1. DATE ISSUED MM/DD/YYYY	2. CFDA NO.	3. ASSISTANCE TYPE
12/17/2014	93.525	Cooperative Agreement

1a. SUPERSEDES AWARD NOTICE dated
except that any additions or restrictions previously imposed remain in effect unless specifically rescinded

4. GRANT NO.	5. ACTION TYPE
1 HBEIE150210-01-00 Formerly	New

6. PROJECT PERIOD	MM/DD/YYYY		MM/DD/YYYY
From	12/17/2014	Through	12/16/2017

7. BUDGET PERIOD	MM/DD/YYYY		MM/DD/YYYY
From	12/17/2014	Through	12/16/2015

Department of Health and Human Services
Centers for Medicare & Medicaid Services
Office of Acquisitions and Grants Management
7500 Security Boulevard
Baltimore, MD 21244-1850

NOTICE OF AWARD

AUTHORIZATION (Legislation/Regulations)
Section 1311 of the Affordable Care Act, Health Insurance Exchange

8. TITLE OF PROJECT (OR PROGRAM)
Arkansas's Level Two Application for a Cooperative Agreement to support and establish a state-based [illegible] Marketplace

9a. GRANTEE NAME AND ADDRESS
Arkansas Health Insurance Marketplace
1501 N University Ave Ste 570
Little Rock, AR 72207-5234

9b. GRANTEE PROJECT DIRECTOR
Ms. Amanda Spicer
1501 N UNIVERSITY STE 570
LITTLE ROCK, AR 72207-5234
Phone: 501-313-4197

10a. GRANTEE AUTHORIZING OFFICIAL
Ms. Cheryl Smith
1501 N UNIVERSITY STE 570
LITTLE ROCK, AR 72207-5234
Phone: 603-223-6453

10b. FEDERAL PROJECT OFFICER
Ms. Susan Lumsden
200 Independence Ave Sw Rm 738-G
Washington, DC 20201-0004
Phone: 301-492-0000

ALL AMOUNTS ARE SHOWN IN USD

11. APPROVED BUDGET (Excludes Direct Assistance)

I Financial Assistance from the Federal Awarding Agency Only
II Total project costs including grant funds and all other financial participation — II

a.	Salaries and Wages	0.00	
b.	Fringe Benefits	0.00	
c.	Total Personnel Costs		0.00
d.	Equipment		0.00
e.	Supplies		0.00
f.	Travel		0.00
g.	Construction		0.00
h.	Other		99,889,291.00
i.	Contractual		0.00
j.	TOTAL DIRECT COSTS →		99,889,291.00
k.	INDIRECT COSTS		0.00
l.	**TOTAL APPROVED BUDGET**		99,889,291.00
m.	Federal Share		99,889,291.00
n.	Non-Federal Share		0.00

12. AWARD COMPUTATION

a. Amount of Federal Financial Assistance (from item 11m)	99,889,291.00
b. Less Unobligated Balance From Prior Budget Periods	0.00
c. Less Cumulative Prior Award(s) This Budget Period	0.00
d. **AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION**	99,889,291.00
13. Total Federal Funds Awarded to Date for Project Period	99,889,291.00

14. RECOMMENDED FUTURE SUPPORT
(Subject to the availability of funds and satisfactory progress of the project):

YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS
a. 2		d. 5	
b. 3		e. 6	
c. 4		f. 7	

15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:
a. DEDUCTION
b. ADDITIONAL COSTS
c. MATCHING
d. OTHER RESEARCH (Add / Deduct Option)
e. OTHER *(See REMARKS)*

b

16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDING AGENCY ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:
a. The grant program legislation
b. The grant program regulations.
c. This award notice including terms and conditions, if any, noted below under REMARKS.
d. Federal administrative requirements, cost principles and audit requirements applicable to this grant.

In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.

REMARKS (Other Terms and Conditions Attached - ☒ Yes ☐ No)
Please see Standard and Special Terms and Conditions.

GRANTS MANAGEMENT OFFICER: **Michelle Feagins, Grants Management Officer**

17. OBJ CLASS 41105	18a. VENDOR CODE 1464781636A1	18b. EIN 464781636	19. DUNS 079455774	20. CONG. DIST. 02
FY-ACCOUNT NO.	**DOCUMENT NO.**	**ADMINISTRATIVE CODE**	**AMT ACTION FIN ASST**	**APPROPRIATION**
21. a. 5-5992638	b. HBEIE0210A	c. SEPI	d. $99,889,291.00	e. 7550115
22. a.	b.	c.	d.	e.
23. a.	b.	c.	d.	e.

AWARD ATTACHMENTS

Arkansas Health Insurance Marketplace 1 HBEIE150210-01-00

1. Arkansas Terms and Conditions

Cooperative Agreement for Arkansas Health Insurance Marketplace to Support Establishment of the Affordable Care Act's Health Insurance Exchanges
Level Two Establishment

Centers for Medicare and Medicaid Services
Standard[1] Grant/Cooperative Agreement[2] Terms and Conditions

1. **Recipient**. The Recipient is the Grantee designated in the Notice of Award.

2. **The HHS Grants Policy Statement (HHS GPS).** This award is subject to the requirements of the HHS GPS that are applicable to the Recipient based on the Recipient type and the purpose of this award. This includes any requirements in Part I and II (available at http://www.hhs.gov/asfr/ogapa/aboutog/hhsgps107.pdf) of the HHS GPS that apply to an award. Although consistent with the HHS GPS, any applicable statutory or regulatory requirements directly apply to this award in addition to any coverage in the HHS GPS.

3. **Uniform Administrative Requirements.** Title 45 of the Code of Federal Regulations (CFR) provides uniform administrative requirements for all Department of Health and Human Services (DHHS) grants and cooperative agreements, in 45 CFR Parts 74 and 92. These regulations are based upon entity type and can be accessed via the links provided below.

   45 CFR Part 74 - Uniform Administrative Requirements for Awards and Subawards to Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations http://www.gpo.gov/fdsys/pkg/CFR-2002-title45-vol1/pdf/CFR-2002-title45-vol1-part74.pdf

   45 CFR Part 92 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Tribal Governments http://www.gpo.gov/fdsys/pkg/CFR-2002-title45-vol1/pdf/CFR-2002-title45-vol1-part92.pdf

4. **Cost Principles.** This award is subject to the principles set forth below for determining costs of grants, contracts, and other agreements based upon entity type as set forth in the following cost principle documents which can be accessed via the links provided below and are specifically incorporated herein.

