

Webinar Series
Cost Allocation Demonstration
March 30, 2022

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Philip Breitenbucher: Welcome everybody. Thank you for joining today's webinar. We will get started in just a moment. We're going to go ahead and let folks join the webinar and then we'll get started in about a minute or so. Thanks for being here. Once again, thanks for joining us today. We see people are still joining the room. So we're going to let them join the webinar and then we'll get started in just a moment. Thanks for being here. Welcome to the federal partners cost allocation demonstration webinar hosted by the Health and Human Services Administration for Children and Families, Children's Bureau. My name is Philip Breitenbucher and I'll be your host for today's webinar. Today's webinar is brought to you on behalf of the Department of Health and Human Services, Children's Bureau, the Centers for Medicare and Medicaid Services, the Office of Child Support Enforcement, and the US Department of Agriculture, Food and Nutrition Services. We'd like to encourage your participation in today's webinar. You can do that in several ways. First, you can submit your questions using the Q&A feature. You should be able to find that icon either at the top of your screen or the bottom. It looks similar to what's on the right side of your screen there. And please, we ask that you submit questions using that Q&A feature. If you do submit questions to the chat, we might ask you to resubmit that to the Q&A, we have several panelists with us today that will be responding to your questions and they'll be monitoring the Q&A section for that. You can also participate and ask questions live by using the raise hand feature, also, it looks like the icon to the right there. If you've joined us by phone, you can hit *9 and that will also alert us that you'd like to ask a question live. Please monitor your chat. If you raise your hand, I will send you a private chat, just confirming you're ready to ask your question. And then we will unmute your line and you'll be able to ask that question live. After today's webinar, you can continue to submit questions by e-mailing Kimberly Rosen at ACF.HHS.gov. So, you see her email address there. We will also ask for you to participate in a few polling questions, which we will begin in just a second here. Please note, again, we'd like for you to submit questions throughout the webinar. But we will have, we will hold questions until Gregg finishes the demonstration and then we will take questions at that point. And then we'll also have some opportunities for questions, again, throughout the presentation and following the presentation. So again, we really encourage active participation. So with that, let's go ahead and get started with our first polling question. If you wouldn't mind, we would just like to know a little bit about who you are. So, what is your primary program area? You can select one of these. And we'll give you just a few seconds to respond to this first poll question. And then we will close it up so that we can see who's with us today. Looks like most of you have responded. So, we will now go ahead and close this first poll. Excellent. Well, thank you very much for your participation. It looks like we have about 221 out of the 453 who have

responded coming, saying their primary program area is Medicaid. Second to that would be multiple areas. So, you work across these programs. And third, primary area of child welfare, 88 out of the 453, A few folks joining us from the Child Support Enforcement and a few folks from SNAP. Thank you again for your participation in that. Gives us an idea of kind of who's in our audience. We have another poll question for you. We'd like to know, have you ever worked on cost allocation for a system that benefits multiple programs? Go ahead. And this is, again, a single choice. Yes, no, or maybe what is cost allocation? If you could respond in the poll, that would be great if you're able to do that versus the chat. Okay. Alright, we're going to go ahead and close this poll out. And 68% of you, yes, you have worked across, you've done a, worked on a cost allocation across multiple programs, but nearly 70% of you. So, we have some fairly experienced participants today. And then about 30% of you said you have not. And of course 3% of you, 13, aren't even sure what the cost allocation is. So we're learning together today, that's great. Alright, one last poll question - have you used the CAM tool in the past and this is just a quick yes or no. So have you actually used this tool that we'll be discussing in the past? Alright, let's go ahead and close this out. Okay, 15% of you have used this tool and 85% have not. So, we're, again, thank you for participating on those poll questions. And we're glad you're here joining us today. Let me now introduce our presenters. You're going to hear first from Gregg Saxton, who's the lead analyst for USDA Food and Nutrition Services. Later in the presentation, you'll also hear from David Baker, who's an analyst and federal contract support with the Division of State Services in Children's Bureau. You will, you may also hear from Greg Jordan, who's an analyst at ACF, Office of Child Support Enforcement, and from John Allison who's state officer for Centers for Medicare and Medicaid Services. And once again, I'll be your moderator, my name is Phil Breitenbucher and I'm also federal contract support. In today's webinar. We will start with the overview of the cost allocation tool. Then we will move into a demonstration, an active demonstration, live demonstration of the tool. Followed then by some considerations for the Comprehensive Child Welfare Information System. And we'll close out today with some opportunities for questions and answer. And at the very end of the webinar today when you exit out, we do have a brief survey that we would like for you to participate in. It only takes a few minutes, but your feedback is important to us as we always strive to make improvements to these webinars. And with that, it's my great pleasure to hand things over to Gregg Saxton. Gregg?

