Application Cover Sheet

IDENTIFYING INFORMATION

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

DUNS#: 103123290 Grant Award:____________________

Applicant: Benefits Administration, TN Department of Finance and Administration

Primary Contact Person, Name: Brian Haile

Telephone Number: 615-253-8555 Fax Number: 615-253-8556

Email address: brian.haile@tn.gov

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
BENEFITS ADMINISTRATION
312 Rosa L. Parks Avenue
Suite 2600 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243
Phone (615) 741-4517 or (800) 253-9981
FAX (615) 253-8556

Dave Goetz
COMMISSIONER

Laurie Lee
EXECUTIVE DIRECTOR

August 31, 2010

Jay Angoff
Director, Office of Consumer Information and Insurance Oversight
Office of the Secretary
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Director Angoff,

I am pleased to enclose Tennessee's proposal for the State Planning and Establishment Grants for the Affordable Care Act's Exchanges. We are submitting this proposal in response to Funding Opportunity Number IE-HBE-10-001.

As required by the grant announcement, I also wanted to include the following information with our cover letter:

Project Title:
Tennessee Planning Initiative for the PPACA Health Insurance Exchange

Applicant Name:
Benefits Administration, Tennessee Department of Finance & Administration

Principal Investigator/Project Director Name:
Brian Haile
Deputy Director, Benefits Administration
Department of Finance and Administration
Tennessee Tower, 26th Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102
(615) 253-8555 office
(615) 253-8556 fax
brian.haile@tn.gov

Thank you for this opportunity to apply for this funding opportunity. We look forward to working with you and your staff on this critical planning initiative.

Sincerely,

Brian Haile

Brian Haile
Deputy Director

Enclosure

PHIL BREDESEN
THE GOVERNOR OF TENNESSEE

31 August 2010

Mr. Jay Angoff, Director
Office of Consumer Information and Insurance Oversight
U.S. Department of Health and Human Services
Office of the Secretary
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Mr. Angoff:

I am pleased to write this letter of support for the State of Tennessee's proposal for the State Planning and Establishment Grants for the Affordable Care Act's Exchanges pursuant to Funding Opportunity Number IE-HBE-10-001.

My endorsement of this proposal does not prejudge how the next Governor will approach any of the policy and operational issues with state health insurance exchanges when he takes office on January 15, 2011. The activities in this proposal should give the new Governor and his team the thoughtful policy analysis required for them to make informed decisions. I believe that the new Governor will find this work invaluable, particularly given the compressed decision timeframe and the volume and importance of the key decisions regarding program integration, regulatory changes, governance structure, funding mechanisms, finance, and other matters related to exchanges. Indeed, we developed this proposal keenly aware of the needs related to the upcoming gubernatorial transition.

As indicated in our proposal, I have designated Benefits Administration, which is part of Tennessee's Department of Finance and Administration, to serve as the lead agency in this planning process. Benefits Administration will be responsible for carrying out the activities described in the State's application, if approved and funded. Brian Haile and other staff members within Benefits Administration will closely coordinate the analyses and other grant activities with relevant agency stakeholders, including the Commissioner of Finance and Administration, the Commissioner of Commerce and Insurance, the Commissioner of Human Services, the Director of the Bureau of TennCare, and the Executive Director of Benefits Administration. For reference, all of these individuals (along with the Deputy Governor) currently serve on an informal PPACA Working Group, which is chaired by Tam Gordon, my Special Assistant and advisor. All of these individuals have reviewed and are committed to the approach outlined in our proposal.

The funding announcement requires that the Governor of the applying State must (a) endorse the grant application and the proposed planning activities and (b) express a sincere commitment to conduct activities in order to assess whether the State will establish an Exchange. I strongly believe that this grant proposal will enable Tennessee to assess its options with regard to the health insurance exchanges – and I, the members of the PPACA Working Group, and the staff of Benefits Administration are committed to using these funds for an objective, dispassionate policy assessment. For this reason, I endorse and support the activities as described in the enclosed proposal and its attachments.