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[1] Standard Terms and Conditions include all possible grants administrative requirements for CMS awards. All standard terms and conditions apply unless the requirement is not applicable based on the project awarded. Recipients should contact their assigned Grants Management Specialist if they have questions about whether an administrative term and condition applies.

[2] A Cooperative Agreement is an alternative assistance instrument to be used in lieu of a grant whenever substantial Federal involvement with the recipient during performance is anticipated. The difference between grants and cooperative agreements is the degree of Federal programmatic involvement rather than the type of administrative requirements imposed. Therefore, statutes, regulations, policies, and the information contained in these standard terms and conditions that are applicable to grants also apply to cooperative agreements, unless otherwise stated.

- **Institutions of Higher Education:** 2 CFR Part 220 (Formerly OMB Circular A-21) http://www.whitehouse.gov/omb/circulars_default/

- **State and Local Governments:** 2 CFR Part 225 (Formerly OMB Circular A-87) http://www.whitehouse.gov/omb/circulars_default/

- **Nonprofit Organizations:** 2 CFR Part 230 (Formerly OMB Circular A-122) http://www.whitehouse.gov/omb/circulars_default/

- **Hospitals:** 45 CFR Part 74, Appendix E http://www.gpo.gov/fdsys/pkg/CFR-2007-title45-vol1/pdf/CFR-2007-title45-vol1-part74-appE.pdf

- **For-Profit Organizations: FAR 31.2 [Contracts with Commercial Organizations]** http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=80bc6470ba120ab181d9a93a600a420d&rgn=div5&view=text&node=48:1.0.1.5.30&idno=48

5. **Additional Cost Requirements.** Recipients must comply with the following supporting documentation requirements:

- Equipment/Technology items – As defined in 45 CFR Parts 74 and 92, equipment means tangible nonexpendable personal property, including exempt property, charged directly to the award having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. However, consistent with recipient policy, lower limits may be established. Technology items such as computers that do not meet the $5,000 per unit threshold or an alternative lower limit set by recipient policy that may therefore be classified as supplies, must still be individually tagged and recorded in an equipment/technology database. This database should include any information necessary to properly identify and locate the item. For example: serial # and physical location of equipment (e.g. laptops, tablets, etc.). **In addition, purchase of Technology items (both those classified as equipment (tangible nonexpendable personal property with an acquisition cost of $5,000 or more per unit) and those classified as supplies (tangible expendable personal property with an acquisition cost of less than $5,000 per unit)), over and above that which is already approved in the budget must be approved by the Grants Management Specialist (regardless of acquisition cost).**

- Travel mileage expenses - All federally funded travel must be tracked through a travel log which includes: traveler/position, destination, length of stay, mileage, per diem, reason for the trip, airfare, and any other reimbursable expenses.

- Conference attendance - For attendance at any conference, including those sponsored by CMS, recipients must submit a breakdown of costs associated with attending the conference for prior approval. This should include all costs associated with travel to the conference and a brief narrative explaining the program related purpose/how attending the conference will further the objectives of the program. (refer to **Attachment A** to these

Standard Terms and Conditions for the HHS Policy on Promoting Efficient Spending for Conferences and Meetings)

6. **Audit Requirements.** This award is subject to OMB Circular A-133 which provides requirements for the audit of States, local governments, and non-profit organizations expending Federal awards. Non-federal entities that expend $500,000 or more in a year in Federal awards shall have a single or program specific audit conducted for that year in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf).

   For questions and information concerning the submission process, please contact the Federal Audit Clearinghouse (entity which assists Federal cognizant and oversight agencies in obtaining OMB Circular A-133 data and reporting packages) at 888-222-9907 or http://harvester.census.gov/sac.

   *Commercial Organizations must comply with the specific audit requirements in 45 CFR 74.26(d).

7. **Programmatic and Financial Reporting.** Recipients must comply with the programmatic and financial reporting requirements outlined in the attached Special Terms and Conditions of award. Failure to submit programmatic and financial reports on time may be basis for withholding financial assistance payments, suspension, termination or denial of continued funding. Recipient's failure to timely submit such reports may result in a designation of "high risk" for the recipient organization and may jeopardize potential future funding from the Department of Health and Human Services.

8. **Funding for Recipients.** All funding provided under this award shall be used by the Recipient exclusively for the program referenced in the Notice of Award and described in the funding opportunity announcement and delineated in the Recipient's approved proposal. This includes any approved revisions, as applicable, made subsequent to the Recipient's approved proposal. If the Recipient should use any of the funds for any purpose other than for the approved program, then all funds provided under this award shall be returned to the United States Treasury.

9. **Public Reporting.** When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing the project funded in whole or in part with Federal money, all Recipients receiving Federal funds, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state: (1) the percentage of the total costs of the program or project which will be financed with Federal money; (2) the dollar amount of Federal funds for the project or program; and (3) the percentage and dollar amount of the total costs of the project or program that is financed by nongovernmental sources.

10. **Central Contractor Registration (CCR) and Universal Identifier Requirements.** This award is subject to the requirements of 2 CFR part 25, Appendix A which is specifically

incorporated herein by reference. For the full text of 2 CFR part 25, go to http://www.cms.gov/CCIIO/Resources/Funding-Opportunities/award-term-for-central-contractor-registration.html. To complete Central Contractor Registration requirements, Recipients must register or maintain registration in the System for Award Management (SAM) database. Please consult the SAM website (https://www.sam.gov/portal/public/SAM/) for more information.

11. **Trafficking in Persons.** This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). The full text may be found at http://www.cms.gov/CCIIO/Resources/Funding-Opportunities/trafficking-term.html, and which is incorporated herein by reference.

12. **Subaward Reporting and Executive Compensation.** This award is subject to the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), as amended by Section 6202 of Public Law 110-252 and implemented by 2 CFR Part 170. Recipients must report information for each first-tier subaward of $25,000 or more in Federal funds and executive total compensation for the Recipient's and Sub-Recipients' five most highly compensated executives as outlined in Appendix A to 2 CFR Part 170. Information about the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) is available at www.fsrs.gov. For the full text of the award term, go to http://www.cms.gov/CCIIO/Resources/Funding-Opportunities/ffata.html. For further assistance, please contact Iris Grady, the Grants Management Specialist assigned to monitor the subaward reports and executive compensation at divisionofgrantsmanagement@cms.hhs.gov.

13. **Employee Whistleblower Protections.** All Recipients must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. 4712 in the predominant native language of the workforce. For the full text of the award term, re Pilot Program for Enhancement of Contractor Employee Whistleblower Protections, refer to **Attachment B** to these Standard Terms and Conditions.

