



MAR 30 2018

**United States
Department of
Agriculture**

Food and
Nutrition
Service

Northeast Region

10 Causeway St.
Room 501
Boston, MA 02222

Courtney Hawkins, Director
RI Department of Human Services
Louis Pasteur Building
57 Howard Avenue
Cranston, RI 02920

Dear Director Hawkins:

The Food and Nutrition Service (FNS) has completed its review of Rhode Island UHIP's (Unified Health Infrastructure Project) submission of the Implementation Planning Document (IAPD) As-Needed on March 12, 2018. Responses to FNS questions were received on March 21, 2018 and March 30, 2018.

The IAPD-As Needed includes detail on the State's progress toward system stabilization, updated cost-allocations, a re-forecasted 2018 budget, and an updated projected 2019 budget.

FNS remains unable to approve the revised budget for FFY 17, funding for FFY 18 quarter four, and FFY 19 at this time. However, we are willing to conditionally approve funding for the third quarter of FFY 18 to allow the State more time to respond to the outstanding conditions outlined in FNS's FFY 18 first quarter conditional approval letter of October 6, 2017, and to respond to the additional conditions outlined below. The following additional conditions must be met:

Condition 1 -

FNS requests that RI provide a written statement signed by the authority with the ability to commit the State, acknowledging its understanding and willingness to comply with the federal requirements for procurements that exceed the FNS threshold for review. This letter should include a commitment to comply with FNS's review time standard (sixty days each time a document is submitted or resubmitted). This letter along with an updated version of the UHIP procurement tracker must be submitted by 4/30/18. After this date, monthly updates to the tracker must be provided.

Condition 2 -

The State must provide a detailed list of the system changes and fixes related to SNAP functionality that will be included in the April, May, and June releases. The release plan must be submitted by the 15th of each month before the release is scheduled to occur.

Condition 3 -

The State must provide FNS with a breakout of the entire project budget by FFY, quarter, and cost type/center for FFY 17 to the present by May 1, 2018 as part of its FFY 18 Q4 IAPDU submission. The budget must include actual and estimated costs to date and follow the requirements of HB 901 section 3.5.2.1.

Condition 4 -

Rhode Island must provide FNS a copy of the new executive reporting framework by April 30, 2018.

In accordance with guidance set forth in FNS Handbook 901, FNS will monitor progress of the project using the Advance Planning Document Update (APDU) process, including regular conference calls, FNS site visits as needed, as well as required review and approval of the user acceptance testing (UAT) and Pilot results for SNAP system functionality. This monitoring approach supports the high degree of interaction expected between FNS and the State as the project moves forward. The State is responsible to have performance expectations, prescribed remedies, and penalties in place that protect the State in the event of a failure in performance by the vendors. Acquisitions and subsequent undertakings that fail to meet approved APD requirements may be subject to disallowance of costs

Upon review of RI's current IAPDU-As Needed submission, FNS has decided to conditionally approve RI's IAPDU-As Needed and provide funding for the project through the third quarter of FFY 18 ending on June 30, 2018. As a reminder, the conditional approval of RI's IAPDU for FFY 18 Q3 does not constitute approval of contract or contract amendment costs for the performance of work under contracts that have not received FNS approval to date.

The total estimated project costs for Design, Development, and Implementation (DDI) for the third quarter of FFY 18 are \$11,572,909.

FFY DDI Costs	SNAP FNS Share @ #	SNAP FFP @ 50%	Actual or Estimate
2018 Q3 -	\$149,851	\$74,925	Estimate

The State Agency (SA) is reminded to submit updates on an Annual or As Needed basis in accordance with guidance provided in FNS Handbook 901.

The State's next IAPDU must be submitted for FNS review by May 1, 2018.

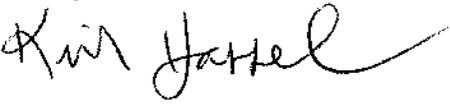
In addition Rhode Island is reminded that the OMB A-87 Cost Allocation Exception will expire on December 31, 2018. This provision has allowed state human service programs, such as SNAP, to benefit from the design and development of Medicaid

eligibility and enrollment (E&E) systems built in support of the Affordable Care Act (ACA). For states that have eligibility system projects in development and which utilize the Cost Allocation Exception, FNS is encouraging them to consider impacts that may result from its expiration on December 31st. In most cases, an Update to the Implementation Advance Planning Document (IAPDU) covering the project will be necessary to identify and explain anticipated changes to a project's budget and cost allocation and if appropriate, changes to the scope or schedule which may be prompted by changing funding resources. In addition, states should consider how this change will impact budget projections submitted on the FNS 366A and work with Regional Office financial management staff in advance of reporting expenditures that may represent a significant increase over previously reported amounts.

Guidance on cost allocation principles and requirements for the Advance Planning Document process is contained in the FNS Handbook 901:
<https://www.fns.usda.gov/apd/fns-handbook-901-v2-advance-planning-documents>
Information on the origin and extension of the OMB A-87 Cost Allocation Exception can be found at the following Federal partner website :
<https://www.medicaid.gov/state-resource-center/state-operations-and-technical-assistance/sota-updates/?entry=44532>

We continue to work with the State with regard to RIBridges stability and are providing technical assistance as needed. Please contact either Bonnie Brathwaite, Northeast Regional SNAP Director, at 617-565-6397, or Dawn Bartolomeo of the FNS State Systems Office at 415-744-3774 or dawn.bartolomeo@fns.usda.gov with questions or comments.

Sincerely,

For 
Kurt Messner
Regional Administrator
Northeast Region

cc: Matt Stark
Iwona Ramian
Ben Shaffer