Sincerely,

Phil Bredesen

Project Abstract

On behalf of the State of Tennessee, Benefits Administration, the Department of Finance and Administration, seeks a total of $1,000,000.00 in federal funds for the Tennessee Planning Initiative for the PPACA Health Insurance Exchange. The goals of the project are to identify upcoming key decision points, research legal and policy alternatives, and make the necessary recommendations to current state officials and the incoming Governor-elect. The existing PPACA Working Group, which includes representatives from the Governor's office, Benefits Administration, the Department of Finance and Administration, the Department of Commerce & Insurance, the Department of Human Services, and the Bureau of TennCare, will continue its planning efforts and oversee project activities.

The change in executive leadership which will occur in January 2011 highlights the critical need for this project. Should Tennessee elect to operate an Exchange, we would need to secure executive agreement on many major policy decisions in the near-term in order to meet the January 1, 2014 implementation deadline. We have, therefore, structured the proposed planning activities in a way that will yield sufficiently detailed information and recommendations to allow the Governor and Governor-Elect to provide definitive guidance no later than July 1, 2011 on key policy areas.

The funds from this grant will support the Project Director, Policy Analyst, and part-time administrative support. These individuals will procure and manage consulting contracts to provide analysis and technical support. While no direct or in-kind contribution is required, Tennessee will supplement the project team and consultants with additional staff resources. Working together, these individuals will produce a series of policy briefs and other project deliverables to inform the decision-making process.

The planning effort supported by this grant will also afford stakeholders the opportunity to provide input on the key questions. These include matters related to insurance market reform, program integration, governance and management, technical and operational issues, and financial and revenue matters related to the Exchange. Through online publications, public comment forums, and multiple "listening sessions," we will gather valuable input statewide to ensure broad public participation and transparency.

Particularly in the context of the upcoming gubernatorial transition, we believe that this project will optimize the state's ability to determine and implement its policy choices, in order to expand affordable health insurance options for uninsured Tennesseans.

Project Narrative

Overview

As a contextual matter, Tennessee's planning process will take place in the middle of the state's gubernatorial election in November 2010 and related Executive transition. We have, therefore, synchronized our timeline with that of the upcoming transition. Governor Bredesen's key policy staffers are also reaching out to both the Democratic and Republican candidates to seek their input and keep them apprised of the developments related to health reform in general and the Exchange in particular. This approach is consistent with the way in which Governor Bredesen worked with the candidates regarding Tennessee's recent successful "Race to the Top" education reform proposal. These ongoing efforts should allow for a seamless progression between administrations and with each of our planning process elements.

Should Tennessee elect to operate an Exchange, we would need to secure executive agreement on many major policy decisions in the near-term in order to meet the January 1, 2014 implementation deadline. Thus, we have structured the proposed planning activities in a way that will yield sufficiently detailed information and recommendations to allow the Governor and Governor-Elect to make the necessary policy decisions no later than July 1, 2011 on the following key areas:

- Broad market structure (e.g., whether to consolidate individual and small group markets);

- Functions of the Exchange (e.g., role with market organization, benefit standardization, selective purchasing, etc.);
- Eligibility and enrollment (for Medicaid, tax credits, related plan selection and enrollments, and personal exemptions);
- Interface with CoverTennessee initiatives (e.g., whether to offer modified CoverTN as Basic Health Plan);
- Governance of the Exchange;
- Role of brokers/agents;
- Revenue source(s) for the Exchange (which must be self-sufficient by 2015);
- Requirements for authorizing legislation (if needed); and
- Communications efforts (outreach and awareness).

The funds from this grant will support the Project Director, Policy Analyst, and part-time administrative support. These individuals will procure and manage consulting contracts to provide analysis and technical support. While no direct or in-kind contribution is required, Tennessee will supplement the project team and consultants with additional staff resources. Working together, these individuals will produce a series of policy briefs and other project deliverables to inform the decision-making process.