14. **Fraud, Waste, and Abuse.** The HHS Office of the Inspector General (OIG) maintains a toll-free number (1-800-HHS-TIPS [1-800-447-8477]) for receiving information concerning fraud, waste, or abuse under grants and cooperative agreements. Information also may be submitted by email to hhstips@oig.hhs.gov or by mail to Office of the Inspector General, Department of Health and Human Services, Attn: HOTLINE, 330 Independence Ave., SW, Washington, DC 20201. Such reports are treated as sensitive material and submitters may decline to give their names if they choose to remain anonymous.

15. **Human Subjects Protection.** If applicable to Recipient's program, the Recipient bears ultimate responsibility for protecting human subjects under the award, including human subjects at all sites, and for ensuring that an assurance approved by OHRP and certification of IRB review and approval have been obtained before human subjects research can be conducted at each collaborating site. Recipients may not draw funds from the payment system, request funds from the paying office, or make obligations against Federal funds for research involving human subjects at any site engaged in nonexempt research for any period not covered by both an OHRP-approved assurance and IRB approval consistent with 45 CFR Part 46. Costs associated with IRB review of human research protocols are not allowable as

direct charges under grants and cooperative agreements unless such costs are not covered by the organization's indirect cost rate.

HHS requires Recipients and others involved in grant/cooperative agreement-supported research to take appropriate actions to protect the confidentiality of information about and the privacy of individuals participating in the research. Investigators, IRBs, and other appropriate entities must ensure that policies and procedures are in place to protect identifying information and must oversee compliance with those policies and procedures.

16. **Project and Data Integrity.** Recipient shall protect the confidentiality of all project-related information that includes personally identifying information.

    The Recipient shall assume responsibility for the accuracy and completeness of the information contained in all technical documents and reports submitted. The CMS Project Officer shall not direct the interpretation of the data used in preparing these documents or reports.

    At any phase in the project, including the project's conclusion, the Recipient, if so requested by the CMS Project Officer, must deliver to CMS materials, systems, or other items used, developed, refined or enhanced in the course of or under the award. The Recipient agrees that CMS shall have a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use and authorize others to use the items for Federal government purposes.

17. **Use of Data and Work Products.** At any phase of the project, including the project's conclusion, the Recipient, if so requested by the CMS Project Officer, shall submit copies of analytic data file(s) with appropriate documentation, representing the data developed/used in end-product analyses generated under the award. The analytic file(s) may include primary data collected, acquired or generated under the award and/or data furnished by CMS. The content, format, documentation, and schedule for production of the data file(s) will be agreed upon by the Principle Investigator/Project Director and the CMS Project Officer. The negotiated format(s) could include both file(s) that would be limited to CMS's internal use and file(s) that CMS could make available to the general public.

    All data provided by CMS will be used for the research described in this grant award only and in connection with the Recipient's performance of its obligations and rights under this program. Recipient has an obligation to collect and secure data for future monitoring by CMS. The Recipient will return any data provided by CMS or copies of data at the conclusion of the project. All proprietary information and technology of the Recipient are and shall remain the sole property of the Recipient.

    All publications, press announcements, posters, oral presentations at meetings, seminars, and any other information-dissemination format, including but not limited to electronic/digital media that is related to this project must include a formal acknowledgement of support from the Department of Health and Human Services, citing the Funding Opportunity Number as identified on the Funding Opportunity Announcement (FOA) as follows: "The project described was supported by Funding Opportunity Number IE-HBE-12-001 from the U.S

Department of Health and Human Services, Centers for Medicare & Medicaid Services." Recipient also must include a disclaimer stating that "The contents provided are solely the responsibility of the authors and do not necessarily represent the official views of HHS or any of its agencies." One copy of each publication, regardless of format, resulting from work performed under an HHS project must accompany the annual or final progress report submitted to CMS through its CMS PO.

During the project period and for six (6) months after completion of the project, the Recipient shall provide sixty (60) days prior notice to the CMS Project Officer of any formal presentation of any report or statistical or analytical material based on information obtained through this award. Formal presentation includes papers, articles, professional publication, speeches, and testimony. In the course of this research, whenever the Principal Investigator/Project Director determines that a significant new finding has been developed, he/she will communicate it to the CMS Project Officer before formal dissemination to the general public. The Recipient shall notify CMS of research conducted for publication.

18. **Public Policy Requirements.** By signing the application, the authorized organizational official certifies that the organization will comply with applicable public policies. Once a grant is awarded, the recipient is responsible for establishing and maintaining the necessary processes to monitor its compliance and that of its employees and, as appropriate, subrecipients and contractors under the grant with these requirements. See Exhibit 3, Public Policy Requirements, Section II-3-5, in the HHS Grants Policy Statement, which contains information to help the Recipient determine what public policy requirements and objectives apply to its activities.

19. **Implementation of United States v. Windsor and Interpretation of Familial Relationship Terminology.** In any grant-related activity in which family, marital, or household considerations are, by statute or regulation, relevant for purposes of determining beneficiary eligibility or participation, grantees must treat same-sex spouses, marriages, and households on the same terms as opposite-sex spouses, marriages, and households, respectively. By "same-sex spouses," HHS means individuals of the same sex who have entered into marriages that are valid in the jurisdiction where performed, including any of the 50 states, the District of Columbia, or a U.S. territory or in a foreign country, regardless of whether or not the couple resides in a jurisdiction that recognizes same-sex marriage. By "same-sex marriages," HHS means marriages between two individuals validly entered into in the jurisdiction where performed, including any of the 50 states, the District of Columbia, or a U.S. territory or in a foreign country, regardless of whether or not the couple resides in a jurisdiction that recognizes same-sex marriage. By "marriage," HHS does not mean registered domestic partnerships, civil unions or similar formal relationships recognized under the law of the jurisdiction of celebration as something other than a marriage.

20. **Green Procurement.** To mitigate the environmental impacts of acquisition of IT and other products/equipment, Recipients are encouraged to: (1) participate in "Green procurement" based on the HHS Affirmative Procurement Plan (www.hhs.gov/asfr/ogapa/acquisition/10-2010_hhs_affirmative_procurement_plan.doc) and similar guidance from the Environmental Protection Agency (EPA) and the President's Council on Environmental Quality (CEQ); (2) use electronic products that are Energy Star® compliant and Electronic Product

Environmental Assessment Tool (EPEAT) Silver registered or higher when available; (3) activate Energy Star® features on all equipment when available; (4) use environmentally sound end-of-life management practices, including reuse, donation, sale and recycling of all electronic products.