Gregg Saxton: Good morning or afternoon, wherever you are. I'm on the morning side of the country so. As it says there, this methodology has been around for more than 20 years. The cost allocation methodology toolkit was actually published for, published in 2003. And so, we've been using this tool for almost 20 years also. And the guiding principle of the methodology that we will be discussing is based on the idea that we allocate costs among the programs that benefit from a systems project based on the level of effort required to include that program, a program in the project. And we do not base it on program size or funding. There is an exception that we'll discuss for very small programs where there, there's an allocation exception for that, for those programs. Next slide. So, we call this methodology the happy path. We say that because it, what we're saying there is this is an agreed upon methodology, all the federal partners in agreement. So if it's properly done, it should lead to an expeditious approval. The regulations allow for alternatives to this methodology. But if you are proposing alternative

methodology, it'll need to be evaluated and will need a consensus from all the federal partners before we can approve it. So, it may take longer to get approval for an alternative. And we created the tool as I said to help states allocate system costs that benefit more than one program in accordance with the methodology. And there are five steps in a simple overview, with this process, there's five steps. Next slide, please. The first step is where the heavy lifting comes on the state agency side, this is where you're drawing the functions of the system. Generally accompanying our request for proposal when you're hiring that development contractor goes to build the system for you, you would have, part of that RFP would have a functional design, or functional requirements document that might be modified after you select the winning bidder during, in their proposal. And it would probably be then documented in the contract for services. This is where you're going to be relying heavily on your program subject matter experts that know the policy and procedures that need to be supported by the system you're building. And this is where you'll see the labor costs. Labor hours or costs for these deliverables broken out generally, you see that in the proposal. Next slide, please. So, all programs that benefit from the project are categorized as either large or small programs. And the definition of a small program is any program, that has less than 5% of the duplicated recipient count. Duplicated - a person is counted for each program where they are a recipient. So for example, if a person is receiving SNAP, Medicaid and TANF, they would be counted three times in the recipient population. And this is recipients, not cases. Next slide. There'll be certain modules of a system that will be, they'll only benefit one program. And those need to be direct charged to that program. And those costs for direct charge, that are direct charge attract outside of the functional modules that are shared. And we'll show you how that works when we go through the, the example. Next slide. For modules that benefit more than one program, the cost is shared equally by the programs that benefit, except for the small programs. Small programs pay their proportional share of the cost based on their percentage of recipients in the program that benefit from that functionality. And then the large programs split evenly what is left. So in this example, you have two large and two small programs. One large program represents 60 percent of the recipients. The second large program represents 33. And then you have two small programs that have 3 or 4% of the recipients respective. So for instance, if you had a module that was, cost a \$100,000, the small programs would, one would pay \$3,000, that would be allocated to that program for 3,000, the other 4,000, and the remaining 93% would be split evenly and each of the large programs would pay \$46,500 each. Next slide. After you go through this process, first the breaking out functions, and then determining which programs benefit, then you're going to go through a process that aggregates all these costs into a single percentage for all the shared modules. And this percentage can now be used to request federal reimbursement for all program costs, including staffing, various contracts, software - any shared costs in the project could be, will be allocated to programs based on this overall percentage that's developed by this, by the tool. Again, except for modules that should be direct charge to one program. Next slide. Okay, so, we're going to demonstrate it right now. And I know there's been people that are intimidated by this, this the, the tool. But this is really not rocket science and I think when we do go through this, you'll see that it's not that difficult. So, I'm going to share my screen and start working through an example. Okay, presuming everybody can see my screen -

Phil Breitenbucher: We can see it well, thanks, Gregg.

Gregg Saxton: The first, this is the opening page of the document. You can see when I started using it, you notice there are two ways that you can navigate. There are many buttons on the left. There are, there are sheet changing buttons on the bottom. I'd like to also point out that there is a help menu. And when you click on the help menu, you get PDFs that are related to each of the screens. You click on the PDF, it opens outside of the, of the tool itself. And then those, those, and it's basic links to the user guide based on the functionality of the screen that it's for. So, let's proceed on to the first sheet after the opening page. This is where you put in system information, the name of the system or project, what description, whatever description you think is helpful. The third one says is a menu item. You can say new development, it's an upgrade, it's a web front end. You'll put in a completion date and the overall cost of the project. And also there's a menu button for the phase of the project you're in. You notice there's places to put contact information including project staff, state contacts, federal contact, and I quite frankly don't know exactly what you would put in, put in under regional contacts, but it's an option there. So, I'm going to go to the next screen. And this is where I put in, input it and I've populated the first several screens because you don't want to sit here and watch me do data input. When it gets interesting, I'll start doing some input so you can see how the system actually functions. There's a list of the programs - in this example, there's six programs that benefit from this project. The program size is not auto-generated. Generally, what you do is put in the recipient counts. In this case, I made it simple. Recipient counts add up to a million. And so, it's pretty easy to see that for me that anything under \$50,000, 50,000 recipients is going to be a small program. And you go to each one and you pick large or small. So, you can see here, there are three large and three small programs. Then that's a yes, no question over here on federally funded, all the programs except the state program is federally funded. And then the last, there's the column that has the match rate, and, for each program. And this is entered not as a percentage but as a decimal. So 0.5, 0.9 and so on. When you get done completing this page, I'm not going to do this in my example because it does have a tendency to wipe things further down, or adjust things further down, but you, this is the first command button that you'll see in the document. Command buttons are very important as opposed to just moving to the next screen when you see a command button, not all of them, but there's a need for it in some cases, in many cases to push the command button because it will be populating screens further along. So, it's important to, to use those command buttons appropriately. The next page is the allocation structure. That's basically just saying, on what basis are you allocating these, these, the system costs. And generally, generally we use development hours or extra cost. You get a, you have a contract and they say when we deliver this functionality, it'll be this amount of money and so on and so forth. Or it's going to take us this many hours. At some point you're going to convert the hours to costs anyway, but that's the basis in this example of the allocation. You'll see here in the description where I've laid out the number of modules, submodules, and details for this example. That is not typical of the system project, the numbers would be much higher. Generally, we would see a dozen or so functional modules. And then those functional modules would be broken down, maybe into two or more submodules. And then some of those modules are even broken down to a further level of detail. And so generally, in a systems project it's going to be 50, 60, even more modules

