

1. FDA estimates that the likely increase in PMN's over the number of FAP's and TOR requests will be approximately four times the highest recent influx of these submissions (50 and 54, respectively). This factor is based on an analysis of the number of companies producing various types of FCS's and the types of FCS's for which FAP's and TOR's are most commonly submitted to FDA.

2. FDA also has included 200 expected duplicate submissions in the second lowest tier. FDA expects that the burden for preparing these notifications will primarily consist of the notifier filling out FDA Form No. 3480, verifying that a previous notification is effective, and preparing necessary documentation.

3. Based on the amount of data typically submitted in FAP's and TOR requests, FDA identified three other tiers of PMN's that represent escalating levels of burden required to collect information.

4. FDA estimated the median number of hours necessary for collecting information for each type of notification within each of the three tiers, and the cost of developing necessary data based on input from industry sources.

Dated: May 23, 2000.

William K. Hubbard,

Senior Associate Commissioner for Policy, Planning, and Legislation.

[FR Doc. 00-13585 Filed 5-30-00; 8:45 am]

BILLING CODE 4160-01-F

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

[Document Identifier: HCFA-R-205/Supplement]

Agency Information Collection Activities: Submission For OMB Review; Comment Request

In compliance with the requirement of section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995, the Health Care Financing Administration (HCFA), Department of Health and Human Services, has submitted to the Office of Management and Budget (OMB) the following proposal for the collection of information. Interested persons are invited to send comments regarding the burden estimate or any other aspect of this collection of information, including any of the following subjects: (1) The necessity and utility of the proposed information collection for the proper performance of the agency's functions; (2) the accuracy of the estimated burden; (3) ways to

enhance the quality, utility, and clarity of the information to be collected; and (4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

Type of Information Collection Request: New Collection.

Title of Information Collection: Individual Market-Guarantee Issue Election Packet, and Supporting Regulations in 45 CFR 148, and Forms/Instructions.

Form No.: HCFA-R-205/Supplement (OMB# 0938-NEW).

Use: This collection is a Supplement of the existing collection for "Information Collection Requirements Referenced in HIPAA for the Individual Market, Supporting Regulations in 45 CFR 148, and forms/instructions (OMB 0938-0703). This supplement is intended to simplify the filing obligations of issuers who participate in the individual market of more than one direct enforcement state. A direct enforcement state is a state in which HCFA has the responsibility to enforce the requirements of HIPAA. This supplement allows the issuer to submit the requested information for multiple states at one time, rather than having to complete a separate transmittal form for each state.

Frequency: On occasion.

Affected Public: Business or other for-profit, Individuals or Households, Not-for-profit institutions, Federal Government, and State, Local or Tribal Government.

Number of Respondents: 15.

Total Annual Responses: 150.

Total Annual Hours: 566.

To obtain copies of the supporting statement for the proposed paperwork collections referenced above, access HCFA's Web Site Address at <http://www.hcfa.gov/regs/prdact95.htm>, or E-mail your request, including your address and phone number, to Paperwork@hcfa.gov, or call the Reports Clearance Office on (410) 786-1326. Written comments and recommendations for the proposed information collections must be mailed within 30 days of this notice directly to the OMB Desk Officer designated at the following address: OMB Human Resources and Housing Branch, Attention: Allison Eydt, New Executive Office Building, Room 10235, Washington, DC 20503.

Dated: May 8, 2000.

John P. Burke III,

HCFA Reports Clearance Officer, HCFA, Office of Information Services, Security and Standards Group, Division of HCFA Enterprise Standards.

[FR Doc. 00-13544 Filed 5-30-00; 8:45 am]

BILLING CODE 4120-03-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

[HCFA-2076-N]

RIN 0938-AK16

Medicaid Infrastructure Grant Program To Support the Competitive Employment of People With Disabilities

AGENCY: Health Care Financing Administration (HCFA), HHS.

ACTION: Notice.

SUMMARY: This notice announces the availability of HCFA funding, through grants, for eligible States under the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA). The grant program is designed to assist States in developing infrastructures to support the competitive employment of people with disabilities by facilitating targeted improvement to States' Medicaid programs. This notice contains information about the grants, application requirements, review procedures, and other relevant information.

DATES: States should submit a Notice of Intent to Apply for a grant by June 12, 2000. Grant applications must be submitted July 31, 2000, in order to be considered for funding beginning in October 2000. For an explanation of a timely submission, see Section V of this notice entitled "Applying for a Grant."

Application Requests: To receive an application package contact Marilyn Lewis-Taylor, (410) 786-5701, mlewistaylor@hcfa.gov.

ADDRESSES: Mail applications to the following: Health Care Financing Administration, Room C2-21-15, 7500 Security Boulevard, Baltimore, Maryland 21244-1850, Attn: Marilyn Lewis-Taylor, OICS, AGG, Grants Management Staff.

Please Note: While State agencies are only required to submit an original and two copies, submission of an original and *seven copies* will greatly expedite the application process.

Web Site Address for Additional Information: We have a website that provides additional details and

information about the grants. The address for this website is: <http://www.hcfa.gov/medicaid/twwiia/twwiiahp.htm>.

SUPPLEMENTARY INFORMATION:

I. Background

The Ticket to Work and Work Incentives Improvement Act of 1999.

The Ticket to Work and Work Incentives Improvement Act of 1999 was signed by President Clinton on December 17, 1999. This law seeks to address many of the obstacles that people with disabilities face as they seek sustained employment. It expands Medicare and Medicaid coverage for certain categories of employed individuals with disabilities because people with disabilities have continually identified the loss of health care coverage as one of the major obstacles that they face as they return to work.

The infrastructure grants program was created to provide financial assistance to States to facilitate the competitive employment of people with disabilities through (a) Medicaid buy-in opportunities under the State Medicaid Plan, (b) demonstrations offering the ability to purchase Medicaid coverage for people with a severe impairment who do not yet meet the SSI disability test, (c) significant improvements to Medicaid services that support people with disabilities in their competitive employment efforts and/or (d) serving as a regional State-to-State Medicaid Infrastructure Center.

