

**GRANTS TO STATES FOR CONSUMER ASSISTANCE PROGRAM  
BUDGET NARRATIVE: SUPPLEMENTAL FUNDING  
KENTUCKY DEPARTMENT OF INSURANCE**

The Commonwealth of Kentucky, Department of Insurance (“Department”) is seeking \$270,280.00 in supplemental grant funds to establish and promote a consumer ombudsman program (the “Program”) within the Department to advocate freely and vigorously, for and on behalf of, health insurance consumers in the state. The requested supplemental grant funds will be utilized to fund the Program as follows:

Travel:	\$11,000.00
Equipment:	\$21,500.00
Contractual:	\$236,780.00
Other:	<u>\$ 1,000.00</u>
Total:	\$270,280.00

It is anticipated that the consumer ombudsman will travel frequently in order to interact, educate, and provide assistance to health insurance consumers in all 120 counties in the state of Kentucky. The ombudsman will travel to Kentucky’s major cities as well as under-served, rural areas in the state. Additional travel funds will allow the ombudsman to travel more often and will fund mileage costs, meals, and overnight hotel stays. In addition, the travel budget will help fund convention center or booth space when opportunities arise.

With the supplemental grant funds, the Department intends to purchase the equipment necessary to produce webinars in order to educate health insurance consumers regarding the services available through the ombudsman. The equipment that will be purchased includes a video camera, camera accessories, editing software, a streaming media server, and network hardware upgrades. In addition to the webinar equipment, the Department will need to purchase a webinar subscription, classified in the budget as “Other.” The Department also intends to purchase an interactive classroom responder system that will allow the ombudsman to educate

consumers in a classroom setting. The responder system will foster participation and assist in getting information out to the public in a consumer-friendly learning environment.

Lastly, the Department intends to engage in a robust advertising campaign across the state to promote and educate the public about the services available through the ombudsman. The advertising campaign will give consumers information on how to contact the ombudsman, how to file a complaint with the Department, how to complete an insurance application, how to file a health insurance appeal, and how to access insurance coverage through public forums such as Medicaid; Kentucky Children's Health Insurance Program (KCHIP); Kentucky Access, Kentucky's high-risk pool; and the Pre-existing Condition Insurance Plan (PCIP).

The advertising budget includes funding for the production of television and radio spots to be aired throughout the state of Kentucky. The budget also includes funding for advertisements in Kentucky magazines and newspapers. Also, should funding allow, the Department intends to purchase small items to give away to the public in an effort to disseminate throughout the state the telephone numbers and contact information for the ombudsman. Lastly, should funds allow, the Department intends to produce a display promoting the ombudsman consumer assistance services for use at conventions and other public events.

No grant funds awarded will be used to reimburse pre-award costs or to supplant existing state, local, or private funding of the Department's infrastructure, services, or staff salaries. Grant funds will be used to pay an advertising firm to develop an advertising campaign as outlined above and in the project narrative. The Commonwealth has a current contract with Doe-Anderson and a copy of the contract is included with this application for supplemental grant funding. It is anticipated that the Department will utilize this contract for the payment of the advertising campaign services through Doe-Anderson.

**GRANTS TO STATES FOR CONSUMER ASSISTANCE PROGRAM  
PROJECT NARRATIVE: SUPPLEMENTAL FUNDING  
KENTUCKY DEPARTMENT OF INSURANCE**

The Commonwealth of Kentucky, Department of Insurance (“Department”) has applied for and been awarded grant funds to establish a consumer ombudsman program. In addition, the Department has been given the opportunity to apply for supplemental grant funds in the amount of \$270,280.00 to be used to enhance the Department’s consumer assistance program beyond the initiatives outlined in the Department’s initial Consumer Assistance Grant Application.

With the supplemental grant funds, the Department intends to embark upon a rigorous advertising and education campaign (“campaign”) in order to promote the services available to consumers through the Department’s consumer assistance program. This campaign will necessitate that the consumer ombudsman travel throughout the state of Kentucky, thereby increasing the travel costs beyond those requested in the initial grant application. The consumer ombudsman will be available to participate in local festivals, conventions, fairs, and other public events in order to provide outreach to health insurance consumers. Consequently, this supplemental grant application requests additional monies to fund travel costs, including mileage charges, meals, hotel charges, booth rental space, and airfare when the ombudsman is required to travel out of the state.

In addition to the travel costs, the Department seeks supplemental grant funds to secure equipment that will foster the ombudsman’s outreach initiatives. In particular, the Department intends to purchase the equipment necessary to give the ombudsman webinar capability. Webinars will allow geographically dispersed groups of people to participate in “real-time” meetings at their work or home via the internet and a phone line. Consumers will be invited to participate in these meetings and also allowed to collaborate and interact with the ombudsman.