that we'll be tracking. So, this one doesn't have a command button, we would move to the next. The first level is entering functional modules information - I pre-entered that, in my example there are five functional modules, you see here on the left. And I've budgeted the costs for those modules. And, and just using the sub, validated that it comes, it adds up to the 30 million dollars we'd say that is the cost of the project. Once you've done that, you will copy these submodules to the, copy these modules to the submodule worksheet. And they would be pre-populated, the five modules will be pre-populated. And then you simply add lines. Because now you're saying, well, within intake, there's, there's an area for biographic data, there's an area for financial data. And within interfaces, we identified three different types of interfaces reports, there's management staff report - so you actually insert those additional lines and identify what those submodules are. You also are going to indicate - and this is a menu item - whether they're shared or direct. So, in this example we have six shared and three direct. And then again, you would budget the costs, you're going to break out the cost to a lower level. You would do the same thing where you, you see, verify that your, your costs add up to the total cost of the project. Again, you will copy those - this is where you copy those detailed, detailed information to the next worksheet, which is the detailed worksheet. And so, we've done the same thing. We've now broken out two types of financial submodules into resources and income. We've broken out reports from, in management to A and B and in staff A and B. So, now we've got pretty much the functionality of the system laid out here in the modules to levels we're breaking it down. You will copy those, all system usage to the next sheet. And it will ask you a question. One will say you want to wipe all the data that you put in later on in the, in the, in the sheet and start fresh? And the other question it will ask you is are you using a weighting system. And we're going to, in this example, we're not using weighting, so we're going to skip that sheet, but we're going to go back in this sheet later on and I'm going to show you how you would use weighting rather than this process we're using now. When you use development hours or costs, you generally don't need weighting. But when you're using other types of allocation structures like user screens or lines of code, you're going to need to use weighting to show the level of effort needed for the various kinds of functions. So, this is, we go to the all system usage page, and this is where the fun begins. You've got, you've got your, all what we put it before this, and now you're going to need to say in this case we're using cost to allocate, to allocate between the program. And so, this is where in this command button you're going to open it up. And you'll see the costs, the various modules listed here. And you're going to select, there's two options, weights and types or base value. We've already said we're not going to use weights in this example, we're going to use base values - which you're always going to have to use base values whether you're using weights or not. But so, basically we select base value. And in my example, the first biographic, it's going to cost \$5 million. Sort that data. And it asks - you sort of like being at the airport when they ask you if you are carrying guns and weapons and you had to say no, I'm not, well, sorry, but you have to do that each time. You can see that my value was entered over here, under base value. You unclick, you unhighlight that and the next two are the same, so I can put in 2.5 million. Insert the data, answer that question, unhighlight it. Next five, I think, yes, are the same. So, I can highlight those. And then we highlight these two and the cost for these is 1.5 million. And finally, notices. And the costs for notices is \$2

million. Insert data. You've completed that sheet. Validate our numbers, make sure we add up to 30 million. And I didn't. So, I'm going to go back and fix what I did. Oh, okay. My problem. Eligibility is not a million, it's 10 million. And that's not 10 million, that's 11 million. Okay, close this. Try again. I'm sorry. I didn't push Enter. And that's because I had to go back in this and I forgot to say that it was base values. Now if we do this again, we're at \$30 million. Can delete that, okay. The next thing you're going to do is determine, is identify which program benefits from each of these modules. Do that by entering the usage. And so, in this case, the way this works is you select a program and you indicate which of these modules, this program benefits, is benefited by this, this program, this program is benefited by. So, and in my example, SNAP is benefit by almost everything but a couple of interfaces. Click the button. There they are, they show up in that column. You do this for each of the programs. And in Medicaid it's, update the usage for Medicaid. TANF. And child support. And child welfare. And finally, state programs. Okay, so we're finished with this screen. So we've, we've entered the base value. We've entered which programs, which module each program benefits from. This simply does a tally for you. So, it shows that in this first one everybody benefits from it's all three small and all three large benefit and those, the numbers coincide with that. And then we're going to, the last command that we're going to do on this screen is copy recipient counts. This last button is optional, and I'm not going to go through a lot of, any of the optional commands because we just want to focus on the core process. So, we're going to copy this data to the recipient counts sheet. And this is just making sure you've entered - the x is where you want them. So they automatically moved us to the recipient sheet. And so, what we're going to do here is we don't have really much data entry, we just are going to assign benefiting programs recipients. What that did basically was say, okay, if all six programs benefit from this module and we know that the recipient units versus a million, then when you break out the recipient counts by program it adds up to a million. And then each one of these will be different if different programs benefit from the process. So, that's all it's doing for you is tallying that. And we're going to assign, we're going to assign benefited programs worksheet counts. And then we're going to - this middle button is, is optional. We're going to go ahead and calculate shared usage level of effort. And this is to tell you that it's going to delete everything that was in that sheet that follows - that's fine. We've moved on to the shared usage level of effort worksheet. Did you notice that we don't have as many modules listed? And that is a mistake. There should be no direct usage in this sheet. I'm going to go back and see what I did wrong. Okay. Okay. Just a moment. Okay, so, now I have shared usage in all the sheets except two that I've identified. So, going back over here to shared usage and I still have a problem. Let me go back to, is this the recipient count? Now, try this again. And still I have a problem. I guess I have to go back to, okay. Well, I'm gonna go ahead and leave it like this and continue the demonstration. So, when I push this button, you'll notice these numbers over here on the right. These are actually dollars. Just looks funny because there's more than two decimals for the cents. But if you'll notice, if you tap, if you look at what it's done is it follows the rule which is the large program, pay an equal share for this, for this module that's \$5 million. And smaller programs pay a smaller percentage, it does that all the way down the line. So the next, the next and only button we're going to push on this screen is the cost allocation plan summary. Okay, what this has done is based on what we've entered, it's come up with an allocation