Background Research

As an initial matter, the Project Director will begin work on an overview of health insurance Exchanges with annotated summary of the relevant PPACA provisions and implementing regulations and federal guidance (to the extent that these are available). These materials will comprise Policy Brief #1 as described in the "Workplan and Timeline" section. We then plan to focus our other background analyses on several threshold issues, including:

1. To what extent would Qualified Health Plans be subject to state insurance mandated benefit requirements in Title 56 (as they exist today) - and what are the related costs to the State for such mandates given PPACA Section 1311(d)(3)?
2. To what extent does the Exchange face legal risks associated with the federally-required TennCare[1] eligibility determinations?
3. What analytical process would yield the "best" answer as to whether Tennessee should consolidate the individual and small-group markets? What data sources can we use for the related analyses?

The Department of Commerce and Insurance and the Bureau of TennCare will use internal resources to answer the first two questions and produce Analyses I and II as described in the "Workplan and Timeline" section.

We plan to use grant funds to cover the costs of external consultants to pay for actuarial and other analytical services to answer the first and third questions (and the follow-on analysis to answer the underlying policy questions as to whether the State should merge these markets and construct the Exchange

[1] TennCare is the name of Tennessee's Medicaid program.

in the resulting market context). In terms of deliverables, these consultants will assist in producing Analysis I and will produce Analysis III.

Stakeholder Involvement

With respect to internal stakeholders, the Governor has already convened a PPACA Working Group under the leadership of his Special Assistant, Tam Gordon and Deputy Governor John Morgan. They now convene a biweekly meeting with Darin Gordon, Director of the Bureau of TennCare; Laurie Lee, Executive Director of Benefits Administration; Brian Haile, Deputy Director of Benefits Administration; Gina Lodge, Commissioner of Human Services; Leslie Newman, Commissioner of Commerce & Insurance; Dave Goetz, Commissioner of Finance and Administration. This group will continue to meet to discuss this and other health reform initiatives; it will also provide internal oversight for the planning grant activities.

The involvement of external stakeholders is complicated by the timing of the next gubernatorial election in November 2010. Cognizant of the upcoming transition, Commissioner Newman has convened an informal group of industry stakeholders to keep them apprised of health reform developments at the state level. She has also agreed to develop and recommend a framework to collect and consolidate more formal industry input regarding the Exchange, specifically around structure, market reform, and adverse selection questions. The PPACA group will provide this and related recommendations to the Governor and

Governor-Elect (as part of Policy Brief #2) in early 2011 and proceed at their direction.

We envision that all key stakeholders (e.g., agents and brokers, regulated insurers, third party administrators, health care providers, small business interests, local governments, regional coalitions of business groups of health, and community and religious organizations) will have ample opportunity to provide early input and ongoing feedback about the state's plans (including the deliverables developed with this grant funding) for an insurance Exchange. Specifically, we imagine that we will "publish" and disseminate policy briefs and working papers online and request public comment; we will also convene a series of approximately seven "listening sessions" across the state during which we will receive input from stakeholders and the public at large.

Consistent with the grant requirements, we will facilitate the active participation of individuals who have one or more disabilities or long-term illnesses as well as their family members. Specifically, we will hold all public meetings in venues with access for the disabled and sign-language interpreter services as needed; we will also work to include these after regular business hours to allow for maximum attendance and input.

Program Integration

Through this planning process, we will define the interplay between the new health insurance Exchange and both the (a) existing TennCare program and

(b) the CoverTennessee initiatives.[2] Additionally, we will evaluate the feasibility of using the health insurance Exchange as an enrollment mechanism for TennCare's managed care organizations and CoverTennessee's benefit options. We will also explore the possibility of using the health insurance Exchange as a portal for our annual open enrollment event for our public sector plans, which currently cover 275,000 public employees, retirees and their dependents. Over time, we believe that the health insurance Exchange could serve as an open enrollment tool for other self-funded plans (for both public and private employees), though we will confine our short-term analyses to the health benefit plans that the State currently sponsors and/or administers. We anticipate using grant funds to support consulting assistance to complement our internal efforts as we prepare the relevant deliverable, Policy Brief #3.