21. **Funding Opportunity Announcement.** All relevant project requirements outlined in the FOA apply to this award and are incorporated into these terms and conditions by reference.

22. **Withdrawal.** If the Recipient decides to withdraw from this grant agreement program prior to the end of the project period, it must provide written notification (both hard copy and via email) to the CMS Grants Management Specialist at least fifteen (15) days in advance of the date of official withdrawal and termination of these terms. The letter must be signed by the AOR and other appropriate individuals with authority. CMS will not be liable for any withdrawal close-out costs that are borne by the Recipient. Recipients have three (3) days to return all unused grant funds.

23. **Termination.** CMS may terminate this grant agreement, or any part hereof, if the Recipient materially fails to comply with the terms and conditions of this award, or provisions of law pertaining to agreement performance. Materially fails includes, but is not limited to, violation of the terms and conditions of the award; failure to perform award activities in a satisfactory manner; improper management or use of award funds; or fraud, waste, abuse, mismanagement, or criminal activity. In addition, CMS may terminate this award if the Recipient fails to provide the Government, upon request, with adequate written and signed assurances of future performance. CMS will promptly notify the Recipient in writing of such termination and the reasons for it, together with the effective date. Recipient may terminate this award as set forth in 45 CFR 74.61(a)(3) or 45 CFR 92.44(b). In addition to termination, CMS may address material failure to comply with the terms and conditions of this award by taking such other action as set forth in 45 CFR 74.61 and 74.62 and in 45 CFR 92.43.

24. **Bankruptcy.** In the event the Recipient or one of its sub-Recipients enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Recipient agrees to provide written notice of the bankruptcy to the CMS Grants Management Specialist and CMS PO. This written notice shall be furnished within five (5) days of the initiation of the proceedings relating to bankruptcy filing and sent to the CMS Grants Management Specialist and PO. This notice shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, a copy of any and all of the legal pleadings, and a listing of Government grant and cooperative agreement numbers and grant offices for all Government grants and cooperative agreements against which final payment has not been made.

25. **Affirmative Duty to Track All Parties to the Award**. Recipient must at a minimum regularly track all parties to the award in both the GSA database that is known as the System for Award Management (SAM) and The Office of the Inspector General (OIG) List of Excluded Individuals and Entities (LEIE). The purpose of this affirmative duty is to track all parties that include health care, commercial, non-profit, and other people and entities in order to report immediately to the CMS Grants Management Specialist and CMS PO those that cannot participate in federal programs or receive federal funds. The Recipient cannot have

any persons or entities on the award that cannot participate in federal programs or receive federal funds. If any of these systems are not publicly available, then the Recipient must comply with the purpose and intent of this requirement using a process that meets at least the level of scrutiny provided by these databases.

The Recipient shall provide the CMS PO with the NPI, Tax ID, and EIN, as applicable, of all Key Personnel and/or Entities to the award that may include Sub-Recipients. This list shall be provided to CMS within thirty (30) days from the start of the award and must be maintained up-to-date in real time throughout the award.

26. **Sub-Recipient Equal Treatment.** The Recipient must comply with 45 CFR Part 87, including the provision that no State or local government Recipient nor any intermediate organization receiving funds under any program shall, in the selection of service providers, discriminate for or against an organization's religious character or affiliation.

27. **Recipient's Responsibility for Sub-Recipients.** The Recipient is responsible for the performance, reporting, and spending for each Sub-Recipient. The Recipient will ensure the timeliness and accuracy of required reporting for each site of service and Sub-Recipient under the cooperative agreement. The Recipient is responsible for the performance and progress of each site of service or Sub-Recipient toward the goals and milestones of the program. The Recipient will take necessary corrective action for any site of service or Sub-Recipient that is not meeting the goals and milestones of the program, as set forth in the FOA.

28. **Nondiscrimination.** The Recipient and Sub-Recipients 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.

29. **Reservation of Rights.** Nothing contained in this Agreement is intended or shall be construed as a waiver by the United States Department of Justice, the Internal Revenue Service, the Federal Trade Commission, HHS Office of the Inspector General, or CMS of

any right to institute any proceeding or action against Recipient for violations of any statutes, rules or regulations administered by the Government, or to prevent or limit the rights of the Government to obtain relief under any other federal statutes or regulations, or on account of any violation of this Agreement or any other provision of law. The Agreement shall not be construed to bind any Government agency except CMS, and this Agreement binds CMS only to the extent provided herein. The failure by CMS to require performance of any provision shall not affect CMS's right to require performance at any time thereafter, nor shall a waiver of any breach or default result in a waiver of the provision itself.

30. **Acceptance of Application & Terms of Agreement.** Initial drawdown of funds by the Recipient constitutes acceptance of this award.

31. **FY 2014 Appropriations Provision.** Department of Health and Human Services (HHS) Recipients must comply with all terms and conditions outlined in their grant awards, including grant policy terms and conditions contained in applicable HHS Grants Policy Statements, and requirements imposed by program statutes and regulations, Executive Orders, and HHS grant administration regulations, as applicable; as well as any requirements or limitations in any applicable appropriations acts.

32. **Consolidated Appropriations Act, 2014.** As stated in the above term and condition, this award is subject to the Consolidated Appropriations Act, 2014. The following information specifically references major policy provisions in the Act impacting the HHS Grants Community which are new or have changed since the prior appropriations act. The information cited below will remain in effect until further modified, superseded, or rescinded.

Division H, Title II, Section 203 – Cap on Salaries

FY2014 Enacted Language: Sec. 203. None of the funds appropriated in this title shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II.

This salary cap applies to direct salaries and to those salaries covered under indirect costs, also known as facilities and administrative (F & A) costs. The current Executive Level II salary rate is $181,500.

Division H, Title V, Section 528 – Pornography

Sec. 528(a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography.

Sec. 528(b) Nothing in this subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.

Centers for Medicare and Medicaid Services
Standard Grant/Cooperative Agreement Terms and Conditions
Attachment A

HHS Policy on Promoting Efficient Spending for Conferences and Meetings

It is the Department of Health and Human Services' (HHS) policy that conferences and meetings funded through grants and cooperative agreements: are consistent with legal requirements and HHS' missions, objectives, and policies; represent an efficient and effective use of taxpayer funds; and are able to withstand public scrutiny. A "conference" is defined as "[a] meeting, retreat, seminar, symposium or event that involves attendee travel."