percentage for each of the programs based on, and then it has a match rate. It has a place up here too, so that you can document, in this case, that we have Medicaid interfaces that are a million dollars each, \$1 million. Same with the SNAP, same, oops, and same with the last one. So, we know that we have \$3 million, which should be direct charge. So, that leaves \$27 million that are for shared costs. So when you put in \$27 million, this box - enough zeroes? Yes. Nope, one more zero. There, the CAM is calculated based on your percentage and based on your allocation and that also, based on your match rate, tells you what the federal financial participation is for each of the programs. This is an aggregation of all the shared costs in the project so that when you are billed, for instance, from the developer for a component of the system, you know how to allocate the costs if there's, unless it's a direct charge to one program - you know how to allocate the costs for that, for that billing. And so, if you have somebody in your financial management area that is responsible for, for requesting reimbursement of federal funding, they can use these two tools. For example, you have an invoice that you want reimbursement for and it's for 1.234 something million dollars, that'll tell that person I need to bill \$297,000 of that to SNAP and \$431,000 to Medicaid and so on for that particular component. Now, I anticipate one of the questions that would probably come up, which is, suppose you get billed for something and you know it only benefits two programs, would you still charge all the programs? And the answer is yes, because we have aggregated the cost for all shared functionality and over the life of the project, it will mean that that's the percentage of the costs that are shared that are going to be allocated each program and that you're going to request reimbursement for. So, we've gone through an example, and that's pretty much it. But there's going to be some further discussion about a special case for child welfare, but we're not going to go through that right now. What I'm going to do though is, is modify my example and use weighting. The screens that I would, you know, I'd be going through the process from start to finish normally. But in this case, what I would do is simply change the allocation basis to, in this, in this example, the number of users screens. And that's, and then we would move on to the weighting screen. And I've already pre-populated this. Basically I've said the level of effort is weighted from one to five based on the complexity of building the user screens, with one being the least complex. So you can use, that's just one option you can come up with whatever you feel is the best way to capture the level of complexity. However, you have to realize that a lot of this is subjective and you can get, you can make it very, very complex, I don't know if it's going to really make it that much more accurate in the end. So, now that you've done the weighting system, going back to the all usage screen. And I am deleting the, that base value that we had in there before. I'm going into this into the screen and first, we'll do base values. And base values, remember, is number of screens. So, in the first case, the intake it's four - so, bear with me as I go through this process. And just a couple more entries. And, last but not least. Okay, so I've entered the base values, which is the number screens in this functionality. Now I'm going to use weights and types. And so, I'm going to go through and weight these. See, it shows up on the right screen. Okay, so I've entered all my - oops, sorry. Okay, I've entered all my weights and base values, so I go through the same process, I don't have to re tally. I mean, if I was building this from scratch - because we're basing it on user screen - then I would go to Enter Usage X and then I would do the tally. We've done that, it's not changing. Oh and here's the interesting thing, once

you've do this, is you're going to copy this to the next screen and - one second. Okay, copied it to the recipient screen. Then we're going to assign the benefitting programs counts. It does the same thing for the recipient counts. And then we're going to create the shared usage screen. And, you can see here that they have - well, there's something I did wrong with this but that's supposed to do the same thing. It just suggests the costs. These should be costs as opposed to screens, as opposed to just numbers, it should come out in costs. But, and then it goes to the Create an Allocation. And again it will show up different costs here with the match rate. Fill in, we have the same change here, which is \$3 million is direct costs. So 27 million is, we put it there and you can see how the costs are broken out. So, that's the two examples that I'm going to show in how to operate the tool. I made a few miscues, but still it's not rocket science and it's working through the process. So, I think we're going to open it up to questions.

Philip Breitenbucher: Great. Well, thank you, Gregg. Yeah, we have quite a few that have come in that we want to allow you to respond to. And we'll see how many we can get through in the time we have. But here's the first question, Gregg. For items which are direct charge to one program, should the program allowably, allow considerations be placed in the cost allocation module or in a separate attachment?

