accountability Office.

Recipient Reporting

Reporting and Registration Requirements under Section 1512 of the Recovery Act:

- This award requires the recipient to complete projects or activities which are funded under the Recovery Act and to report on use of Recovery Act funds provided through this award. Information from these reports will be made available to the public.
- The reports are due no later than ten calendar days after each calendar quarter in which the recipient receives the assistance award funded in whole, or in part, by the Recovery Act.
- Recipients and their first-tier recipients must maintain current registrations in the Central Contractor Registration (<http://www.ccr.gov>) at all times during which they have active federal awards funded with Recovery Act funds. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (<http://www.dnb.com>) is one of the requirements for registration in the Central Contractor Registration.
- The recipient shall report the information described in Section 1512(c) using the reporting instructions and data elements that will be provided online at <http://www.FederalReporting.gov> and ensure that any information that is pre-filled is corrected or updated as needed.

Wage Rate Requirements under Section 1606 of the American Recovery and Reinvestment Act of 2009

Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Recovery Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

Pursuant to Reorganization Plan No. 14 and the Copeland Act, 40 U.S.C. 3145, the Department of Labor has issued regulations at 29 CFR Parts 1, 3, and 5 to implement the Davis-Bacon and related Acts. Regulations in 29 CFR 5.5 instruct agencies concerning application of the standard Davis-Bacon contract clauses set forth in that section. Federal agencies providing grants, cooperative agreements, and loans under the Recovery Act shall ensure that the standard Davis-Bacon contract clauses found in 29 CFR 5.5(a) are incorporated in any resultant covered contracts that are in excess of \$2,000 for construction, alteration or repair (including painting and decorating).

For additional guidance on the wage rate requirements of section 1606, contact your awarding agency. Recipients of grants, cooperative agreements and loans should direct their initial inquiries concerning the application of Davis-Bacon requirements to a particular federally assisted project to the Federal agency funding the project. The Secretary of Labor retains final coverage authority under Reorganization Plan Number 14.

VII. Agency Contacts

Program Contact:

Chris Muir
Senior Program Analyst
Office of the National Coordinator
for Health Information Technology
Department of Health and Human Services
330 C Street, S.W., Suite 1100
Washington, DC 20201
Tel: (202) 205-0470
Christopher.Muir@hhs.gov

Grant Management Contact:

Arlene Ramsey
Director, Operations Division
Office of Grants Management, Office of the
National Coordinator for Health Information
Technology
Department of Health and Human Services
330 C Street, S.W., Suite 1305
Washington, DC 20201
Washington, D.C. 20201
Tel: (202) 205-8615
Arlene.Ramsey@hhs.gov

VIII. Other Information

This funding announcement is subject to restrictions on oral conversations during the period of time commencing with the submission of a formal application by an individual or entity and ending with the award of the competitive funds. Federal officials may not participate in oral communications initiated by any person or entity concerning a pending application for a Recovery Act competitive grant or other competitive form of federal financial assistance, whether or not the initiating party is a federally registered lobbyist. This restriction applies unless:

- the communication is purely logistical;
- the communication is made at a widely attended gathering;
- the communication is to or from a federal agency official and another federal Government employee;
- the communication is to or from a federal agency official and an elected chief executive of a state, local, or tribal government, or to or from a federal agency official and the Presiding Officer or Majority Leader in each chamber of a state legislature; or
- the communication is initiated by the federal agency official.

For additional information, see:

http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-24.pdf

Appendix A. Budget Detail Guidance

The purpose of this appendix is to provide guidance to applicants on completing budget justifications. Justifications must include supporting detail and narrative justification for the costs proposed. Sufficient detail should be provided to document costs as they pertain to the administration of the project. The applicant is responsible for ensuring that the narrative and justification are sound and clearly provide all required information. The budget detail must include an itemized breakout of proposed costs and sub-total of these costs for each Object Class Category listed in the template below. In addition, it must include a breakout of proposed costs by whether they will be funded through Federal funding or Non-Federal Match.