Any conferences, with or without travel, that you believe are necessary to accomplish the purposes of this grant must have prior CMS approval. These requests must be priced separately in the budget and include the following information:

(1) A description of its purpose;
(2) The number of participants attending;
(3) A detailed statement of the costs to the grant, including—
    (A) The cost of any food or beverages;
    (B) The cost of any audio-visual services for a conference;
    (C) The cost of attendee travel to and from a conference (e.g. employee, subrecipient, consultant); and
    (D) A discussion of the methodology used to determine which costs relate to a conference.

In addition, funds under this grant may not be used for the purpose of defraying the costs of a conference that is not directly and programmatically related to the purpose for which the grant is awarded (such as a conference held in connection with planning, training, assessment, review, or other routine purposes related to a project funded by the grant).

Centers for Medicare and Medicaid Services
Standard Grant/Cooperative Agreement Terms and Conditions
Attachment B

Pilot Program for Enhancement of Whistleblower Protections

Grantees are hereby given notice that the 48 CFR section 3.908, implementing section 828, entitled "Pilot Program for Enhancement of Contractor Employee Whistleblower Protections," of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2013 (Pub. L. 112-239, enacted January 2, 2013), applies to this award.

Federal Acquisition Regulations

As promulgated in the Federal Register, the relevant portions of 48 CFR section 3.908 read as follows (note that use of the term "contract," "contractor," "subcontract," or "subcontractor" for the purpose of this term and condition, should be read as "grant," "grantee," "subgrant," or "subgrantee"):

3.908 Pilot program for enhancement of contractor employee whistleblower protections

3.908-1 Scope of section.
(a) This section implements 41 U.S.C. 4712.
(b) This section does not apply to—
(1) DOD, NASA, and the Coast Guard; or
(2) Any element of the intelligence community, as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 3003(4)). This section does not apply to any disclosure made by an employee of a contractor or subcontractor of an element of the intelligence community if such disclosure-
(i) Relates to an activity of an element of the intelligence community; or
(ii) Was discovered during contract or subcontract services provided to an element of the intelligence community.

3.908-2 Definitions
As used in this section –
Abuse of authority means an arbitrary and capricious exercise of authority that is inconsistent with the mission of the executive agency concerned or the successful performance of a contract of such agency. Inspector General means an Inspector General appointed under the Inspector General Act of 1978 and any Inspector General that receives funding from, or has oversight over contracts awarded for, or on behalf of, the executive agency concerned.

3.908-3 Policy
1. Contractors and subcontractors are prohibited from discharging, demoting, or otherwise discriminating against an employee as a reprisal for disclosing, to any of the entities listed at paragraph (b) of this subsection, information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract, a gross waste of Federal funds, an abuse of authority relating to a Federal contract, a substantial and specific danger to public health or

safety, or a violation of a law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract). A reprisal is prohibited even if it is undertaken at the request of an executive branch official, unless the request takes the form of a non-discretionary directive and is within the authority of the executive branch official making the request.

2. Entities to whom disclosure may be made.

   - A Member of Congress or a representative of a committee of Congress.
   - An Inspector General.
   - The Government Accountability Office.
   - A Federal employee responsible for contract oversight or management at the relevant agency.
   - An authorized official of the Department of Justice or other law enforcement agency.
   - A court or grand jury.
   - A management official or other employee of the contractor or subcontractor who has the responsibility to investigate, discover, or address misconduct.

3. An employee who initiates or provides evidence of a contractor or subcontractor misconduct in any judicial or administrative proceeding relating to waste, fraud, or abuse on a Federal contract shall be deemed to have made a disclosure.

3.908-9 Contract clause.
The contracting officer shall insert the clause at 52.203-17, Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights, in all solicitations and contracts that exceed the simplified acquisition threshold.

Contract clause:

Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
(2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

EFFECTIVE DATE: all grants and contracts issued on or after July 1, 2013 through January 1, 2017

Cooperative Agreement for Arkansas Health Insurance Marketplace to Support Establishment of the Affordable Care Act's Health Insurance Exchanges Level Two Establishment

Special[3] Terms & Conditions

1. **The HHS/CMS Center for Consumer Information and Insurance Oversight (CCIIO) Program Official.** The Program Official assigned with responsibility for technical and programmatic questions from the Recipient is Susan Lumsden (email is Susan.Lumsden@cms.hhs.gov and telephone is (301) 492-4347).

2. **The HHS/CMS Grants Management Specialist.** The Grants Management Specialist assigned with responsibility for financial and administrative (non-programmatic) cooperative agreement questions from the Recipient is Vivian Smith in the Division of Grants Management (email is Vivian.Smith@cms.hhs.gov and telephone is (301) 492-4294).

3. **Statutory Authority.** This award is issued under the authority of Section 1311 of the Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the Healthcare and Education Reconciliation Act (P.L. 111-152) (Section 1311), which authorizes this funding opportunity for States and the District of Columbia. By receiving funds under this award, the Recipient agrees that it will carry out the program as authorized and will comply with the terms and conditions and other requirements of this award.

4. **Budget and Project Period.** The project period for the Cooperative Agreement to Support Establishment of the Affordable Care Act's Health Insurance Exchanges is from December 17, 2014 through December 16, 2017.

5. **Funding Amount.** The final award amount has been reduced to take into account reductions in the CMS budget. Within 30 days of receiving the award, Recipient must provide a revised SF-424, SF-424A and budget narrative to reflect the final award amount. We have made every effort to minimize the negative impact of the budget reductions on our Recipients. Please contact your Project Officer or Grants Management Specialist if you would like to further discuss this term and condition.

6. **Restriction of Funds.** Recipient will not have access to the contractual line item funds in the amount of $79,166,285 for Information Technology expenses until the conditions outlined under Parts A and B below (if applicable) have been met. Recipient only needs to address the conditions outlined in Part A for those contractual line item funds that are needed to implement or sustain the project for the duration of the cooperative agreement (e.g. start-up costs or non-System Development Life Cycle dependent costs). Recipient must address Parts A and B for all contractual line item costs directly linked to a specific Systems Development Life Cycle review (see Part B below). As part of any request to lift restrictions

[3] Special Terms and Conditions include requirements specific to the program and to the named awardee. All special terms and conditions apply.

on funding, Recipient must identify the nature of the contractual line item funds (i.e. start-up versus specific life cycle review).

For additional guidance on the restriction of funds requirements, please contact your Grants Management Specialist, Vivian Smith, at Vivian.Smith@cms.hhs.gov, or your assigned Project Officer.