In addition to this infrastructure grant program, the Act provides States the option to offer Medicaid buy-ins to two optional eligibility groups. The first optional group is for individuals from age 16 through 64 who would meet the eligibility requirements for the Supplemental Security Income program but for higher earnings or resources. The second optional group, referred to as the Medicaid Improvement Group, is for people who, at one time, were eligible under the first optional group but who are determined to have medically improved at a regularly scheduled continuing disability review (CDR).

Finally, the legislation creates a Medicaid Demonstration program that allows States to provide Medicaid benefits and services to a specified maximum number of working individuals who have a specific physical or mental impairment that is likely to lead to disability as defined by Social Security. This demonstration authority will allow States to assist working individuals by providing the necessary benefits and services required

for people to manage to progression of their conditions and remain employed. A separate grant solicitation will be issued for this "Demonstration to Maintain Independence and Employment." However, Medicaid Infrastructure Grant program funds may be used to support the development of the Demonstration to Maintain Independence and Employment. Infrastructure grant funds may also be used to conduct outreach to beneficiaries and other stakeholders about the availability of such new options.

The Ticket to Work and Work Incentives Improvement Act of 1999 is a comprehensive law that changes programs operated by the Social Security Administration, the Department of Labor, and HCFA. We are working in a coordinated and strategic manner with our Federal agency partners to develop strong national policy. The Presidential Task Force on Employment of Adults with Disabilities is serving as the coordinating entity to this multi-agency process. Both the Department of Labor and the Social Security Administration are also issuing grant solicitations authorized under the Ticket to Work and Work Incentives Improvement Act to be implemented in fiscal year 2000. These grants share the common goal of supporting working-age individuals in securing and maintaining gainful employment.

II. The Medicaid Infrastructure Grants

The goal of this grant program is to support people with disabilities in securing and sustaining competitive employment in an integrated setting. The grant program will achieve this goal by assisting State Medicaid programs in implementing provisions of the Ticket to Work and Work Incentives Improvement Act of 1999 which relate to health and long term care coverage.

A. Who May Apply

Two types of State agencies *in eligible States* may apply: (a) the Single State Medicaid Agency or (b) any other State agency in partnership, agreement and active participation with the Single State Medicaid Agency. For purposes of this grant program, "State" is defined as each of the 50 States, the District of Columbia, Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands. Only one application will be accepted per State, unless a State wishes to separate its dissemination and learning component (or its proposal for a State-to-State Medical Infrastructure Center) into a distinct application. In such a case, the

combined budget total will still be subject to the overall State funding limit described below in Section C.

Eligible States are affected by a requirement adopted by Congress to promote the availability of personal assistance services necessary for many people to work. For purposes of this grant, "personal assistance services" means:

A range of services, provided by one or more persons, designed to assist an individual with a disability to perform daily activities on and off the job that the individual would typically perform if the individual did not have a disability. Such services should be designed to increase the individual's control in life and the individual's ability to perform activities on and off the job.

We recognize that States currently vary in the adequacy of their personal assistance services. In an effort to enable broad participation in this grant program, HCFA is establishing a multi-tiered qualification system that will address the situation of different States. Personal assistance services used to qualify for this grant program, however, must conform to the intent of this law which aims to promote and support the competitive employment of people with disabilities. To do that, personal assistance services must be both available to people who need services outside their homes and not limited to one particular disability group.

As described in detail below, fully eligible and conditionally eligible States are those which offer personal assistance services through their Medicaid program in a statewide manner. Fully eligible and conditionally eligible States are able to apply for and receive multi-year grant awards. Transitionally eligible States are those that offer personal assistance services outside the home but do not provide these services statewide, and agree to convert their personal assistance service to statewide by the last day of the grant cycle. Typically, this category would include States with 1915(c) waivers supportive of those engaged in competitive employment that are limited to certain geographic regions of a State. Transitionally eligible States are able to receive first year funding (up to \$625,000) but must apply for conditional eligibility status before receiving any additional funds. States with full, conditional or transitional eligibility will receive funding at the beginning of the grant cycle. Other States may have funding reserved for them.

To be considered sufficient, all of the eligibility categories require that

personal assistance services support the competitive employment of individuals with disabilities. Competitive employment means work—

(i) In the competitive labor market that is performed on a full-time or part-time basis in an integrated setting; and

(ii) For which an individual is compensated at or above the minimum wage, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals who are not disabled.

In addition, the personal assistance services offered by a State must support competitive employment of disabled individuals that takes place either in the home or in an integrated work setting. An integrated work setting means a setting typically found in the community in which employed disabled individuals interact with non-disabled individuals, other than the non-disabled individuals who are providing the employment service. A person with a disability who is self-employed is considered to be engaged in competitive employment provided that such self-employment meets the definition of competitive employment.

B. Duration of Awards and Types of State Eligibility

Award duration (and therefore cumulative award amount) depends partly upon the degree to which the State's Medicaid personal assistance services effectively support competitive employment. States receiving awards may retain grant funds until they are expended. States may only seek subsequent competitive awards (as their eligibility permits) contingent upon the expenditure or obligation of previous grant awards. States may apply under the following circumstances:

1. *Full Eligibility:* Fully eligible States are defined in Appendix One which contains HCFA's operational definition of an effective personal assistance service that will qualify a State for full eligibility under the grants program. Those States with statewide personal assistance services meeting the criteria in Appendix One will enjoy full eligibility and may secure both (a) multi-year funding and (b) the ability to serve as State-to-State Medicaid Infrastructure Centers. States that meet the criteria described in Appendix One may apply for up to four years of funding. If a multi-year commitment is requested, funding beyond the first year will be reserved for such States for future grant years subject to the continued availability of funds under the grants program. At the end of four

years, such State may re-apply and be eligible for further funding, contingent upon the availability of funds on a competitive basis.

- States seeking full eligibility must offer evidence that their personal assistance services under Medicaid fulfill the requirements in Appendix One of this grant solicitation.