Resources and Capabilities

The organizational and resource requirements of the Exchange will largely be a function of its mission and scope of responsibilities. We intend to focus first on the broader question of how we should align the overall TennCare, insurance market, and economic development policy goals with those of the Exchange. Based on the direction provided by the Governor and Governor-Elect to these questions (and the decision as to whether Tennessee should operate its own Exchange), we plan to detail the necessary activities and determine which functions should be within the purview of an Exchange and which functions

[2] For reference, the CoverTennessee initiatives were launched in 2007 and include CoverKids (the SCHIP program), CoverRx (a state pharmacy assistance program), CoverTN (A limited benefit plan) and AccessTN (a high risk pool).

should be allocated elsewhere. Finally, we will begin to explore the "make or buy" questions to determine which (if any) functions should the Exchange perform itself and which it should outsource through a competitive procurement process. While we envision this being largely an internal effort, we will use grant funds for substantial consulting assistance. Specifically, we plan to use consultants to help us define any contractual specifications and general parameters as we draft Policy Briefs #3 and #4.

Governance

As indicated above, we plan to focus initially on the broader policy questions and allocation of functions before moving to the question of governance. Once we make recommendations and receive approval from the Governor and Governor-Elect on these over-arching questions, we will assess whether Tennessee should run its own Exchange, and if so, whether it should operate as a governmental entity, a quasi-independent agency, a non-profit, etc. We anticipate that this work will take place in early 2011. While we envision this being largely an internal effort, we will use a limited amount of grant funds to fund consultants who will draft specific governance documents and related materials; these consultants will also provide assistance with Policy Brief #5.

Fortunately, we have several legal and organizational models from which to borrow. For example, TennCare currently functions as a division of a state department and contracts with another department to perform eligibility and external health plans for service delivery. In contrast, Benefits Administration manages the public sector plans and the high risk pool, both of which are governed by independent, statutorily-created boards. Additionally, the State works closely with at least two not-for-profit corporations whose mission is to provide affordable health care coverage to Tennessee residents. We plan to evaluate the advantages and disadvantages of each governance structure in the context of the broad policy objectives and the need to ensure transparency and accountability.

Finance

With respect to accounting and auditing standards, we envision a structure that would be subject to standards at least as rigorous as those in state law and adopted by the State Comptroller. Likewise, we envision an entity that would be subject to the same or similar transparency requirements as in the state Open Meetings Act and Open Records Act (TCA §§ 8-44-101 *et seq.* and 10-7-501 *et seq.*, respectively). In the event we recommend that the Exchange function as an independent not-for-profit entity, we would also likely recommend specific articles and by-laws that incorporate these or commensurate accountability and transparency standards. Our intent is to use internal resources within the Department of Finance & Administration for this work as we develop Policy Briefs #5 and #6.

Technical Infrastructure

Through this process, we will evaluate the extent to which any Exchange should build off of the online FindHelpTN screening tool, which is available at www.tn.gov/findhelptn. This tool already screens individuals for health, social services, and income support programs with an efficient, minimally intrusive questionnaire. Additionally, we will determine how we might use the Department of Human Service's new online application form for TennCare, Food Stamps, and Temporary Assistance for Needy Families (TANF), which is available at https://fabenefits.dhs.tn.gov, as one possibility to adjudicate eligibility. We hope to leverage these recent efforts to streamline and better integrate such programs with the new health insurance Exchange mechanism. The Bureau of TennCare and the Department of Human Service have already convened an eligibility working group to develop recommendations in this regard, and we will rely on that group for most of this work. Policy Brief #6 is the deliverable associated with this effort.