A. Recipient must provide the following required information for all contracts:

1. Name of Contractor
2. Method of Selection
3. Period of Performance
4. Scope of Work
5. Method of Accountability
6. Itemized Budget and Justification

Please review Appendix G "Guidance for Preparing a Budget Request and Narrative in Response to SF424A" in the Funding Opportunity Announcement (FOA) for further guidance on what is required to address these topics areas.

B. Recipient must also meet specific Program Requirements, to include undergoing standard industry Systems Development Life Cycle (SDLC) reviews.

1. Architecture Review
2. Project Baseline Review
3. Detailed Design Review
4. Operational Readiness Review

The above named SDLC reviews were previously referred to as the IT Gate Review Process. This terminology has changed, and the IT Gate Review Process is now included within the Establishment Review Process. The list below demonstrates how the SDLC reviews outlined above fit within the broader Establishment Review process. Please contact your Project Officer with any questions.

Establishment Planning Review
1. Architecture Review
2. Project Baseline Review

Establishment Design Review
3. Detailed Design Review

Establishment Implementation Review
4. Operational Readiness Review

As part of the overall response to Part A, Recipient must specifically explain and separately outline the contract costs associated for each life cycle review stage listed above prior to beginning work. Specifically, Recipient must explain in the Scope of Work, the precise services/tasks/deliverables to be performed by the contractor, and outline in the Itemized Budget and Justification the contractual costs with appropriate justification.

At the time of each stage of the life cycle review process, Recipient must provide detail of the deliverables, products, etc. completed during that stage of the life cycle. Those specifications will then be reviewed by HHS using the published HHS SDLC standards, which will then determine if the Recipient has successfully met completeness requirements under the HHS SDLC. Once Recipient receives approval from HHS regarding the completeness of their deliverables for that life cycle review period, the contractual line item funds linked to that specific review will be available for drawdown.

The SDLC reviews will be jointly conducted by CCIIO and CMCS. Because the Affordable Care Act requires the development of a streamlined enrollment system for Medicaid, CHIP, State basic health plans established under § 1331, and Exchange qualified health plans and financial assistance for qualified health plans, the development of the IT system will benefit Medicaid/CHIP and Exchange-related programs. Therefore, costs for this project need to be allocated between Medicaid/CHIP and the Exchange. Additionally, the Medicaid program will be building to varying degrees supporting infrastructures to facilitate the work of the Exchange. It is for this reason that CMCS will be working together with CCIIO to review the progress the State is making during the four SDLC reviews. We expect the State staff working on the Exchange and the supporting Medicaid program activities to similarly work together as they develop joint solutions.

During the SDLC reviews, CMS will want both State Exchange and Medicaid staff to participate in all of the reviews, provide requested documentation and be prepared to speak to the status of the system and program's development with regard to: a) the Exchange, b) the supporting Medicaid program and infrastructure and c) any jointly developed cost allocated activities between the Exchange and the Medicaid program. Please note that while the funding sources for the three areas outlined above will come from two sources (i.e. the CCIIO Establishment Grants and the Medicaid Advance Planning Documents), the traditional APD review process has been expedited as a result of CMS' ability to conduct the SDLC reviews in a joint fashion between CCIIO and CMCS and between the State Exchange staff and the State Medicaid staff involved in the activities described above. The focus of the SDLC reviews by the CMCS staff will pay particular attention to the extent to which, at each stage of the SDLC reviews, the State is fulfilling its obligations, including meeting specific Standards and Conditions.

Please review the description in Appendix D of the FOA for further guidance on the SDLC reviews.

7. **Restriction of Funds.** In carrying out activities related to establishment of a State-based Exchange, the State is required to carry out due diligence in assessing opportunities for reuse, sharing, and collaboration in Exchange activities. In particular, the State is required to identify opportunities for collaboration with other States and the Federally-facilitated Marketplace that might help reduce both development and long-term operating costs of their State-based Exchange.

8. **Management Review/Audit.** The funding authorized by this award is subject to any periodic future financial management review or audit.

9. **Personnel Changes.** The Recipient is required to notify the Project Officer and the CMS Grants Management Specialist at least thirty (30) days before any personnel changes affecting the cooperative agreement's Authorized Organizational Representative, Project Director, Assistant Project Director, and/or the Financial Officer as well as any named Key Contractor staff.

10. **Contractual Personnel Changes.** The Recipient must inform the Project Officer as to Contractual resources and key personnel changes as soon as they are known.

11. **Required Cooperative Agreement Programmatic Reporting.** HHS will provide to the Recipient templates that must be used for required Cooperative Agreement Reporting.

    a. **Semi-Annual Progress Report.** Recipient is required to submit semi-annual progress reports to the HHS Grants Management Specialist and to the CCIIO Project Officer. All reports are cumulative and should report on work performed throughout the project period.

    Period of Performance: December 17, 2014 through June 30, 2015
    Due: July 30, 2015

    Period of Performance: July 1, 2015 through December 31, 2015
    Due: January 30, 2016

    Period of Performance: January 1, 2016 through June 30, 2016
    Due: July 30, 2016

    Period of Performance: July 1, 2016 through December 31, 2016
    Due: January 30, 2017

    Period of Performance: January 1, 2017 through June 30, 2017
    Due: July 30, 2017

    b. **Budget Supplement Report.** Recipient is required to submit a Budget Supplement report on a monthly basis. All reports are cumulative and should reflect financial expenditures through two months prior to the reporting deadline. Reports are due as follows:

Period of Performance (each year)	**Due Date (Reporting due dates for each year 2015-2017)**
[4]January 1- January 31	February 28
February 1 – February 28	March 31
March 1 – March 31	April 30
April 1 – April 30	May 31

[4] The first budget supplement report will cover a period of performance from December 17, 2014 to January 31, 2015.

May 1 – May 31	June 30
June 1 – June 30	July 31
July 1 – July 31	August 31
August 1 – August 31	September 30
September 1 – September 30	October 31
October 1 – October 31	November 30
November 1 – November 30	December 31
[5]December 1 – December 31	January 31

c. **Final Progress Report.**
Period of Performance: December 17, 2014 through December 16, 2017

This report will serve as the Final Report and should report on work performed throughout the project period. This report is due no later than 90 days after the end of the project period.
Due: March 16, 2018

The Final Report will contain a disclaimer that the opinions expressed are those of the Recipient and do not necessarily reflect the official views of HHS or any of its agencies.

d. **Evaluation**. Recipients are required to participate in National Exchange/Marketplace Evaluation efforts, including but not limited to reporting and HHS data collection on Exchange performance metrics.