2. *Conditional Eligibility:* Conditionally eligible States are those States with statewide personal assistance services of limited people scope capable of serving people with disabilities engaged in competitive employment of at least 40 hours per month. These States do not meet the criteria in Appendix One. Such States may apply for up to four years of funding; however, funding after year one is contingent upon the States meeting annual benchmarks which have been agreed to by HCFA in the Terms and Conditions of the grants. These benchmarks must represent design changes which will significantly improve a State's personal assistance services under Medicaid and move them closer to the criteria established in Appendix One. We expect that the benchmarks will be designed with the involvement of the disability community. Subsequent year funding will be released after the State has achieved the agreed upon benchmarks. At the end of four years, States may re-apply for funding on a competitive basis, contingent upon the availability of funds.

- To the extent that system improvements are sufficiently large that the State is later able to meet the criteria in Appendix One, the State may then apply for additional amounts and years of funding as a "fully eligible State."

3. *Transitional Eligibility:* Transitionally eligible States are those that offer personal assistance services sufficient to support individuals engaged in competitive employment of at least 40 hours per month, but not in a statewide manner. Transitionally eligible States must commit to transitioning their personal assistance services to statewide by the end of the grant year to be eligible for one year of funding. This commitment will allow us to consider the last day of the grant cycle as the first day for purposes of establishing statewide. States receiving funding under this category may re-apply competitively for future funding as a conditionally eligible State. States can only qualify for funding under the transitional eligibility category on a one time basis.

- States seeking transitional eligibility must provide us with a letter of commitment outlining how the

requirement of statewide will be achieved by the end of the year.

We expect this commitment letter will be developed with the involvement of the disability community.

4. *Reserved Eligibility:* States that do not qualify for full, conditional, or transitional eligibility (those that do not have a personal assistance service and/or do not have capacity to deliver personal assistance services outside the home) may still apply and have first or second-year funds reserved for them, contingent upon later passage and implementation of coverage for personal assistance services capable of serving people with disabilities in competitive employment of at least 40 hours per month. Receipt of funding under this eligibility category is contingent upon the availability of funds. In addition, States seeking reserved eligibility must meet the following requirements:

(a) Obtain a commitment from the Single State Medicaid Agency, with the involvement of the disability community, to seek the necessary legislative and/or Gubernatorial approvals to implement a personal assistance services system capable of supporting competitive employment of at least 40 hours per month within two years of the grant application due date; and

(b) Provide evidence of such approval prior to the release of grant funds. Funds not claimed within the 2-year time period may be released for competitive application by other States.

States that are determined by HCFA to be ineligible for funding by the end of year two, may re-apply for reserved eligibility.

C. Amounts and Timelines for Funding

HCFA anticipates announcing the first round of awards in October, 2000. The first grant period will run 15 months from October 1, 2000, through December 31, 2001. The minimum grant award for this first award cycle of 15 months will be \$625,000 unless the State specifically requests less. The maximum award a State may request is the greater of:

- \$500,000 per year (\$625,000 for the first grant period of 25 months), or
- Ten percent of the Medicaid buy-in expenditures for people with disabilities, per year.

In no instance may this be more than \$1,250,000 for the first grant-year or \$1,500,000 for subsequent grant years. States are required to document such expenditures either in the form of expenditure reports for the previous fiscal year or actual budgeted expenditure levels approved by the legislature and Governor for the previous year, the current year or the

grant year. All documentation regarding the buy-in expenditures must be included with the initial application.

The Medicaid Infrastructure Grants program is authorized in law for 11 years. Funding has been appropriated at \$20 million for the first year, with gradually increasing annual amounts totaling \$150 million for the first 5 years (\$25 million in year two, \$30 million in year three, etc.). States may apply for 1 or more years of funding, as described below. We anticipate some form of grant solicitation annually, but also expect competition for the grants will increase significantly over time. No State or local matching funds are required.

D. Uses of Grant Funds

Funds may be used for infrastructure, that is, to establish or improve the capability to provide or manage necessary health care services or support for competitive employment of people with disabilities who may be Medicaid eligible. The infrastructure may be at the State and/or local level and may be provided or contracted by government or other organizations under contract with the responsible government agency.

Funds may not be used for the direct provision of services to people with disabilities except on a one-time, last resort, emergency basis for the purpose of sustaining the individual's competitive employment. An emergency use would consist of an intervention or support enduring no more than one day which is designed to compensate for the unexpected breakdown of a person's normal support system and for which other resources are not readily available to sustain a person's employment schedule or commitments. Examples might include: emergency rental of a replacement wheelchair or coverage for transportation breakdown.

Funds under this grant initiative cannot be used to match any other Federal funds. Grant funds may not be used for services, equipment, or supports that are the responsibility of another party under Federal or State law (such as vocational rehabilitation or education services) or under any civil rights laws including, but not limited to, modifications of a workplace or other reasonable accommodations that represent an obligation of the employer or other party. Grant funds may not be used to provide personal assistance services (except for an emergency use described above) or substitute in other ways for the absence of adequate personal assistance services in the State. Funds may not be used for infrastructure for which Federal Medicaid matching funds are available

at the 90/10 matching rate, such as certain information systems projects.

States that receive funding commitments based on Full-Eligibility status or receive funding which exceeds the minimum grant award level (\$625,000 for the first 15-month grant period) must agree to provide and/or contribute to some form of technical assistance to other States based on the learning achieved in the process of implementing its Medicaid employment initiative. Specific details will be negotiated based on the State's interest in providing assistance, the type of assistance already offered by other grantee States, the expressed desire of States which are requesting assistance, and the input of all States with regard to the best methods to assure a national infrastructure capability. Examples of assistance already requested by States can be found in Appendix Two.

Funds may be applied to one or more of the following four purposes:

1. *Medicaid Buy-In:* Planning, design, implementation and/or effective management of any of the Medicaid buy-in options under the 1997 Balanced Budget Act (section 1902(a)(10)(A)(ii)(XIII) of the Social Security Act (the Act)) and/or the Ticket to Work and Work Incentives Improvement Act (section 1902(a)(10)(A)(ii)(XV) or (XVI) of the Act. Examples include: time-limited staff planning costs; expenses for people with disabilities to participate in State planning and implementation events; automated information and eligibility systems modifications necessary for the Buy-In or for Medicaid payment of Medicare Part B premiums on behalf of subscribers to the Medicaid Buy-In; automated enrollee tracking systems; basic research and evaluation, etc. Also included is outreach to people with disabilities or employers to learn about the opportunities to work and to sustain health coverage under Medicaid and/or Medicare, to enroll in the Medicaid Buy-In, and to access needed supports to sustain competitive employment. Additional examples are provided in Appendix Two.