Gregg Saxton: Well, there's a place to, just to segregate them in this model, as I said you put them there, but that just you have to make sure that they're not included and so you need to make clear to whoever is responsible for the billing side of this to make sure that they are correct billed to that agency for their share of the cost and not to others.

Philip Breitenbucher: Okay, thank you. Here's another one. Can multiple match rates be entered for a program? For instance, Medicaid has several different match rates.

Gregg Saxton: I think you could do that by adding an additional line for Medicaid with a different match rate. But I'm not so sure that, I have to think about how the functionality would handle that. It's an interesting question.

Philip Breitenbucher: Looks like John -

Gregg Saxton: I guess you could, you could identify, like for Medicaid, this Medicaid's functionality, this type and enter it as a separate program. That's probably the way you would handle it, you'd have multiple Medicaid, if the example is Medicaid, you'd have multiple programs identified as Medicaid, but they're identified differently with a different match. And then you'd have to be careful when you go through the process that you of course, enter them appropriately.

John Allison: And this is John Allison. So for Medicaid IT projects, it is a 90% FFP rate for design development implementation. So, for building the system, it's a 75% FFP rate for operations of the system. So, to the person asking the question - again, if it really is one Medicaid matching rate at 90% when you are building or developing, or procuring, or implementing the system. I don't know if that helps, but just wanted to weigh in with that.

Philip Breitenbucher: Thank you, John.

Gregg Saxton: And of course we don't, we're not doing anything with operational costs application. That's not what this tool is. That's another thing, if you have a project and because it's a phased project and you have some programs that are already benefiting and operational and then, and you, so you start having operational costs, you need to segregate those costs. You don't want to include operational costs in the tool.

- Philip Breitenbucher: Thank you very much, Gregg. And I think that may be helpful for other questions that have come in, as well. So, this one you may have answered already as well, but in the benefiting programs tab of the CAM tool, are we using total program recipient counts or non-duplicated recipients?
- Gregg Saxton: It's duplicated recipient counts. So, remember our example where I said, okay, there's a million, there's the, the recipient count is a million, but there's not a million people, there's a subset of that because of the overlap where people who are in more than one program. But when you're doing on the, on the, on that worksheet, you're showing the duplicated recipient count. And as I said, if you, one example showed for functionally benefitted all six programs that ended up added up to a million, if it benefits less than all six programs, that should end up totaling less than a million based on which programs you've excluded.
- Philip Breitenbucher: Great. Thank you. Okay. We're going to see how many we can take. We have about 22, 23 questions here, so we'll see how many we can get through. If personnel costs are shared, should that amount be included in the total budget that needs to be allocated?
- Gregg Saxton: Personnel costs? Yes. If it's, if they're shared. So for instance, if you have state staff and you say they're, you know, they're in the project 50% of the time, well you're going to have to kind of track that, but you're going to see, you're going to say half of their time, you have a subset of states and half of their times on the project, the total cost to the project's X amount of dollars, you're going to allocate those costs to all the programs, what portion of that, as long as they're not in there as only should be direct charge to one program. Another thing that I wanted to also point out is that when we're talking about costs when we're talking about allocating, we're talking about allocating functions, not services, so, I've seen examples where a state wanted to say, well, I'm going to add a line IV and V service and put it in there as opposed to a function - we're focusing on functions. And then, for instance, staff costs be allocated, you know, as part of the shared cost process, unless say if somebody comes in and only is responsible for one function, one direct charge function.
- Philip Breitenbucher: Okay. Great. And I believe you just answered this, but I'll just ask it again - is the cost here just implementation costs?
- Gregg Saxton: Yes. It's, this is purely because operational costs for responsibility of cost allocation agency within HHS and they work with the states to develop a operational cost allocation that's separate and apart. There is a special, this is a special instance where systems projects due to their size and complexity, we allocate costs. And because generally systems don't benefit all programs in the state it's operating, they, that, that we have a special cost allocation for this project.
- Philip Breitenbucher: Great. Okay. Here's another question - if someone has submitted a CAM document that has been approved by the federal agencies, what's the easiest way to update it if the only change is recipient counts?
- Gregg Saxton: Well, that's one of the things we're going to discuss a little later, but I can discuss it right now, which is you don't necessarily have to, once you've done this and it's been approved, once you've got an approved cost allocation plan, you don't necessarily have to update it throughout the life of the project, even though there may be some changes over time in the number of recipients. The three exceptions would be if you add or delete a program from the project, you obviously have to reallocate costs if it will affect all the programs because if you add one, that reduces everybody else's share and so on and so forth. The second would be you have a major design change and I'm not talking about

you're maybe in an Agile project and you're making decisions to adjust functionality. No, we're talking about, rethinking the whole project, we have, we don't even have the same number of high level functional modules anymore because we're reducing the scope of the projects dramatically. And the third case would be if there is a policy or regulatory change that increases dramatically or decreases dramatically the number of recipients a program has. But it would have to be, have a dramatic impact and it would have to be ongoing. So for instance, would you need to adjust your cost allocation because that changes, the temporary changes in policy during COVID? No. You would not need to because those are time limited and things will go back to normal after that period. So, you could, you could move through that whole the project can move through that period without making an adjustment to cost allocation. If the state sees that it's beneficial to adjust the cost allocation, for instance, a program has 5.5% of the duplicated recipient count and over time, its relative size drops below 5% and the states says well, that would reduce our costs - then you could submit a revised cost allocation and adjust the, the shares that the states, that the various programs would have. But we would not require you to do that. On the other side, if a program is at 4.9% and over time it grew to 5.3%, we will not require you to adjust your cost allocation because we recognize that you generally have asked for funding for this project based on each program's allocation. And that could have a dramatic impact on the program that moves across that threshold and what you've requested and on what you now have and based on that new allocation.