With respect to program integrity, we will explore how we can use various federal and state data Exchanges (e.g., SAVE, IEVS, BEERS, New Hires, BENDEX, SDX, UCB etc.) to provide real-time verification checks for tax credit, Medicaid, SCHIP and other program eligibility determinations. Given the technical nature of these discussions, we plan to use grant funds for consulting services to complement our internal efforts to assess these options.

Business Operations

During the planning period we will evaluate whether an Exchange should function more as a market organizer (as in the case of Utah) or as a selective purchaser (as in Massachusetts). To the extent that Tennessee elects to operate its own Exchange, we will also make recommendations as to how the Exchange could narrow choices for consumers through data sorting tools and/or contracting standards over-and-above state insurance regulatory requirements. Further, we may make general recommendations regarding the standardization of certain cost-sharing features and disclosure requirements so as to make the plans on the Exchange more easily comparable for consumers. To the extent that the Exchange in Tennessee assumes a "selective purchaser" function, we would also recommend the permissible preconditions and the general selection criteria for qualified health plans that the Exchange could use. While we envision this being largely an internal effort, we will use a grant funds to fund consultants who will provide policy advice for Policy Brief #7 and draft specific governance documents and related materials.

Regulatory or Policy Actions

Having received general direction from the Governor regarding the core policy issues, we will develop the necessary enabling legislation and appropriations language (if any) required to implement the Exchange. We will work closely with the General Counsels of the Department of Finance & Administration and the Department of Commerce and Insurance, Office of Legal

Counsel to the Governor, and the Office of the Attorney General to finalize recommendations in this regard. We will also coordinate these efforts with the broader insurance regulatory changes by working closely with the General Counsel of the Department of Commerce & Insurance. Policy Brief #5 will include these recommendations.

Workplan and Timeline

The draft workplan and timeline below illustrate how we intend to operationalize the planning process described above.

Date	Deliverable/Event	Responsible Party
October 4, 2010	**Formal comments** on health insurance Exchanges due to HHS.	Project Director
October 4, 2010	**Policy Brief #1:** Health Insurance Exchange overview with annotated summary of the bill and implementing regulations (for Governor)	Project Director
October 4, 2010	**Procurement A:** RFP for actuarial consulting services	Project Director
October 4, 2010	**Procurement B:** RFP for technical and policy consulting services	Project Director
Late 2010	**Analysis I:** Implications of state insurance mandates to Qualified Health Plans	Department of Commerce & Insurance General Counsel/Consulting Group A
Late 2010	**Execution of contracts** with Consulting Group A (actuarial consultants) and Consulting Group B (technical and policy consultants)	Project Director
Late 2010/ Early 2011	**Policy Brief #2:** Recommendations on analytic approach for insurance market merger question, stakeholder input (for Governor and Governor-Elect)	Project Director with support from Consulting Group A and Commissioner Newman
Early 2011	**Analysis II:** Legal questions relating Medicaid and SCHIP eligibility determinations related to existing settlement orders and the Exchange	Bureau of TennCare General Counsel and external legal counsel
Early 2011	**Policy Brief #3:** Recommendations on alignment of TennCare, insurance market, and economic development policy goals with Exchange (for Governor and Governor-Elect)	Project Director with support from Consulting Group B
Early 2011	**Policy Brief #4:** Recommendations as to whether Tennessee should operate Exchange and, if so, allocation of functions among relevant stakeholders (for Governor	Project Director with support from Consulting Groups A & B

	and Governor-Elect)	
April 2011	**Analysis III:** Study of individual and small group market merger and implications for the Exchange (for new Governor)	Consulting Group A
April/May 2011	**Policy Brief #5:** Recommendations for Exchange governance, revenue sources, and legislation, if applicable (for new Governor)	Project Director and Consulting Groups A & B
Summer 2011	**Policy Brief #6:** Recommendations on eligibility and operational issues in Exchange (for new Governor)	TennCare-DHS Working Group and Project Director (with support from Consulting Group B)
Summer 2011	**Policy Brief #7:** Recommendations on Exchange policy and contracting questions (for new Governor)	Project Director (with support from Consulting Groups A & B)
Summer/Fall 2011	**Public comment period** and listening sessions across the state	Project Director

Budget Narrative

We request $1,000,000.00 in total federal funds for the project, broken down as detailed below.