SAMPLE BUDGET AND NARRATIVE JUSTIFICATION FOR COMPLETING SF 424A

A. Personnel:

An employee of the applying agency whose work is tied to the application

TABLE 1: FEDERAL REQUEST

Position	Name	Annual Salary/Rate	Level of Effort	Cost
Program Director	John Doe	\$64,890	10%	\$6,489
Project Coordinator	To be selected	\$46,276	100%	\$46,276
			TOTAL	\$52,765

NARRATIVE JUSTIFICATION: Enter a description of the Personnel funds requested and how their use will support the purpose and goals of this proposal. Be sure to describe the role, responsibilities and unique qualifications of each position.

TABLE 2: NON-FEDERAL MATCH

Position	Name	Annual Salary/Rate	Level of Effort	Cost
Clerical Support	Susan Johnson	\$13.38/hr x 100 hr.		\$1,338
			TOTAL	\$1,338

NARRATIVE JUSTIFICATION: Enter a description of the Personnel matching funds provided and how their use will support the purpose and goals of this proposal. Be sure to describe how your matching funds will help sustain and enhance your Federal budget request.

SOURCE OF MATCH FUNDS: State source of match funds

FEDERAL REQUEST (enter in Section B column 1 line 6a of form SF424A): **\$52,765**

NON-FEDERAL MATCH (enter in Section B column 2 line 6a of form SF424A): **\$1,338**

**SAMPLE BUDGET AND NARRATIVE JUSTIFICATION
FOR COMPLETING SF 424A**

B. Fringe Benefits:

Fringe benefits may include contributions for social security, employee insurance, pension plans, etc. Only those benefits not included in an organization's indirect cost pool may be shown as direct costs.

List all components of fringe benefits rate.

TABLE 3: FEDERAL REQUEST

Component	Rate	Wage	Cost
FICA	7.65%	\$52,765	\$4,037
Workers Compensation	2.5%	\$52,765	\$1,319
Insurance	10.5%	\$52,765	\$5,540
		TOTAL	\$10,896

NARRATIVE JUSTIFICATION: Enter a description of the Fringe funds requested, how the rate was determined, and how their use will support the purpose and goals of this proposal.

TABLE 4: NON-FEDERAL MATCH

Component	Rate	Wage	Cost
FICA	7.65%	\$1,338	\$102
Workers Compensation	2.5%	\$1,338	\$33
Insurance	10.5%	\$1,338	\$140
		TOTAL	\$275

NARRATIVE JUSTIFICATION: Enter a description of the Fringe matching funds provided, how the rate was determined, and how their use will support the purpose and goals of this proposal. Be sure to describe how your matching funds will help sustain and enhance your Federal budget request.

SOURCE OF MATCH FUNDS: State source of match funds

FEDERAL REQUEST (enter in Section B column 1 line 6b of form SF424A): **\$10,896**

NON-FEDERAL MATCH (enter in Section B column 2 line 6b of form SF424A): **\$275**

**SAMPLE BUDGET AND NARRATIVE JUSTIFICATION
FOR COMPLETING SF 424A**

C. Travel:

Explain need for all travel required by this application. The lowest available commercial fares for coach or equivalent accommodations must be used. Local travel policies prevail.

TABLE 5: FEDERAL REQUEST

Purpose of Travel	Location	Item	Rate	Cost
HIT Conference	Washington, DC	Airfare	\$200/flight x 2 persons	\$400
		Hotel	\$200/night x 2 persons x 3 nights	\$1,200
		Per Diem (meals)	\$64/day x 2 persons x 3 days	\$384
HIT Forum	Chicago, IL	Airfare	\$200/flight x 2 persons	\$400
		Hotel	\$140/night x 2 persons x 3 nights	\$840
		Per Diem (meals)	\$49/day x 2 persons x 4 days	\$392
Local Travel		Mileage	3,000 miles@.38/mile	\$1,140
			TOTAL	\$4,756

NARRATIVE JUSTIFICATION: Describe the purpose of travel and how costs were determined.