Philip Breitenbucher: Great, very helpful. And I think you answered a few questions that came in with that response. Alright. We have time for a couple more and then we're going to move ahead. And we can come back to questions if time allows towards the end. Let's see here. If a new program is, is created and it can leverage some functional components that have already been built, how is the cost allocation handled?

Gregg Saxton: If a new program - well, you, basically you start from where you are and you'd do recalculations and present a new cost allocation plan moving forward. And so it'll, it'll therefore have that adjustment going forward that each, all the other programs are likely to have an adjustment to their, their cost allocation percentage and it'll affect them going forward, but we don't go back.

Philip Breitenbucher: Alright. That's great. Okay. I think at this point we're going to hold, it looks, I'm just kind of going through the questions that are opened. It looks like you have addressed a lot of them or I think we will address them later in the presentation. So, I'm going to let us go ahead and continue to move forward in the presentation.

Gregg Saxton: So, I'm already, we've already discussed this, in case there's any other questions on that.

Philip Breitenbucher: Okay. Yeah. Any other questions - again, you can ask your questions using the Q&A feature, which has that Q&A icon. And many of you have done that and we appreciate those questions. If we don't have time to get to all the questions today, we will follow up with responding to your questions after the webinar. But you're also able to ask your question live using the raise hand feature or if you've called and it's *9, just monitor your chat because we'll just confirm you're ready to ask that question before unmuting you. So, let's see here. Alright. Let me ask one last question, Gregg, before we move on. If there's a change to the SAS vendors that significantly impacts a project cost, does that merit a CAM revision?

Gregg Saxton: If it's not changing, I would say that if you're not changing the design, you're just changing vendors, I would say would not, wouldn't need a, necessarily need a change in the what's been approved. Unless the state feels it's, there would be a benefit and they want to do that.

Philip Breitenbucher: Okay. Excellent. Alright. Let's go ahead now and Gregg, thank you very much for that demonstration and for answering those questions. Gregg will continue to be with us. I'm going to now introduce David Baker who's with us from DSS, David.

David Baker: Thank you, Phil. Before I get started, I am going to offer a quick apology. You may hear some hammering just, just a few minutes ago, it sounds like our neighbors next door have started to do some work out back, but hopefully you won't hear it too much. But I apologize. Next slide, please. We wanted to go over a little bit just at a high level with child welfare because with child welfare, depending on the, the module, there will be, your costs will be allocated differently. And the, the main point that I want to make right here with this first in the next slide is that although a lot of this work may be done outside of the CAM toolkit, you want, the CAM toolkit, you'll want to put the results into the CAM toolkits so that everything can be appropriately calculated. There is, for child welfare, there is one match rate, but what is different is, depending on the module, different costs may be allocated to child welfare or to IV-E. Next slide, please. And I, I want to emphasize that as you go through this process, you'll want to make sure this process is documented. Probably the easiest way to do that is, although you'll put the results within the CAM toolkit for the calculations, you'll want to attach additional documentation explaining how you've done that. Next slide, please. Really for the additional steps, I'm just going to hit this at a very high level. If your state has a CCWIS project, you're going to want to follow the guidance for any of the, the child welfare functions that you will find in technical bulletin number five, which is CCWIS cost allocation. Although, we also recommend that you really speak to your federal analysts to make sure that you're applying these principles correctly for your specific state circumstances. Also though, if you're doing a non-CCWIS - and there are number of states who have non-CCWIS systems - there are still components that will have different cost, different amounts of cost allocated to Title IV-E. For instance, components such as AFCARS in Title IV-E eligibility determination will be allocated at a different rate than other components of your non-CCWIS system. We don't have a Technical Bulletin that specifically addresses this. But once again, contact your federal analyst, the links here when you get this presentation will take you to the page and the Children's Bureau website which will list the federal analyst for all states and also for tribes that are IV-E. Next slide, Phil. That's the end of my quick updates for child welfare.

Philip Breitenbucher: Alright, Thanks David. Okay. Once again, we want to kind of pause for some questions and discussion. And just a reminder, you can use that Q&A function to submit your questions. You can also use the raise hand function and we can let you ask your question live. And so we do have several questions that have been submitted. Let's see. Here's another question around Medicaid. Some, sometime Medicaid issues exceptions to the, I'm sorry, the FFP rates like a87 exception in the past. This requires the state to have two cost allocations for pre and post exception periods. How can CAM capture both of those? And I'll throw that either to John or to Gregg.

Gregg Saxton: Well, first of all, the a87 exception is no longer available and I don't see it coming back to us, and anything can happen, but I think it's unlikely. So, I would

think Medicaid, I'll defer to Medicaid if there's something else they need to express.