Personnel & Fringe Benefits - [redacted]

We request [redacted] to support the salaries and [redacted] to support the benefits of three staff members, who will largely focus on this planning initiative for the grant period. These individuals include:

- Project Director (0.8 FTE) - Brian Haile, currently Deputy Director of Benefits Administration, Department of Finance & Administration;
- Policy Analyst (0.8 FTE) - [redacted] and
- Administrative Assistant (0.5 FTE) - [redacted]

The State will supplement the efforts of these individuals with other staff resources, including Susie Baird and Tracy Purcell from the Bureau of TennCare, Paul Lefkowitz and Glenda Shearon from the Department of Human Services; and Mary Moody from the Department of Commerce and Insurance. However, the State will cover these personnel costs of these staff members.

Travel - $35,200

For out-of-state travel, we request a total of $35,200 to fund travel for the Project Director and Policy Analyst to several conferences and other meetings. We anticipate that the State Coverage Initiative (a project of AcademyHealth), the National Association or Insurance Commissioners and/or the National Governors Association will each host a conference focusing on health insurance Exchanges during the grant period, and we would like the Project Director and the Policy Analyst to attend at least two of these meetings on behalf of Tennessee. Additionally, we request funds to cover the costs for the Program Director or Policy Analyst to attend two other meetings during the grant period, which we envision will focus regional or multi-state Exchange discussions. We are also seeking funds to support in-state travel so as to allow for regional meetings regarding the development of the Exchange. We expect that Project Director and Policy Analyst will each have to make two trips to Memphis, two to Chattanooga, two to the Tri-Cities area, two to Knoxville, and one each to Columbia.

Other - $6,604

We also request $6,604 to cover the costs of the information and technology needs for this project. This includes funding for two blackberries (for the Project Director and Policy Analyst), network connection and support, and multi-media meeting room rental. It also includes $800 for the costs of published materials that the Project Team may need to purchase.

Contractual - $735,000

With respect to stakeholder input, we request [redacted] to cover the estimated costs of facilitators, interpreters, and fees for meeting rooms (with disability access) for approximately seven meetings across the state.

We also request [redacted] to support an evaluation of the feasibility of merging Tennessee's small group and individual insurance markets. We estimate that such an analysis would require roughly [redacted] weeks of full-time work by two external actuarial consultants at an average rate of [redacted] per hour.

We also request [redacted] by external policy consultants at an average rate of [redacted] per hour. We envision the following allocation of consulting time for each activity area:

- Resources and capabilities (and related deliverables) – [redacted]
- Program integration (and related deliverables) – [redacted]
- Governance (and related deliverables) – [redacted]
- Finance (and related deliverables) – [redacted]
- Technical infrastructure (and related deliverables) – [redacted]
- Business operations (and related deliverables) – [redacted]
- Regulatory and policy actions (and related deliverables) – [redacted]

We are not requesting any funding for equipment or indirect charges.

OMB Number: 4040-0004
Expiration Date: 03/31/2012

Application for Federal Assistance SF-424

*** 1. Type of Submission:**
- [ ] Preapplication
- [x] Application
- [ ] Changed/Corrected Application

*** 2. Type of Application:**
- [x] New
- [ ] Continuation
- [ ] Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received: Completed by Grants.gov upon submission.