12. Required Financial Reports. All recipients must utilize the Federal Financial Report (FFR or Standard Form 425) to report cash transaction data, expenditures, and any program income generated. The FFR has replaced the SF-269, SF-269A, SF-272, and SF-272A financial reporting forms.

Recipients must report on a quarterly basis cash transaction data via the Payment Management System (PMS) using the FFR in lieu of completing a SF-272/SF272A. The FFR, containing cash transaction data, is due within 30 days after the end of each quarter. The quarterly reporting due dates are as follows: 4/30, 7/30, 10/30, 1/30. A Quick Reference Guide for completing the FFR in PMS is at: www.dpm.psc.gov/grant_recipient/guides_forms/ffr_quick_reference.aspx.

In addition to submitting the quarterly FFR to PMS, Recipients must also provide annual and final FFRs which include their expenditures and any program income generated in lieu of completing a Financial Status Report (FSR) (SF-269/269A). Expenditures and any program income generated should only be included on the annual and final FFRs.

For the annual and final FFRs (containing cash transaction data, expenditures, and any program income generated), Recipients must complete an online FFR form via the

[5] The final budget supplement report will cover a period of performance from November 1, 2017 to December 16, 2017. The report will be due January 16, 2018.

GrantSolutions.gov FFR module. GrantSolutions can be accessed via the following link https://www.grantsolutions.gov. The final FFR must be submitted within 90 calendar days of the project period end date.

See below for due dates for annual FFRs:

Reporting Period	**Reporting Period Due Date**
December 17, 2014 to December 16, 2015	March 16, 2016
December 17, 2015 to December 16, 2016	March 16, 2017

See below for due date for the final FFR:

Project Period	**Reporting Period Due Date**
December 17, 2014 to December 16, 2017	Final report – 36-month reporting period December 17, 2014 to December 16, 2017 **Due: March 16, 2018**

Award recipients shall liquidate all obligations incurred under the award not later than 90 days after the end of the project period and before the final FFR submission. It is the award recipient's responsibility to reconcile reports submitted to PMS and to CMS. Failure to reconcile final reports in a timely manner may result in canceled funds.

For additional guidance, please contact your Grants Management Specialist, Vivian Smith.

Payment under this award will be made by the Department of Health and Human Services, Payment Management System administered by the Division of Payment Management (DPM), Program Support Center. Draw these funds against your account that has been established for this purpose. Inquiries regarding payment should be directed to:

Director, Division of Payment Management
Telephone Number 1-877-614-5533
P. O. Box 6021
Rockville, Maryland 20852

13. **Cost Allocation**. The recipient is required to allocate costs among Medicaid, CHIP, and the Exchange for shared services by benefitting program, consistent with 2 CFR Part 225 (previously OMB Circular A-87) cost allocation principles and related HHS guidance, including but not limited to Guidance for Exchange and Medicaid Information Technology (IT) Systems 2.0.

14. **Exchange Procurements**. Per 45 CFR Part 92.36, States are required to follow their "own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section [45 CFR Part 92.36]." As part of this cooperative agreement, substantial Federal involvement with the recipient is anticipated during performance. As such, CMS's purpose is to support the recipient's activities and work jointly with the award recipient in a partnership role. As part of this collaborative process, CMS will want to review vendor proposals to provide feedback and engage in discussions with cooperative agreement awardees. CMS is committed to providing expert technical assistance to States as they work to design and deploy their Exchanges, as required under the Affordable Care Act (ACA). This high-quality technical assistance increases the opportunities for reuse, sharing, and collaboration, and reduces implementation cost. CMS has identified three key steps States are strongly recommended to take in procurement of Exchange IT contracts to assure procurements meet re-use and transparency expectations:

    - Prepare an Independent Government Cost Estimate (IGCE) prior to release of Request for Proposals (RFPs) and share the results of that study with CCIIO.
    - Use a vendor screening process before entering into contract negotiations with any vendors.
    - Include contract clauses that promote reuse.

    More detail around these best practices may be found in "Best Practices and Requirements in Contracting and Procurement for Exchange Information Technology Systems" which is available at: https://servis.cms.gov/resources/document_detail?doc_detail_id=d882c8c3-274d-69f0-ede9-501a9ac78e52.

15. **Reuse of Exchange IT Systems Artifacts**. Recipients will be required to use the following language in any procurement contracts issued. This language is intended to ensure maximum opportunity for reuse of Exchange IT systems artifacts, models, materials and/or processes.

    Intangible property

    This contract is in support of <State>'s implementation of the Patient Protection and Affordable Care Act of 2010, and is subject to the certain property rights provisions of the Code of Federal Regulations and a Grant from the Department of Health and Human Services, Centers for Medicare & Medicaid Services. This Contract is subject to, and incorporates by reference, 45 CFR 74.36 and 45 CFR 92.34 governing rights to intangible property. Intangible property includes but is not limited to: computer software; patents, inventions, formulae, processes, designs, patterns, trade secrets, or know-how; copyrights and literary, musical, or artistic compositions; trademarks, trade names, or brand names; franchises, licenses, or contracts; methods, programs, systems, procedures, campaigns, surveys, studies, forecasts, estimates, customer lists, or technical data; and other similar items. The Contractor may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under this Contract. The Contractor must deliver all intangible property, including but not limited to, intellectual property, to <State> in a manner that ensures the Centers for Medicare & Medicaid Services, an agency of the Department of Health and Human Services, obtains 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. Federal purposes include the purpose of administering <State> exchanges under the Affordable Care Act of 2010. The Contractor is further subject to applicable regulations governing patents and inventions, including those issued by the Department of Commerce at 37 CFR Part 401.

16. **Attendance at Meetings and Sharing**. It is important for States to share with one another lessons learned and best practices; as such it is required that Recipients attend CMS (CCIIO and/or CMCS) recipient meetings or workshops. CMS encourages Recipients to attend regional or other types of meetings/workshops that would further their work to establish their Exchanges, however funds under this grant may not be used for the purpose of defraying the costs of a conference that is not directly and programmatically related to the purpose for which the grant is awarded. For additional information on allowable costs for attending meetings and conferences, refer to Attachment C to these terms and conditions, HHS Policy on Promoting Efficient Spending for Conferences and Meetings.

17. **Collaborative Responsibilities**. Close coordination between the Department of Insurance and the Medicaid Director is required. Recipients will be expected to show evidence, including but not limited to, regular communication and meetings, and Memoranda of Agreement, and inclusion in critical milestones.