John Allison: Yeah. So the a87 exception allowed Medicaid to cover common costs for other systems. So you know, I don't have Gregg, your familiarity with the CAM tool, but I believe, as you showed us, I think that is something that the tool could accommodate if common costs were, common costs system allocated costs and Medicaid also benefited from were direct allocated to Medicaid. That's one possible suggestion that I would think were the a87 exception to cost allocation still in place. Again, that those common system costs that benefit multiple programs, but that Medicaid also benefited from were just directly attributed to Medicaid in the tool. And again, like Gregg said, however, there is no a87 exception currently in effect, that did expire at the end of 2018. But in the future event that there is something similar to that, I think that this toolkit could be of utility to help us attribute those costs to Medicaid for any sort of system functionality being developed that Medicaid also benefits from.

Philip Breitenbucher: That's great. Thank you. There are several questions that just wanted to, for you, Gregg, to maybe elaborate on. The definitions, I guess, and rationale behind the, the small size, how to define small size and large size programs, and the percentages of allocation associated with those. Can you just kind of give a little bit?

Gregg Saxton: I'll kind of give you a historic history. The original definition of a small program was any program with less than 1,000 recipients or less than 10% of the overall recipient count, whichever is less. Which means, no program could be identified as small unless it had less than a 1,000 recipients. And so, we're talking about very, very, very small, probably state programs. In 2011, there was an agreement among the federal partners to raise it 5% of the duplicated the recipient count as the threshold between large and small. Again, the reason we limited it to these small, to small programs, that is because the overarching philosophy is still it's not the size of the program, it's the level of effort to have it benefit from the project. And you could have a very small but very complex program that's driving the cost of the project well above what their relative size is to the other programs. And so, that's the philosophy. That's why we don't use size of program as a, or size of funding as the overarching methodology.

Philip Breitenbucher: And related to that, Gregg is, is a question here on the weighting system - is it always one to five?

Gregg Saxton: No you can use, as I said, you can use any system you come up with. I just think that you have to be, you don't want to make it too complex. Or you could, I mean, if you want to say it's 1-10 or 1-20 and you think you can differentiate at that level, that's fine. Just for the example, I used 1-5 but it could be one to however many you want to use. It's just that it's somewhat subjective to say how complex, you know, like the user screen is relative to other user screens. And I would think that even if you talked to a developer, they would go, I can give you within 1-5 range or 1-10 range. But beyond that we're really, it's splitting hairs too fine.

Philip Breitenbucher: Thank you. Alright. Let's see here. Let me give, let me give you a couple - what are based values? And the other question that's just come in are - how do you determine weights and types and where do you get the numbers? Again, I think you've kind of responded to this, but we continue to get some questions on there. And so, so what are the base values? And then again, how do you determine those weights and types? Where do you get the numbers?

Gregg Saxton: The base values, the most common is cost or development hours. So, in our

first example we used cost to, to, gauge value based on that. And in the second example where we weren't using cost, we were using the number of user screens, it was based on the number screen. And then we use the weighting system to say, well, they're not all equal. The screen that that makes the eligibility, that does the eligibility calculations is much more complex than screens that do other types. Again, you'd have to evaluate this and have some kind of understanding of the, and it might, it might be something you'd learn from what the developer is, is planning, what they're saying about how complex various aspects of the system are. So, base, you will always use base values. In this case, in the two cases we showed cost, the second case, number of user screens. And, but when you use something like, remember, user screens line the code, that's where you start, that's where you get into weighting those is not, they're not all the same.

Philip Breitenbucher: Okay. Thank you very much. Okay. Here's another related question. Just to confirm if we've already submitted an IAPDU update and I already have an improved CAM, I don't have to rerun the CAM. Is that correct?

Gregg Saxton: That's correct.

Philip Breitenbucher: Okay.

Gregg Saxton: Unless the three things happen we talked about - add or delete a program, dramatic change in design, program rule change that dramatically changes the recipient count on an ongoing basis as opposed to a temporary basis.

Philip Breitenbucher: Okay. Thank you. Is it typical for there to be one CAM calculation for shared functionality per DDI APD.

Gregg Saxton: Well, if you're again, you don't have to do it per IAPD. I mean, per project, yes. But when you do APDs and then updates, you don't, you don't have to readdress cost allocation in the subsequent updates if you're not changing it and it's not justified to be changed. So, you could have that in your initial - I will say that in some cases we get an IAPD very early on in a project's life and maybe they haven't even awarded a contract for development and so, the functionality, is at too high a level. We would ask the states say, well, you know, you don't have a lot of information, but now that you've got this contract in place and you know how much they're going to charge you for these various functions of the system, we need you to drill down in your, in your, and give us more detail. And so yes, that would be the one instance where we'd say, well, we need a, we give you a sort of a preliminary approval because it was too high level, you weren't in the stage of the project where you had the information you need to know what these costs were going to be. Once we've gotten to that, felt we've gotten to the sufficient level of detail with information that's required to provide that and then in subsequent updates you don't have to. You can just indicate that that cost allocation is not changing. The budget will change every period, every update, but how you allocate cost does not necessarily have to.