TABLE 6: NON-FEDERAL JUSTIFICATION

Purpose of Travel	Location	Item	Rate	Cost
Regional Training Conference	Chicago, IL	Airfare	\$300/flight x 2 persons	\$600
		Hotel	\$155/night x 2 persons x 2 nights	\$620
		Per Diem (meals)	\$46/day x 2 persons x 2 days	\$184
Local Travel	Outreach workshops	Mileage	400 miles x .38/mile	\$152
			TOTAL	\$1,556

NARRATIVE JUSTIFICATION: Enter a description of the Travel matching funds provided and how their use will support the purpose and goals of this proposal. Be sure to describe how your matching funds will help sustain and enhance your Federal budget request.

SOURCE OF MATCH FUNDS: State source of match funds

FEDERAL REQUEST (enter in Section B column 1 line 6c of form SF424A): **\$4,756**

NON-FEDERAL MATCH (enter in Section B column 2 line 6c of form SF424A): **\$1,556**

**SAMPLE BUDGET AND NARRATIVE JUSTIFICATION
FOR COMPLETING SF 424A:**

D. Equipment:

Permanent equipment is defined as nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more.

If applicant agency defines “equipment” at lower rate then follow the applying agency’s policy.

TABLE 7: FEDERAL REQUEST

Item(s)	Rate	Cost
None		0
	TOTAL	

NARRATIVE JUSTIFICATION: Enter a description of the Equipment and how its purchase will support the purpose and goals of this proposal.

TABLE 8: NON-FEDERAL MATCH

Item(s)	Rate	Cost
None		0
	TOTAL	0

NARRATIVE JUSTIFICATION: Enter a description of the Equipment match provided and how its purchase will support the purpose and goals of this proposal. Be sure to describe how your matching funds will help sustain and enhance your Federal budget request.

FEDERAL REQUEST (enter in Section B column 1 line 6d of form SF424A): **\$ 0**

NON-FEDERAL MATCH (enter in Section B column 2 line 6d of form SF424A): **\$ 0**

**SAMPLE BUDGET AND NARRATIVE JUSTIFICATION
FOR COMPLETING SF 424A:**

E. Supplies:

Materials costing less than \$5,000 per unit and often having one-time use

TABLE 9: FEDERAL REQUEST

Item(s)	Rate	Cost
General office supplies	\$50/mo. x 12 mo.	\$600
Postage	\$37/mo. x 8 mo.	\$296
Laptop Computer	\$900	\$900
Printer	\$300	\$300
Projector	\$900	\$900
Copies	8000 copies x .10/copy	\$800
Computer update (if needed)		\$250
	TOTAL	\$4,046

NARRATIVE JUSTIFICATION: Enter a description of the Supplies requested and how their purchase will support the purpose and goals of this proposal.

TABLE 10: NON-FEDERAL MATCH

Item(s)	Rate	Cost
Computer	\$500	\$500
Postage	\$37/mo. x 4 mo	\$148
	TOTAL	\$648

NARRATIVE JUSTIFICATION: Enter a description of the Supplies match provided and how their purchase will support the purpose and goals of this proposal. Be sure to describe how your matching funds will help sustain and enhance your Federal budget request.

SOURCE OF MATCH: State source of match funds

FEDERAL REQUEST (enter in Section B column 1 line 6e of form SF424A): **\$4,046**

NON-FEDERAL MATCH (enter in Section B column 2 line 6e of form SF424A): **\$648**

**SAMPLE BUDGET AND NARRATIVE JUSTIFICATION
FOR COMPLETING SF 424A:**

F. Contractual:

The costs of project activities to be undertaken by a third-party contractor should be included in this category as a single line item charge. A complete itemization of the cost comprising the charge should be attached to the budget. If there is more than one contractor, each must be budgeted separately and must have an attached itemization.