2. *Medicaid Services:* Planning, design, or initial management and/or evaluation of improvements to make the Medicaid State Plan (or Medicaid waivers) provide more effective support to workers with disabilities. Examples include: improvements to personal care, transportation, durable medical equipment, community-based treatment, or Medicaid waiver support of employment. Coordination between the activities of other State Agencies in support of working people with disabilities and the State Medicaid

Program is permissible. Additional examples are provided in Appendix Two.

- On-going administration of Medicaid services is not a fundable activity unless such administration is part of a well-defined test of alternate and improved methods focused specifically on employment (e.g., testing, implementation and management of new prior authorization criteria under Medicaid personal care designed to assess the need for additional support when people are employed).

3. *Demonstration To Maintain Independence and Employment:* Planning, design, and initial implementation of the demonstration authorized under section 204 of the Ticket to Work and Work Incentives Improvement Act. Separate funding (through a separate grants solicitation) is provided for State demonstrations that offer Medicaid coverage for people who do not meet the SSI disability test but have a potentially severe physical or mental impairment, as defined by the State. Medicaid infrastructure funds allocated pursuant to this solicitation may be used to design such a demonstration and to make necessary implementation preparations.

A separate solicitation will provide funding both for Medicaid services and also for on-going administration of the demonstration. If a State seeks Infrastructure Grant funding for design or initial implementation of the demonstration, the State must submit a response to the separate solicitation to participate in the Demonstration to Maintain Independence and Employment found on the HCFA website at www.hcfa.gov/medicaid/twiiia/twiiiahp.htm (it need not attach a copy to this solicitation response). To minimize the risk assumed by the State when going through consecutive competitive selection processes, a State may submit two versions of its budget under this solicitation. One would reflect the budget if a State is also approved for a demonstration, the second would reflect the budget if the State is not chosen as a demonstration participant.

4. *State-to-State Medicaid Infrastructure Centers:* States that (a) meet the full eligibility criteria and (b) also make a commitment to implement a Medicaid buy-in program for working adults with disabilities, may apply to use funds to form a regional technical assistance center. The Center would: help other States plan and design needed Medicaid infrastructure; disseminate information on "lessons learned"; facilitate the sharing of

knowledge among States, employers and community organizations; support efforts to involve people with disabilities in the design and management of the Medicaid buy-ins; and replicate successful programs supporting the employment of people with disabilities by eliminating health care barriers.

Proposals to create these regional centers must make significant use of staff administering state programs affecting work incentives improvements who can share their experience with other States. One of the purposes of this regional resource network is to identify key actors with special knowledge and talents that can promote sharing of successful practices. State administrative staff must be available to the State-to-State Medicaid Infrastructure Center for purposes of traveling to other States to provide technical assistance. The indirect rate for State-to-State Infrastructure Centers is limited to the Single State Medicaid Agency's approved indirect rate not to exceed 9%.

III. Review Criteria and Process

Planning and Problem Analysis—15 Points: To what extent does the application evidence an understanding of the barriers that impede competitive employment of people with disabilities? To what extent does the planning and implementation process meaningfully involve people with disabilities? How well has the State been able to identify population groups who would benefit from a Medicaid buy-in program?

Significance—25 points: To what extent the application propose infrastructure development which will offer enduring and significant improvement in the ability of the system to provide adequate health coverage for people with disabilities who are competitively employed, provide needed personal assistance and other supports, and/or remove other significant employment barriers?

Methodology and Budget—40 points: To what extent do the methods, work plan, and timetable inspire confidence that the goals of the proposal will be met? For example, to what extent are:

- The needed partners aligned with the proposal;
- The goals and methods clearly and effectively delineated;
- The Medicaid buy-in, Medicaid services and/or Medicaid infrastructure complemented and coordinated with other important components of an effective system (e.g. benefits counseling, vocational rehabilitation, school to work programs, and other important pieces of the employment

puzzle); or to what extent will the Medicaid infrastructure grant improve such coordination toward the common purpose of enabling competitive employment?

Is the budget reasonable; to what extent does the budget offer good value in relation to the achievements that are promised (that is, the size of the budget in relationship to the significant products or outcomes being achieved)?

Staffing—10 points: To what extent is evidence provided that key staff are qualified and possess the experience and skills to implement and conduct the program within the available time frames? To what extent is there evidence that key project staff, by virtue of their personal and/or first-hand professional experiences with disability, have the requisite knowledge to design and implement infrastructure for a customer-responsive health coverage system?

Dissemination and Learning—10 points: To what extent does the State have a plan for using its grant experiences to identify different or better ways to improve its buy-in or Medicaid services that support competitive employment efforts of people with disabilities? Does the State have a cogent plan for obtaining timely feedback from people enrolled in the Medicaid buy-in (including the Medicaid demonstration) and from the disability community?

Will the grantee State make such lessons available to key actors within the State? To what extent will it make such lessons available to other States (required for fully-eligible States and State receiving more than \$500,000 per fiscal year)? To what extent does the applicant plan to: help other States design needed Medicaid infrastructure; facilitate the sharing of knowledge among States, employers and community organizations; support efforts to involve people with disabilities in the design and management of the Medicaid buy-ins, or replicate successful techniques?

- To what extent does the State's proposal indicate the staffing and technical capability to ensure such dissemination and learning (or include a cogent plan to develop/acquire such capability)?

In General

States that include people with disabilities in the development and implementation of their grant proposal and make a commitment to ongoing inclusion will receive scoring preference.

Panels of experts will conduct an independent review of all applications.

The panelists will assess each application based on the areas specified previously to determine the merits of the proposal and the extent to which it furthers the purposes of the grant program. HCFA will review the recommendations of the panel. HCFA reserves the right to request that States revise or otherwise modify certain sections of their proposals based on the recommendations of the panel. HCFA reserves the right to assure reasonable geographic and other representation among States receiving grant awards, as well as assure the presence of at least one State-to-State Medicaid Infrastructure Center.

Final award decisions will be made by the HCFA Administrator after consideration of the comments and recommendations of the review panelists, and the availability of funds. HCFA anticipates announcing the awards in October, 2000. States will receive written notification of the final award decision.