Philip Breitenbucher: Alright, excellent. Let's go ahead -

John Allison: Hey Phil?

Philip Breitenbucher: Yeah.

John Allison: I'm sorry. Can I answer one of the questions that I see in the chat from Molly?

Philip Breitenbucher: Yes.

John Allison: Okay, so the question is, are we able to use this tool to cost allocate health information exchange projects? I know there's a lot of Medicaid folks on here, so I just want to address that. This is something here at CMS we'd also talked about. The thing is, is HIE projects aren't typically benefiting or cost allocated among Medicaid and these sister agencies on this call. So, it's not an HIE

project, doesn't typically benefit Medicaid and child welfare and child support and SNAP. You know, HIE really benefits healthcare payers, including Medicaid and providers and other users of HIE. So, this, the CAM tool as it's set up right now, really it would have to require a lot of tinkering or changing or just some other changes in order to figure out HIE cost allocation. Plus the CAM tool is looking at recipient counts as one way to figure out, especially for the difference between large and small projects, what the cost allocation should, should be. Whereas HIEs, you think of those as more provider facing, so provider counts. So again, looking at this might offer some, some food for thought or might, it might help you think through certain questions around HIE cost allocation but right now, the CAM tool really isn't set up for allocating project cost across HIE development. Again, especially since, you know, HIEs do not typically, we don't think of child welfare, child support, and SNAP where the other sort of HHS, Health and Human Service Agency programs is benefiting from an HIE project that really is more about payers and healthcare providers. Thanks, Phil.

Philip Breitenbucher: Yeah, thank you. And actually, I'll just open that up to any of my panelists. You can see the questions that have come in or if any of you want, and you want to answer those directly, go ahead. This would be your opportunity to do that. Or if you have any additional comments you'd like to make, this would be a great time to do that. Again, I'll open it up to my panelists.

John Allison: Sure, could I answer one more question that I see that's specific to Medicaid. This is from Parna Parsons, it says but don't you only get 75% Medicaid match on some software and aren't administrative costs of the project only eligible for 50% Medicaid match. So, I think I know where Parna is going with this. CMS used to approve even for a project DDI, 75% FFP for like COTS and SAS licensing, again for projects under development. But since we last rewrote our main regulations, since 2016, we now allow a 90% federal match for the initial COTS and SAS licensing during the DDI phase of a project. So, we really are much more consistent about it. If you're building the Medicaid IT system, even if you're needing to, in that DDI phase, you're licensing with a COTS or a SAS solution provider, the DDI costs you really are at 90% federal match. So, we've moved, again, to be more consistent about that. The administrative costs at 50%, I don't think you usually include those in the CAM toolkits. This is about building a system. This is about developing IT. The admin costs at 50% usually we wouldn't think of it as going into the CAM toolkit. So, thanks.

Philip Breitenbucher: Yeah, Thank you, John. Any other of my panelists want to jump in here? Gregg, here's a question regarding the tool. How long does it take, on average, to get acquainted with this tool?

Gregg Saxton: Well, I, I should, it's not, if you go through the screen line process I did, which is don't use all the options. The tool itself has a user guide that's 81 pages. And I have kind of made my own version of this just to work through the process and boil it down to four pages. And, and we're going to advise you that we're going to offer that to anybody, to anybody on this webinar that wants to look at that. I think if you go through the condensed version, you'll find it's not going to take that long to get used to. Because when we went through the demonstration, there's only a few pages where it gets a little bit complicated. But I think, you know, I remember one time I had a director and I said, well, you really should use this CAM tool and, and person was not really, thought it would be too overwhelming. And the next week they shot me the tool that they had completed it, we were able to approve it. So, it not this hard learning process that some people think it is. It looks intimidating, but it's not that complex.

Philip Breitenbucher: Thanks, Gregg alright, I'll go ahead and wrap things up here. And, just to make sure everyone is aware of the CAM tool website - so for additional information and to download the three CAM documents, handbook, user guide and CAM tool, you can visit this website that's listed here on the bottom of my screen. The slides will also be available after the webinar as well the recording once it's posted to the Gateway website. And Gregg, we will also be sending out a condensed user guide and cheat sheet. And Gregg, you just kinda reference those. You want to say anymore about that?

Gregg Saxton: Just it's a handy way at least for your initial foray into the process to, to try using that guide. And you have the user guide there to answer questions on specific pages if you're, if it's not clear. As I said you're talking 20, 81 pages as opposed to four. And then you can also look and see what those optional command buttons, what they will result in. What additional information reviews that they will give you.

Philip Breitenbucher: Wonderful. Alright. So, please be on the lookout for that email with those additional resources for you. At this time, I wanted to just thank our panelists, specifically, Gregg, thank you very much for your demonstration today. Very helpful. To our audience, thank you for being with us today. We would love to get your feedback. And so, we ask that you participate in the webinar satisfaction survey. We thank you for your time attending today's federal partners webinar, and we would welcome your feedback. The survey will take no more than five minutes to complete, and the results will be used to improve technical assistance and webinar content to support agencies that are building information systems. All the questions are voluntary and your responses will remain completely anonymous. Once again, we thank everyone for their attendance today. And with that, we will conclude today's webinar. Have a great day, everyone.

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