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name: Benefits Administration, TN Dept Finance and Administration

* b. Employer/Taxpayer Identification Number (EIN/TIN): 62-6001445

* c. Organizational DUNS: 1031232900000

d. Address:

* Street1:	2600 W. R. S. Tennessee Tower
Street2:	312 Rosa L Parks Ave
* City:	Nashville
County/Parish:	Davidson
* State:	TN: Tennessee
Province:	
* Country:	USA: UNITED STATES
* Zip / Postal Code:	37243-1102

e. Organizational Unit:

Department Name: Finance and Administration

Division Name: Benefits Administration

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:	Mr.
* First Name:	Brian
Middle Name:	
* Last Name:	Haile
Suffix:	

Title: Deputy Director

Organizational Affiliation: Benefits Administration

* Telephone Number: 615-253-8555

Fax Number: 615-253-8556

* Email: brian.haile@tn.gov

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

Ofc of Consumer Information & Insurance Oversight

11. Catalog of Federal Domestic Assistance Number:

93.525

CFDA Title:

State Planning and Establishment Grants for the Affordable Care Act (ACA)-s Exchanges

*** 12. Funding Opportunity Number:**

IE-HBE-10-001

* Title:

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

13. Competition Identification Number:

IE-HBE-10-001-011777

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Tennessee Planning Initiative for the PPACA Health Insurance Exchange

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: TN-005

b. Program/Project: TN-all

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 10/01/2010

* b. End Date: 09/30/2011

18. Estimated Funding ($):

* a. Federal	1,000,000.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	1,000,000.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on ______.

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mr.

* First Name: Brian

Middle Name:

* Last Name: Haile

Suffix:

* Title: Deputy Director

* Telephone Number: 615-253-8555

Fax Number: 615-253-8556

* Email: brian.haile@tn.gov

* Signature of Authorized Representative: Completed by Grants.gov upon submission.

* Date Signed: Completed by Grants.gov upon submission.

Brian Haile

8/31/10

B. Attachment B: Application Attestation

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

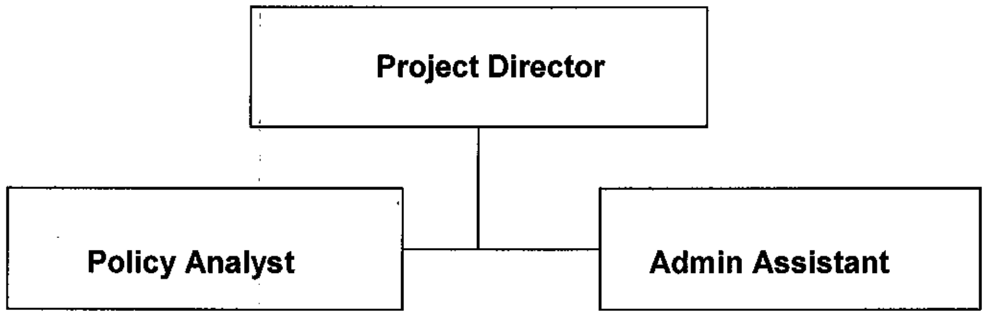
1. With the Planning and Establishment Grant, the State intends to:
   - ✓ Determine needed and available staff and hire key staff
   - ✓ Determine resource needs
   - ✓ Develop a work plan and timeline for first year activities
   - ✓ Determine needed statutory, regulatory, and other administrative changes (including statutory changes that may be necessary to set up the governance structure, facilitate health plan contracting, consumer outreach, etc.)
   - ___ Conduct an initial assessment of IT systems and modifications/new systems needed to facilitate eligibility and enrollment and other Exchange functions
   - ✓ Plan the coordination of eligibility and enrollment across Medicaid, CHIP, and the Exchanges
   - ✓ Provide public notice and other stakeholder engagement activities
   - ✓ Develop a budget justification and implementation plan
   - ✓ Develop performance metrics and planned milestones
   - ___ Plan for customer service processes, including a call center

2. The State attests that it has submitted a budget narrative and justification that fully supports the activities the State intends to pursue with Planning and Establishment Grant funds:
   YES X NO___

3. The State has adhered to the required Format, Standard Form (SF), and Content Requirements contained in Section IV.
   YES X NO___

4. The State commits to submitting a draft detailed implementation plan with the final report within 90 days of the end of the project period.
   YES X NO___

Appendix B: Organizational Chart and Job Descriptions



The **Project Director** will oversee all planning activities and will have ultimate responsibility for the project. This individual will draft all necessary procurement documents, manage the consultant contractors, and review all draft deliverables. This individual is accountable to the PPACA Working Group. This person will dedicate 80% of his time to this project for the duration of the grant period.