IV. General Provisions

Although applicants have considerable flexibility in developing grant programs under this solicitation, the State must agree to the following:

Grantee Reporting

States receiving awards must agree to cooperate with any Federal evaluation of the program and provide quarterly and annual reports in a form prescribed by HCFA (including the SF-269a Financial Status Report forms). The reports will be designed to outline how grant funds were used and to describe program progress and barriers. States will also provide data on key aspects of their system improvements, scaled to the size of their grant award. For States with Medicaid buy-in programs, such data include the number of subscribers, prior Medicaid eligibility status, Medicare eligibility status, presence of other public or private third-party insurance, premium collections, employment status, and the number of subscribers who increase their employment level.

For States using grant funds to improve Medicaid services that support competitive employment, we will seek data on the nature and extent of the improvements as well as the number of people who benefit from such improvements. A report format will be supplied by HCFA and final details will be negotiated as part of the final grant award process.

Congress imposed a reporting requirement on grantee States when it created this program which involves tracking and reporting the number of

Title II and Title XVI disability beneficiaries who return to work during each year of the grant program. HCFA will work with the Social Security Administration and the States to fulfill this reporting requirement.

Coordination With Medicare and Private Insurance

States that receive grant funds and that propose (or have) a Medicaid buy-in program or a project under the Medicaid Demonstration to Maintain Independence and Employment should plan on designing methods to coordinate the buy-in or demonstration effectively with private insurance and with Medicare (e.g. payment of Medicare Part B premiums to ensure full Medicare coverage and a reduction in eventual cost to Medicaid). HCFA will provide technical assistance on design elements that may be useful for States to consider.

Transition for On-Going Administration

States that use grant funds for any on-going administrative expenses must include a short plan for phasing out grant funds and ensuring that necessary, on-going administration will be assumed as a regular Medicaid administrative expense or paid for through other means.

Annual Meeting

All States receiving awards should plan to attend an annual meeting of grantee States. States proposing to serve as State-to-State Medicaid Infrastructure Centers should plan to attend two additional meetings. Proposed grant budgets must contain the necessary funds to send two representatives to the meetings and, for budgeting purposes, should be based on a Washington, DC, location.

Civil Rights

All grantees receiving awards under this grant program must meet the requirements of Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; Hill-Burton Community Service nondiscrimination provisions; and Title II, Subtitle A, of the Americans with Disabilities Act of 1990.

Intergovernmental Review of Federal Programs

Executive Order 12372 or "Intergovernmental Review of Federal Programs" (45 CFR Part 100) is not applicable to this program.

V. Applying for a Grant

Application Format

Appendix Three contains a format for submitting an application.

Notice of Intent To Apply

Appendix Four is a Notice of Intent to Apply. States that submit this form with questions before June 12, 2000 will receive answers to the questions at the Applicants' Conference which may help provide guidance for proposals. This form does not represent an obligation on the part of the State to apply and it is not a requirement for a successful State application.

Applicants' Conference

HCFA will conduct an open Applicants' Conference for all States interested in the Medicaid Infrastructure Grants. Participation in the Conference is not required but is recommended as a forum for States to ask questions and obtain additional information. The conference will be held in June, 2000.

Deadline for Submission

The closing date for proposals submitted under this solicitation is July 31, 2000. Applications mailed through the U.S. Postal Service or a commercial delivery service will be considered on time if they are received in HCFA's Grants Office or postmarked by this date. Submissions by facsimile (fax) transmission will not be accepted. A proposal postmarked after the closing date will be considered late. Late proposals will not be considered for an award in this round of applications and will be returned without review.

An original proposal should be sent with *seven copies* to: Attn: Marilyn Lewis-Taylor, Health Care Financing Administration, OICS, AGG, Grants Management Staff, Mailstop C2-21-15, 7500 Security Boulevard, Baltimore, Maryland 21244-1850, Phone: (410) 786-5701, e-mail: mlewistaylor@hcfa.gov

Please note: While State agencies are only required to submit an original and two copies, submission of an original and *seven copies* will greatly expedite the application process.

VI. Additional Information

For additional information regarding this solicitation, please contact: Medicaid Employment Infrastructure Grants Program, Disabled and Elderly Health Programs Group, Center for Medicaid and State Operations, 7500 Security Boulevard, Baltimore, Maryland 21244-1850, (410) 786-6126, Attn: Joe Razes, Project Manager.

Information is also available on HCFA's dedicated Ticket to Work and

Work Incentives Improvement Act website at the following address: <http://www.hcfa.gov/medicaid/twwiia/twwiiahp.htm>

Authority: Section 203 of the Ticket to Work and Work Incentive Improvement Act of 1999, Public law 106-170.

(Catalog of Federal Domestic Assistance Program No. 93.779, Health Care Financing Research, Demonstration, and Evaluations)

Dated: May 22, 2000.

Nancy-Ann Min DeParle,

Administrator, Health Care Financing Administration.

Appendix One: Personal Assistance Services

Personal assistance services sufficient to enable individuals to work:

For full eligibility under this grant program, entitling a State to receive multiple year funding, a State must offer personal assistance services statewide to the extent necessary to enable an individual to be employed competitively. For purposes of this grant program, "personal assistance services" means:

- A range of services, provided by 1 or more persons, designed to assist an individual with a disability to perform daily activities on and off the job that the individual would typically perform if the individual did not have a disability. Such services shall be designed to increase the individual's control in life and the individual's ability to perform activities on and off the job.

Offering personal assistance services to the extent necessary to enable individuals with disabilities to remain competitively employed is defined as the following:

- Personal assistance services must be offered statewide through:
 - (a) The optional Medicaid personal care services benefit under the State Medicaid plan as defined in 42 CFR 440.167, or
 - (b) A section 1115 and/or section 1915(c) waiver and/or 1915(b) waiver which substitutes for statewide personal care coverage sufficient to support employment under the State Medicaid plan as defined below, or
 - (c) A combination of State Plan personal care option (or personal care within a Home Health State Plan service) and Medicaid waiver which collectively meet the statewideness and other criteria described below, and which is not substantially different from employed and unemployed individuals.