A contract is generally the amount paid to non-employees for services or products. A consultant is a non-employee who provides advice and expertise in a specific program area.

TABLE 11: FEDERAL REQUEST

Name		Cost
1. To be selected	Environmental Strategy Consultation Rate is \$150/day for 35 days = \$5,250 Travel 500 miles @ .38/mile = \$190	\$5,440
2. To be selected	Data Analysis	\$6,300
	TOTAL	\$11,740

NARRATIVE JUSTIFICATION: Explain the need for each agreement and how their use will support the purpose and goals of this proposal. For those contracts already arranged, please provide the proposed categorical budgets. For those subcontracts that have not been arranged, please provide the expected Statement of Work, Period of Performance and how the proposed costs were estimated and the type of contract (bid, sole source, etc.)

TABLE 12: NON-FEDERAL MATCH

Name	Service	Cost
1.	University Service contract	\$25,200
	TOTAL	\$25,200

NARRATIVE JUSTIFICATION: Explain the need for each match contract agreement and how their use will support the purpose and goals of this proposal. Be sure to describe how your matching funds will help sustain and enhance your Federal budget request.

SOURCE OF MATCH FUNDS: State source of match funds

FEDERAL REQUEST (enter in Section B column 1 line 6f of form SF424A): **\$11,740**

NON-FEDERAL MATCH (enter in Section B column 2 line 6f of form SF424A): **\$25,200**

**SAMPLE BUDGET AND NARRATIVE JUSTIFICATION
FOR COMPLETING SF 424A:**

G. Construction: NOT ALLOWED

On your SF424A, leave the following section blank: Section B columns 1&2 line 6g

H. Other: Expenses not covered in any of the previous budget categories

TABLE 13: FEDERAL REQUEST

Item	Rate	Cost
1. Rent	\$500/mo x 12 mo.	\$6,000
2. Telephone	\$100/mo. x 12 mo.	\$1,200
3. Surveys	\$1/survey x 2,784	\$2,784
4. Brochures	.89/brochure X 1,500 brochures	\$1,335
5. Web Service	\$100/mo x 12 mo	\$1,200
	TOTAL	\$12,519

NARRATIVE JUSTIFICATION: Explain the need for each item and how their use will support the purpose and goals of this proposal. Be sure to break down costs into cost/unit: i.e. cost/square foot and explain the use of each item requested.

TABLE 14: NON-FEDERAL MATCH

Item	Rate	Cost
1. Space rental	Varies between \$75/event to over \$300/event	\$8,300
2. Printing	\$300/run x 6 runs	\$1,800
3. Transition program for youth & parents	1 person x \$25/hr. x 3 hrs = \$75 100 parent packets x \$3.50/packet = 350	\$425
4. Health Fair	Coordination and administration MOU demonstrates breakout of services	\$1,500
5. Physician/Health Provider diagnostic tools and training	Coordination and administration MOU demonstrates breakout of services	\$2,000
	TOTAL	\$14,025

NARRATIVE JUSTIFICATION: Explain the need for each match item and how their use will support the purpose and goals of this proposal. Be sure to break down costs into cost/unit: i.e. cost/square foot and explain the use of each item requested. Be sure to describe how your matching funds will help sustain and enhance your Federal budget request.