The **Policy Analyst** will provide research and analytical support to the project team and to the PPACA Working Group. For the planning activities described in this grant proposal, this individual will report to the Project Director. This person will dedicate 80% of his time to this project for the duration of the grant period.

The **Administrative Assistant** will provide contracting, clerical and administrative service support to the project team. For the planning activities described in this grant proposal, this individual will report to the Project Director. This person will dedicate 50% of his time to this project for the duration of the grant period.

Appendix C: Letters of Agreement

Governor Bredesen has designated the Benefits Administration, which is part of Tennessee's Department of Finance & Administration, to serve as the lead agency in this planning process. Benefits Administration will be responsible for carrying out activities the described in the State's application, if approved and funded. Brian Haile, currently the Deputy Director or Benefits Administration, will closely coordinate the analyses and other grant activities with relevant agency stakeholders, including the Commissioner of Finance & Administration, the Commissioner of Commerce and Insurance, and the Commissioner of Human Services, the Director of the Bureau of TennCare, and the Executive Director of Benefits Administration. For reference, all of these individuals (along with the Deputy Governor) currently serve on an informal PPACA Working Group, which is chaired by Tam Gordon, the Governor's Special Assistant and advisor. While we have not executed formal Memoranda of Agreement among these agencies, all of the individuals named above have reviewed and our committed to the approach outlined in our proposal.

OMB Approval No.: 4040-0007
Expiration Date: 07/30/2010

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C.§§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	* TITLE
Completed on submission to Grants.gov Brian Haile	Deputy Director
* APPLICANT ORGANIZATION	* DATE SUBMITTED
Benefits Administration, TN Dept Finance and Administration	Completed on submission to Grants.gov 8/31/10

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

Approved by OMB
0348-0046

1. * Type of Federal Action:

- [ ] a. contract
- [x] b. grant
- [ ] c. cooperative agreement
- [ ] d. loan
- [ ] e. loan guarantee
- [ ] f. loan insurance

2. * Status of Federal Action:

- [ ] a. bid/offer/application
- [x] b. initial award
- [ ] c. post-award

3. * Report Type:

- [x] a. initial filing
- [ ] b. material change

4. Name and Address of Reporting Entity:

[x] Prime [ ] SubAwardee

* Name: TN Dept of Finance and Admn

* Street 1: 2600 W. R. S. Tennessee Tower Street 2: 312 Rosa L Parks Ave

* City: Nashville State: TN: Tennessee Zip: 37243

Congressional District, if known: TN-005

5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:

6. * Federal Department/Agency:

Ofc Consumer Information & Ins Oversight

7. * Federal Program Name/Description:

State Planning and Establishment Grants for the Affordable Care Act (ACA)-s Exchanges

CFDA Number, *if applicable:* 93.525

8. Federal Action Number, *if known:*

9. Award Amount, *if known:*

$

10. a. Name and Address of Lobbying Registrant:

Prefix ** First Name* NA *Middle Name*

** Last Name* NA *Suffix*

** Street 1* *Street 2*

** City* *State* *Zip*

b. Individual Performing Services (including address if different from No. 10a)

Prefix ** First Name* NA *Middle Name*

** Last Name* NA *Suffix*

** Street 1* *Street 2*

** City* *State* *Zip*

11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

*** Signature:** Completed on submission to Grants.gov Brian Haile

***Name:** *Prefix* Mr. ** First Name* Brian *Middle Name*

** Last Name* Haile *Suffix*

8/31/10

Title: Deputy Director **Telephone No.:** 615-253-8555 **Date:** Completed on submission to Grants.gov

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