- The personal care benefit must be sufficient in amount, duration and scope such that an individual with a moderate to severe level of disability would be able to obtain the support needed to both live and get to and from work. Evidence must be available that the State has the ability, through mechanisms including individualized assessments, to match need for personal assistance services with the quantity of services delivered. Establishing caps on the number of days or the number of hours per day that services are available

without regard to individual need will not satisfy this requirement. A State must have criteria for reviewing and responding to requests from qualified employed individuals with disabilities who believe they require more services than determined at their individuals assessment, or a different type of physical or cognitive assistance than that which has been made available. Such criteria should be developed in consultation with individuals with disabilities who use personal assistance services and are competitively employed.

- Workers receiving personal assistance services must be able to receive personal assistance services outside their home.
- Workers receiving personal assistance services must be able to receive personal assistance services at times during both the day and night seven days a week, subject to a finding of individual need.
- Unless an individual needs only assistance with activities of daily living, medical necessity definitions used by a State must not preclude the availability of personal assistance services for instrumental activities of daily living such as cooking, cleaning or shopping if such assistance is required for an individual to remain competitively employed.

Appendix Two: Examples of Permitted and Prohibited Uses of Grant Funds

A. Examples of Permitted Uses of Funds

1. Medicaid Buy-In Programs

Buy-In Design and Implementation: Design, cost-modeling, development and initial administrative implementation of Medicaid buy-ins for the eligibility groups described in sections 1902(a)(10)(a)(ii)(XIII), (XV) and (XVI) of the Social Security Act including:

- Staffing or contracting costs (and related staff expenses) for planning, cost-modeling, initial implementation and management.
- Expenses incurred by people who have a disability who volunteer to participate in State planning, design, training, and implementation events.
- Expenses related to processes that actively involve people with disabilities in the design and/or implementation of the buy-in programs.
- Changes to the State's automated eligibility determination systems.
- Changes to the State's information systems necessary to: issue Medicaid cards; track enrollment; gather and track key information about enrollees (see grantee reporting requirements); manage premium collections and payments; coordinate benefits with Medicare and other third-party insurers; manage and track special asset disregards such as special earned-income savings accounts that a State may permit as part of its work incentives.
- Training materials, curricula, and events for training eligibility determination workers, SSA field staff, benefit counselors, independent living centers, advocacy organizations, and others.
- Software for managing premium collections or tracking special savings accounts permitted as an asset disregard.
- Outreach efforts to inform prospective enrollees and/or employers about the

availability of the buy-in and provide information regarding costs and enrollment criteria.

Tracking, Reporting and Learning Systems: Costs to build and maintain capacity to:

- Meet the reporting requirements of this grant solicitation.
- Track key enrollee data (e.g. enrollee characteristics, prior Medicaid and Medicare status, employment, etc.).
- Conduct basic research on costs of services used by enrollees, utilization, or trends over time.
- Design and conduct effective methods to obtain enrollee feedback or input on the operation of the buy-in, the effectiveness of the coverage being provided, and methods to improve the manner in which the buy-in facilitates employment.

Coordination of benefits: Expenses involved in designing and implementing methods to coordinate the buy-in programs effectively with Medicare and with other public or private or insurance coverage.

2. Medicaid Services That Most Directly Support individuals with Disabilities Who Are Employed

• *Personal Care Under the State Plan:* Design, cost-modeling, and development of a Medicaid State Plan service to cover the personal care services optional benefit under the State plan.

- *Providers of PAS:* Development of provider capacity and reliability to support the provision of personal assistance services (PAS) seven days a week, during the day and night as needed by competitively employed individuals with disabilities; development of effective emergency or back-up systems for people who are competitively employed.
- *Adequacy of PAS:* Design and/or initial implementation of changes to the State's personal assistance services that substantially improve the extent to which the service supports the competitive employment of people with disabilities, such as: conversion of across-the-board service caps to authorizations based on individual need, inclusion of cueing as a component of personal assistance services, etc.
- *Training Medicaid Case Managers:* Training materials, curricula and events designed to train case managers funded by Medicaid regarding: the Medicaid buy-in; the availability of vocational rehabilitation services (VR) and the procedures for working with VR agencies; the availability of Section 1619 Medicaid protections for SSI beneficiaries who work; the inner workings of the SSI provision for Programs to Achieve Self-Sufficiency (PASS); provisions of the new Ticket to Work and Work Incentives Improvement Act; changes to Medicare extended periods of eligibility, and other programs which will assist people with disabilities to be employed competitively.
- *Medicaid Case Management Design:* Redesigning the content, scope, activities, and outcomes of Medicaid case management activities to incorporate valued social and economic roles, defined and desired by the individual with a disability, as an element of each case plan.
- *Self-Determination Designs:* Incorporating the new employment

possibilities in the evolving field of self-determination within the Medicaid program, or redesigning traditional Medicaid services to incorporate self-determination principles with an employment focus.

- *Other Medicaid Services:* Improvements in the design, cost-modeling, development and initial implementation or evaluation of other Medicaid services which have a direct and significant impact on the ability of individuals with disabilities to sustain competitive employment, such as transportation services or modifications, assistive devices, communication aids, or community mental health services.

3. Medicaid Demonstration To Maintain Independence and Employment

• *Demonstration Design and Initial Implementation:* Design and development of a demonstration program to provide Medicaid coverage to a State defined maximum number of working individuals who have a specific physical or mental impairment likely to lead to disability (as created by Section 204 of the Ticket to Work and Work Incentives Improvement Act of 1999), including the examples cited above as permitted uses for the basic Medicaid buy-in programs.