SOURCE OF MATCH FUNDS: State source of match funds

FEDERAL REQUEST (enter in Section B column 1 line 6h of form SF424A): **\$12,519**

NON-FEDERAL MATCH (enter in Section B column 2 line 6h of form SF424A):**\$14,025**

**SAMPLE BUDGET AND NARRATIVE JUSTIFICATION
FOR COMPLETING SF 424A:**

TOTAL DIRECT COSTS: \$139,764

FEDERAL REQUEST (enter in Section B column 1 line 6i of form SF424A): **\$96,722**

NON-FEDERAL MATCH (enter in Section B column 2 line 6i of form SF424A): **\$43,042**

TOTAL INDIRECT COSTS: \$4,526

FEDERAL REQUEST (enter in Section B column 1 line 6j of form SF424A): **\$4,526**

NON-FEDERAL MATCH (enter in Section B column 2 line 6j of form SF424A): **\$0**

TOTAL PROJECT COSTS: \$144,290(*Sum of Total Direct Costs and Indirect Costs*)

FEDERAL REQUEST (enter in Section B column 1 line 6k of form SF424A): **\$101,248**

NON-FEDERAL MATCH (enter in Section B column 2 line 6k of form SF424A): **\$43,042**

TABLE 15: BUDGET SUMMARY

Category	Federal Request	Non-Federal Match	Total
Personnel	\$52,765	\$1,338	\$54,103
Fringe	\$10,896	\$275	\$11,171
Travel	\$4,756	\$1,556	\$6,312
Equipment	0	0	0
Supplies	\$4,046	\$648	\$4,694
Contractual	\$11,740	\$25,200	\$36,940
Other	\$12,519	\$14,025	\$26,544
Total Direct Costs	\$96,722	\$43,042	\$139,764
Indirect Costs	\$4,526	\$0	\$4,526
Total Project Costs	\$101,248	\$43,042	\$144,290

Key Points to Consider When Completing Budget Detail

Personnel

- Is the basis for determining each employee's compensation described (*annual salary and % time devoted*)?
- Is each position identified by title/responsibility?
- Are time commitments and the amount of compensation stated and reasonable?
- Are salary increases anticipated during the grant period and are they justified (*COLA, etc.*)?
- Are any personnel costs unallowable?
 - Dual Compensation
 - Federal Employee

Fringe Benefits

- Is the amount specified as a separate line item?
- Is each type of benefit indicated separately or does the organization have an approved fringe benefit rate?
- Are fringe increases contemplated during the grant period?
- Are any fringe costs unallowable?

Travel

- Is the basis for computation provided?
- Is the travel necessary for the purpose of the program?
- Are travel costs separately identifiable and reasonable (transportation, hotel, meals, and mileage)?
- Does the organization have a written travel policy? Is this travel policy being followed?
- If no written policy—must follow Federal guidelines.

Equipment

- Are equipment items specified by unit and cost?
- Is the request reasonable and allowable under the project?
- Does the organization have a procurement policy in place?
- Is a lease vs. purchase study necessary (*vehicles, large items of equipment*)?
- Are purchases distinguishable from rentals?

Supplies

- Are supplies listed separately?
 - Office
 - Training
 - Research
 - Other types of supplies
- How was cost determined?
- Is the basis for the cost reasonable?

- Monthly estimates are sufficient
- Are costs consistently treated?

Contractual

- Is the type of each service to be rendered described?
- For Consultants/Individuals
 - Is an hourly, daily or weekly base rate given?
 - Are rates allowable, justified, reasonable and comparable to market?
- Is the total amount for any contract in excess of \$100,000?
 - Is procurement method described?
 - If the contract is not competitively bid, has a sole source justification been provided?

Note: The competitive process must be used if goods and services will be provided through a contract (e.g., vendor or consultant). All costs associated with contracts should be included in this category. Subawards are made to entities carrying out part of the program effort, goals and objectives. Subawards are to be listed individually in the “Other” cost category.

Other

- Are items listed by major type (space rental, printing, phone, maintenance, etc.)?
- Are all costs justified, reasonable and allowable?
- Reasonable basis for costs?
- List each subaward and amount of award
- Provide description of activities to be performed
- Describe method used to select the subaward and type of agreement to be awarded
- Provide a separate budget and budget narrative for each subaward

Note: Costs for contractual arrangements (vendors, consultants) should be budgeted in the “Contractual” cost category.