In order to effectuate the webinars, the Department will need to purchase a video camera and accessories, editing software, a new streaming media server, network hardware upgrades, and a webinar subscription. By offering webinars, the ombudsman can provide outreach and educational information to large numbers of consumers without the necessity for traveling.

In addition to the webinar capabilities, the Department intends to purchase interactive classroom or audience responders (“responders”). Within a classroom or other education environment, responders help engage participants by allowing an audience to give automatic feedback. Further, responders foster “real-time” instructor and audience interaction. The responder system also allows for instant polling and survey analysis which will assist the Department in gathering information about what consumers want and need. With this type of feedback, the Department can better tailor its services to meet the needs of the health insurance consumers.

Lastly, with supplemental grant funds, the Department intends to utilize the state’s contract with an advertising firm to create an advertising campaign for the purposes of disseminating information useful to the health insurance consumer. The campaign is intended to extend and enhance the ombudsman’s consumer outreach initiatives, promote consumer assistance capabilities, educate consumers about the services available through the ombudsman and the Department, and provide information to consumers on how access assistance when needed. The campaign will target all adults in the state of Kentucky, with an emphasis on those most likely to benefit from an increased awareness of healthcare and health insurance. The target population includes the uninsured, families with children, seniors, and young adults.

A mix of several media types has been researched in order to determine preliminary costs of the campaign. The Department intends to use television for its strong communication value

and its ability to reach large audiences. Radio is another media type that will be used in the campaign as it provides easy access to audiences in all 120 Kentucky counties through the Kentucky News Network.

Depending upon the availability of funding, the Department intends to advertise in newspapers as well as Kentucky magazines such as *Kentucky Monthly* and *Kentucky Living*. If funding permits, the Department will produce a display board to be used at public events such as the Kentucky state fair, local festivals, and other convention opportunities. Lastly, depending upon the availability of remaining funds, the Department intends to purchase small give-away items, such as pens or pencils, for the public. The give-away items will highlight the contact information for the consumer ombudsman.

The ombudsman and consumer assistance program will be successful provided the public has access to the information they need, when they need it. It is through the initiatives and campaigns discussed above that the health insurance consumer can be made aware that assistance is available and that there exists an ombudsman that will advocate on their behalf.

**BUDGET INFORMATION - Non-Construction Programs**

**SECTION A - BUDGET SUMMARY**

OMB Approval No. 4040-0006  
Expiration Date 07/30/2010

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		Total (g)
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	
1. Affordable Care Act (ACA) - Consumer Assistance Program Grants	93.519	\$	\$	\$ 270,280.00	\$	\$ 270,280.00
2.						
3.						
4.						
5. Totals		\$	\$	\$ 270,280.00	\$	\$ 270,280.00

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	Affordable Care Act (ACA) - Consumer Assistance Program Grants				
a. Personnel	\$	\$	\$	\$	\$
b. Fringe Benefits					
c. Travel	11,000.00				11,000.00
d. Equipment	21,500.00				21,500.00
e. Supplies					
f. Contractual	236,780.00				236,780.00
g. Construction					
h. Other	1,000.00				1,000.00
i. Total Direct Charges (sum of 6a-6h)	270,280.00				270,280.00
j. Indirect Charges					
k. TOTALS (sum of 6i and 6j)	270,280.00	\$	\$	\$	270,280.00
7. Program Income	\$	\$	\$	\$	\$

**SECTION C - NON-FEDERAL RESOURCES**

(a) Grant Program		(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.	Affordable Care Act (ACA) - Consumer Assistance Program Grants	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
9.					
10.					
11.					
12.	TOTAL (sum of lines 8-11)	\$	\$	\$	\$

**SECTION D - FORECASTED CASH NEEDS**

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 270,280.00	\$ 259,280.00	\$ 0.00	\$ 5,500.00	\$ 5,500.00
14. Non-Federal					
15. TOTAL (sum of lines 13 and 14)	\$ 270,280.00	\$ 259,280.00	\$ 0.00	\$ 5,500.00	\$ 5,500.00

**SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT**

	(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
		(b) First	(c) Second	(d) Third	(e) Fourth
16.		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
17.					
18.					
19.					
20.	TOTAL (sum of lines 16 - 19)	\$	\$	\$	\$

**SECTION F - OTHER BUDGET INFORMATION**

21. Direct Charges:

22. Indirect Charges:

23. Remarks:  Other: Includes Webinar subscription  
 Contractual: Carry out a health reform media plan through advertisements including TV, newspapers, magazines, and radio streams using Doe Anderson