4. State-to State Medicaid Infrastructure Centers

- *Staffing:* Staffing or contracting costs (and related expenses) for a technical assistance and resource center to assist other States to design or implement Medicaid buy-ins or a Medicaid demonstration project.
- *Training and Consulting:* Training materials, curricula development, training events, travel in-state or out-of-state, etc.
- *Peer and Network Education:* Fostering forums for the sharing of knowledge amongst peers, developing effective networks among States, employers, and people with disabilities to share new information, learn new problem-solving techniques, and advance the state-of-the-art in return to work programs.
- *Direct Technical Assistance:* Provision of direct technical assistance to other State agencies, legislatures, Governors, employers, consumer forums, or others on any topic related to the buy-ins (including the Medicaid demonstration) or to improving Medicaid services to support competitive employment of people with disabilities.
- *Informational Resources:* Construction of resources databases for use by others in cost-modeling, tracking progress and learning of other States across the country, compiling key design features and results of different States' buy-in programs or Medicaid demonstration.
- *Outreach and Communication Resources and Services:* Developing and distributing key outreach resource materials for use in other States, including printed material, videos, testimony, audio interviews, graphics, etc. Developing and maintaining web-sites, links translation services, employer outreach systems, and other communication infrastructure.

5. Other

- *Personal computers:* Personal computers and related software for any added staff

capacity (hired or contracted) devoted to development or maintenance of an adequate infrastructure for the Medicaid buy-in programs (including the Medicaid demonstration).

- **Reasonable accommodation:** Reasonable accommodation expenses for staff with a disability who have been enlisted to improve design or implementation capability.
- **Outreach:** Outreach to stakeholders to increase awareness of the availability of the Medicaid options or Medicaid demonstration.
- **Inclusion:** Inclusion of the disability community in the design, implementation and outreach efforts around these options and demonstrations.

B. Prohibited Uses

- **Match:** State or local match to any services provided under the Medicaid program or other Federal program.
- **Medicaid 90/10 Projects:** Any infrastructure expense for which Federal Medicaid funds are available at the 90/10 matching ratio.
- **Non-Competitive Employment:** Any costs related to employment efforts which are not entirely designed to eventuate in the competitive employment of individuals with disabilities.
- **Other Target Groups:** Any infrastructure expense that is not designed to be used primarily for the benefit of people with disabilities who are employed.
- **Premiums:** Premiums for participants in a Medicaid buy-in or other cost-sharing under the Medicaid program.
- **Other Party Responsibility:** Services, equipment, or supports that are the responsibility of another party under Federal or State law (such as vocational rehabilitation or education services) or under any civil rights laws including, but not limited to, modifications of a workplace or other reasonable accommodations.
- **Direct Provision of Services:** Direct provision of services to people with disabilities except on a one-time, last resort, emergency basis for the purpose of sustaining the individual's competitive employment.
- **On-going Administration of Medicaid Services:** Ongoing administration is not a fundable activity unless such administration is part of a well-defined test of alternate and improved methods focused specifically on employment (e.g. testing, implementation and management of new prior authorization criteria under Medicaid personal care designed to assess the need for additional support when people are employed).
- **Benefits Counseling:** Benefits planning or counseling services that are not part of a single-session Medicaid outreach event, a Medicaid eligibility determination process, or a Medicaid buy-in enrollment process.
- **Data Processing Hardware:** Hardware in excess of the personal computers required for staff devoted to the Medicaid employment initiative.

Appendix Three: Application Format and Guidelines

Please use the format outlined below and submit materials in the order listed.

- The narrative portion of the proposal should not exceed 30 double-spaced

typewritten pages, with one inch margins on all sides, in 12-point font. This page limit does not include the cover letter, budget, required appendices, or letters of support.

- Additional documentation may be appended; however, material should be limited to information relevant but not essential to the specific scope and purpose of the grant. Please do not include critical details in an appendix as appendices will not be included for purposes of the ratings process.
- States receiving awards may be asked for an electronic version of their proposals at a later date. States must submit their applications initially in paper (hard copy) format.

A complete proposal consists of a narrative application plus the required material noted below and a completed grant application kit. Application materials should be organized in order as follows:

1. State Agency's Cover Letter

A letter from the Director of the State Medicaid Agency* or other designated State Agency identifying his/her agency as the lead organization, indicating the title of the project, the principal contact person, the amount of funding requested, and the names of all organizations collaborating in the project. The letter should indicate that the State Agency has clear authority to oversee and coordinate the proposed activities and is capable of convening a suitable working group of all relevant partners.

- For purposes of this solicitation, State Medicaid Agency means the Single State Medicaid Agency or umbrella agency which houses the State Medicaid Program.

2. Application Kit Forms

Appendix Five contains the standard forms which must be completed with an original signature and enclosed as part of the proposal.

3. Letter of Agreement from Single State Medicaid Agency

If the State Medicaid Agency is not the lead organization, a letter from the Director of the Single State Medicaid Agency is required specifying the Medicaid Agency's agreement, endorsement and active participation in the grant program.

4. Project Abstract

A project abstract limited to one page. The abstract should serve as a succinct description of the proposed project and should include:

- The overall goals of the project; and
- The level of eligibility being applied for, number of years of funding requested, total budget; and
- A description of how the grant will be used to support or expand competitive employment opportunities for persons with disabilities.

5. Project Narrative

The narrative application should provide a concise and complete description of the proposed project. The narrative or body of the application *must not exceed 30 double-spaced pages* as described earlier. Please do not rely on appendices to describe key

details. This narrative should contain the information necessary for reviewers to fully understand the proposed project and should be organized as follows:

A. Current Infrastructure

Provide a description of the State's current infrastructure for supporting competitive employment for people with disabilities. Please include the following:

- A description of people with disabilities currently competitively employed in your State;
- A description of services provided with State and Federal funds to people with disabilities who are competitively employed or seeking competitive employment in your State;
- A description of personal assistance services delivery systems currently in place in your State including who is served, how services are accessed and who funds the services; and
- An overall assessment of the strengths and weaknesses of your State's capacity to support people with disabilities seeking to return to work.

B. Use of Grant Funds

Provide a description of how the grant funds will be used to improve the existing infrastructure. Please include as much detail about the following components as possible:

1. Removal of Barriers

Discuss the major barriers to competitive employment for people with disabilities that will be addressed with grant funds. Describe the proposed grant projects in terms of their approach to barrier elimination. Provide a succinct statement of the problems for which Medicaid infrastructure funding will be an answer.

2. Health Systems Change

Because this Infrastructure Grant program is premised upon the positive correlation between access to health care benefits and employment, please describe the health systems changes that will result from Infrastructure Grant funding. Examples of health systems change include offering a Medicaid buy-in to people with disabilities who return to work, expanding personal care services, or identifying health system needs and strategies for improvement.

