

FAQs on the Use of 1311 Funds and No Cost Extensions

Question: May grantees whose State-based Marketplace (SBM) or State Partnership Marketplace (SPM) provide coverage in 2014 seek an extension of their grant project period beyond the first year of operations, and if so, for what types of activities?

Answer: Yes, consistent with existing HHS grant rules and policies, grantees may request No Cost Extensions (NCEs) to extend the project period beyond the first year of operations (December 31, 2014) where the grantee reasonably requires additional time to complete the design, development, and implementation of activities that were part of the grantees' approved work plan under a specific grant. CMS will review each NCE request for allowability, allocability, and reasonableness of costs based on section 1311 of the Affordable Care Act and HHS grant rules and policies.

Question: Are there activities that may not be supported with funds made available to a grantee pursuant to an NCE?

Answer: Yes, where funds are made available during a project period that was extended pursuant to an NCE, the funds may not be used to cover maintenance and operating costs, including but not limited to rent, software maintenance, telecommunications, utilities, and base operational personnel/contractors. CMS will thoroughly review all NCE requests to ensure that project periods are extended only for approved and permissible establishment activities.

Question: If I am a 2014 SPM or SBM currently offering coverage and I apply for funds during 2014, how long is my project period?

Answer: All project periods for 2014 SPMs and SBMs end on December 31, 2014.

Question: If a grantee-state's Marketplace is transitioning from a SPM to a SBM or a Federally-Funded Marketplace (FFM) to an SPM, how long is the project period?

Answer: For those Marketplaces transitioning from an SPM to an SBM or from an FFM to an SPM, per the Funding Opportunity Announcement, and the Notice of Award (NOA), the project period may be 1 or 3 years, based on eligibility criteria. All project periods are listed in the NOA provided the awardee, per AAGAM 2.04.104D-3.A.4.p. See previous FAQs on funding of transitioning activities. (<http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/ca-spm-funding.html> and <http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/spm-ffm-funding.html>)