18. **Consumer Assistance Program (Section 1002 of the Affordable Care Act (42 U.S.C. 300gg-93)).** As Exchange recipients engage in planning and implementation activities around the Core Area of Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints, they must keep in mind that they are prohibited from replacing Consumer Assistance Program grant funding with 1311 funding. The activities must be integral to the establishment of the Exchange and are subject to the minimum requirements of Section 1311, not those in Section 1002. Funds awarded under this Exchange Establishment Cooperative Agreement must not supplant other grant funds, or otherwise misuse or misappropriate grant funds. Please see Section IV.5 of the Funding Opportunity Announcement "Prohibited Uses of Grant Funds" for more information.

19. **Basic Health Program**. Exchange Establishment Cooperative Agreement funds cannot be used by the Recipient for the purpose of applying for a waiver of the Exchange requirements. To the extent that there are Exchange establishment activities that would need to be coordinated with or overlap with activities undertaken pursuant to sections 1331 and 1332, Exchange Establishment Cooperative Agreement funding could be available for those activities. However, funding under the Exchange Establishment Cooperative Agreements may not be used solely for waiver activities, the Basic Health Program or investigation of the feasibility of those options. Please contact your Project Officer with any questions.

20. **Risk Adjustment**. Recipients must seek approval to commence specific tasks associated with risk adjustment. Recipients must submit plans to carry out tasks related to risk adjustment to your Project Officer for review and approval prior to commencing activities.

21. **Quality Rating System**. Prior to carrying out activities related to Quality, Recipient must consult with its Project Officer for technical assistance.

22. **Funding the Navigator Program**. Exchange Establishment funds may be used for functions and/or activities that pertain only to the administrative development of a Navigator grant program. Funds to make Navigator grants must come from the operational funds of the State Exchange, not from Section 1311 funds awarded under this cooperative agreement.

23. **In-Person Assisters/Non-Navigator Assistance Personnel**. Below are requirements for Recipients based on 45 CFR §§ 155.205(d)-(e), 155.215(a)(2) and (b)-(e), and 155.405 with respect to the functions that the Non-Navigator Assistance Personnel funded with 1311(a) grant funds will be performing:

    A. In order to provide services that meet the requirements of 45 C.F.R. §§ 155.205(d)-(e), 155.215(a)(2) and 155.405, individuals performing in-person assistance functions and whose activities are funded with grant funds must provide information and services in a fair, accurate and impartial manner, must acknowledge other health programs when doing so, and must meet and adhere to the conflict of interest standards at 45 CFR 155.215:

        1. Cannot be a health insurance issuer or issuer of stop loss insurance;
        2. Cannot be a subsidiary of a health insurance issuer or issuer of stop loss insurance;
        3. Cannot be an association that includes members of, or lobbies on behalf of, the insurance industry;
        4. Cannot receive any consideration directly or indirectly from any health insurance issuer or issuer of stop loss insurance in connection with the enrollment of any individuals or employees in a QHP or a non-QHP.
        5. Submit to the Exchange a written attestation that the entity or individual—

            A. Is not a health insurance issuer or issuer of stop loss insurance;
            B. Is not a subsidiary of a health insurance issuer or issuer of stop loss insurance;
            C. Is not an association that includes members of, or lobbies on behalf of, the insurance industry; and
            D. Will not receive any consideration directly or indirectly from any health insurance issuer or issuer of stop loss insurance in connection with the enrollment of any individuals or employees in a QHP or non-QHP.

        6. Submit to the Exchange a written plan to remain free of conflicts of interest while carrying out consumer assistance functions under §155.205(d) and (e);
        7. Provide information to consumers about the full range of QHP options and insurance affordability programs for which they are eligible.
        8. Submit to the Exchange, and, in plain language, to each consumer who receives application assistance from the entity or individual:
            A. Any lines of insurance business, not covered by the restrictions on participation and prohibitions on conduct in §155.210(d), which the entity or individual intends to sell while carrying out the consumer assistance functions;

B. Any existing employment relationships, or any former employment relationships within the last five years, with any health insurance issuers or issuers of stop loss insurance, or subsidiaries of health insurance issuers or issuers of stop loss insurance, including any existing employment relationships between a spouse or domestic partner and any health insurance issuers or issuers of stop loss insurance, or subsidiaries of health insurance issuers or issuers of stop loss insurance; and
C. Any existing or anticipated financial, business, or contractual relationships with one or more health insurance issuers or issuers of stop loss insurance, or subsidiaries of health insurance issuers or issuers of stop loss insurance.

B. In order to provide services that meet the requirements of 45 C.F.R. §§ 155.205(d)-(e), Non-Navigator assistance personnel funded with grant funds must adhere to the standards set forth at 155.215(c) and (d) related to providing culturally and linguistically appropriate services and standards ensuring access by persons with disabilities to Non-Navigator Assistance Personnel services.

C. Non-Navigator Assistance programs must not be used to replace or supplant Navigator programs that ACA § 1311(i)(1) and 45 C.F.R § 155.210(a) require Exchanges to provide, and that may not be funded with ACA § 1311(a) funds.

D. Pursuant to 155.205(d), Non-Navigator Assistance Personnel must be trained regarding QHP options, insurance affordability programs, eligibility, and benefits rules and regulations governing all insurance affordability programs operated in the state, as implemented in the state, prior to providing such assistance paid for with federal grant funds. Non-Navigator Assistance Personnel funded with grant funds must comply with the training standards set forth at 155.215(b), including but not limited to the following:

a. Obtain certification by the Exchange prior to carrying out any consumer assistance functions;

b. Register for and complete a HHS-approved training;

c. Following completion of the HHS-approved training, complete and achieve a passing score on all approved certification examinations prior to carrying out any consumer assistance functions;

d. Obtain continuing education and be certified and/or recertified on at least an annual basis; and

e. Be prepared to serve both the individual Exchange and SHOP.

24. Certified Application Counselors (CAC). Section 1311(a) Exchange Establishment grant funds are available for costs incurred by State-Based Exchanges for establishing a certified application counselor training program and to cover administrative costs associated with the certified application counselor program. State-Based Exchanges may not, however, use section 1311(a) Establishment grant funds to pay certified application counselors or certified

application counselor organizations. Additionally, no section 1311(a) Exchange Establishment grant funding is available for certified application counselor training program costs in Federally-facilitated or State Partnership Exchanges, because the federal government is responsible for and states will not be involved in implementing the certified application counselor program in those Exchanges.

25. **Uniform Administrative Requirements and Cost Principles.** All 1311 grantees must follow 45 CFR Part 92 for Uniform Administrative Requirements and 2 CFR Part 225 (formerly OMB Circular A-87) for Cost Principles.