3. Communication/Access Plan

Discuss how the State intends to make known the availability of infrastructure improvement to the disability and employer communities.

4. Partnerships

Describe any partnership with employers, other State or local agencies and the disability community.

5. Monitoring Plan

Describe plans for monitoring the success of the program over time, including establishing a base estimate of the number of people with disabilities who are currently competitively employed.

6. Research/Program

Describe any ongoing research or program development efforts in this area.

C. Products and Timeline

The purpose of this section is to outline clearly what the State hopes to achieve with

each grant. Describe milestones and work products to be accomplished during the grant period.

For States applying for *Conditional Eligibility*, States must clearly indicate the annual benchmarks for improvements to personal assistance services (PAS) that must be achieved before funding beyond the first year's will be released. These benchmarks should represent improvements in PAS that will move a State closer to meeting the level of PAS described in Appendix One.

For States applying for *Transitional eligibility*, States must provide a letter of commitment outlining how the requirement of providing PAS statewide by the end of the grant year will be achieved.

- Examples of work products include completed program designs, legislative campaigns, or proposed educational campaigns.
- A timetable for accomplishing the major tasks to be undertaken should include key dates relevant to the proposed project (e.g. State budget cycles and legislative sessions).

D. Organization and Staffing

Describe the project organization and staffing include:

- Proposed management structure and how key project staff will relate to the proposed project director, the Medicaid Agency, and any interagency or community working groups.
- Brief biographical sketches of the project director and key project personnel indicating their qualifications, and prior experience for the project. Resumes for the key project personnel should be provided as an attachment.

E. Endorsements and Support

Provide a set of endorsements of the support and commitments that have been pledged for the proposed project (e.g. cooperation from the disability community, other state agencies, the executive branch, the legislative branch, employers, business groups, etc.). Individual letters of support should be included as attachments.

6. Budget Narrative/Justification

For the budget recorded on form 424 (see Appendix Five), provide a breakdown of the aggregate number detailing their allocation to each major set of activities. If your State is applying to create a State-to-State Medicaid Infrastructure Center, the budget narrative must separate that activity. The proposed budget for the program should distinguish the proportion of grant funding designated for each grant activity. The budget must separate out funding that is administered directly by the lead agency from funding that will be subcontracted to other partners. If you have budgeted for Infrastructure Grant money to use toward the realization of a Demonstration to Maintain Independence project, you may submit a separate budget section reflecting how that money will be spent if the Demonstration project is not approved.

If your State has an approved State Plan amendment under section 1902(a)(10)(A)(ii)(XII) of the Social Security Act and is applying for funds in excess of \$500,000 per fiscal year, please provide

documentation of State and Federal spending for this optional categorically needy eligibility group.

7. Required Appendices

(a) *Organizational Charts*: Append one or more charts depicting the organizational relationship amongst the lead agency for this grant, the Single State Medicaid Agency (if different), the agency administering Home and Community-Based Service waivers (if different), and the State Vocational Rehabilitation Agency.

(b) *Memoranda of Understanding*: Append any relevant memoranda of understanding which might illustrate the breadth of the State's employment efforts and the extent of collaboration between relevant agencies.

(c) *Key Staff Qualifications*: Include a biographical sketch or resume of key staff describing their qualifications.

Appendix Four: Notice of Intent to Apply

Please return this form by June 12, 2000 to: Medicaid Infrastructure Grants Program, Disabled and Elderly Health Programs Group, Center for Medicaid and State Operations Health Care Financing Administration, 7500 Security Boulevard, S2-12-24, Baltimore, MD 21244-1850

1. State Name: _____
2. State Agency likely to serve as lead: _____
3. Contact Name and Title: _____
4. Address: _____
5. Phone: _____
6. Fax: _____
7. E-mail: _____
8. Eligibility Category: Full _____
Conditional _____
Transitional _____
Reserved _____
9. Expected Duration of Grant Request: From _____ to _____
10. Infrastructure Center: Will You Propose to Serve as a State-to-State Medicaid Infrastructure Center? Yes ___ No ___
11. Expected amount of request: \$ _____
12. Questions: Please attach any questions you would like to have answered before you complete your application.

Information will be sent in June with responses to questions posed by States that submit this Notice of Intent to Apply. This Notice of Intent is not a required document. States that do not submit a letter of intent may still apply. Similarly, submission of a letter of intent does not bind the State, nor will it cause a proposal to be reviewed more favorably. However, we cannot assure that answers to questions posed by States subsequent to issuance of this grant solicitation will be provided to States that do not submit a letter of intent.

Appendix 5

Grant Application Kit (standard forms)
(Please complete the attached forms:)
SF-424: Application for Federal Assistance
SF-424A: Budget Information
SF-424B: Assurances-Non Construction Programs

Biographical Sketch
Standard Form LLL: Disclosure of Lobbying Activities
Additional Assurances

If copies of these forms are needed, they may be obtained from the HCFA website at www.hcfa.gov under Research and Demonstration.

[FR Doc. 00-13554 Filed 5-26-00; 8:45 am]

BILLING CODE 4120-01-M

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4565-N-14]

Notice of Proposed Information Collection: Comment Request; Request for Construction Change

AGENCY: Office of the Assistant Secretary for Housing, HUD.

ACTION: Notice.

SUMMARY: The Proposed information collection requirement described below will be submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act. The Department is soliciting public comments on the subject proposal.

DATES: *Comments Due Date:* July 31, 2000.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: Wayne Eddins, Reports Management Officer, Department of Housing and Urban Development, 451 7th Street, SW., L'Enfant Building, Room 8202, Washington, DC 20410, telephone (202) 708-5221 (this is not a toll-free number) for copies of the proposed forms and other available information.

FOR FURTHER INFORMATION CONTACT: Willie Spearmon, Director, Office of Business Products, U.S. Department of Housing and Urban Development, 451 7th Street, SW., Washington, DC 20410, telephone number (202) 708-3000 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: The Department is submitting the proposed information collection to OMB for review, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35, as amended).

This Notice is soliciting comments from members of the public and affected agencies concerning the proposed collection of information to: (1) Evaluate whether the proposed collection is necessary for the proper performance of the functions of the agency, including whether the information will have