

**Health Resources and Services Administration
HIV/AIDS Bureau, Division of Service Systems**

Ryan White HIV/AIDS Treatment Modernization Act

***Fiscal Year 2011 Part B Program Updates
FY 2011 Award and Federal Financial Report (FFR SF-425)***

Executive Summary

**March 24, 2011 @ 12:00 PM (ET)
Confirmation No. 54906854**

Management Solutions Consulting Group, Inc.

**Moderator: Kathie Baldwin
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12:00 p.m. EST**

1. Executive Summary

On March 24, 2011, the Division of Service Systems (DSS) hosted a teleconference for Part B grantees on the topic, “**Fiscal Year 2011 PART B Program Updates**” to discuss the FY 2011 Award and Federal Financial Report (FFR SF-425). This report summarizes the teleconference, which comprised HRSA announcements and Part B Program updates. Following the announcements there was a question and answer session. The first presenter discussed the changes and new requirements for the Federal Financial Report. The final portion of the call focused on the much-anticipated update on the Notice of Awards for Part B grantees and the impact of the delayed approval of the FY 2011 budget on those awards. A question and answer session about the status of the budget negotiations followed this portion of the presentation.

2. Welcome and Introductions

The moderator, Katherine Patterson, began the teleconference by welcoming the participants and reiterating the topic of the call *Fiscal Year 2011 PART B Program Updates*. The moderator then defined the dual purpose of the call, which was to discuss the fiscal year 2011 Part B award and the Federal Financial Report, which is the FFR SF-425. The presenter Doug Morgan, Director of the Division of Service Systems was introduced.

3. HRSA Announcements and Updates

Mr. Morgan began the presentation by thanking everyone for joining the call. Mr. Morgan provided the following announcements before presenting the main topic of the call:

FY 2011 Budget:

Currently HRSA is operating under a continuing resolution. That continuing resolution is through April 8th, 2011. The belief is that the Congress and White House are working on negotiations to try to finalize the FY '11 budget. As a result of a continuing resolution, details regarding partial awards for FY 2011 for Part B grantees will be addressed on this call.

National Monitoring Standards:

The National Monitoring Standards will be available on our website as of April 1st as they go through final clearance here in the agency. As of this call the intention is to schedule a series of webinars on monitoring standards beginning in June to assist grantees of both Parts A and B as they implement the monitoring standards and respond to questions regarding the documents.

The expectation is that all grantees will monitor and access sub-recipient performance using some of the tools provided in the monitoring standards. The use and imposition of the monitoring standards will be a part of the final Part B award notice. There will be training on the monitoring tools, and the training dates will be announced. The trainings will take place as webinar-based trainings as opposed to meetings.

Pre-Existing Condition Insurance Plan:

On March 16th, a letter from Dr. Deborah Parham- Hopson was issued regarding the Pre-Existing Condition Insurance plan and the use of rebate funds. The letter was drafted to make it clear that rebates generated through the ADAP program, cannot be used to support the PCIP program or the high-risk health insurance pool programs that many of States are now implementing. The use of rebates are specifically covered in our statute, and the letter spoke to those aspects of the statute that speak to that language. In addition, the statute makes it clear that organizations cannot use Ryan White program funds to subsidize the activities under a high-risk pool, including the capitalization of the cost associated with the creation or administration of the pool. The confusion may have been with respect to the last paragraph that reads, “Therefore, Ryan White program funds cannot be used to support the health insurance program.” This sentence specifically relates to the use of the rebate funds. The current policy that allows the use of Ryan White program funds to support the provision of health insurance benefits or health insurance that provides a pharmacy benefit are still in effect.

4. Question and Answer Session I: HRSA Announcements & Updates

Question: Just to clarify a little bit more on the insurance issue. Are you saying that we cannot use rebates to pay for premiums and that we have to use our other funds for premium payments?

Answer: You can use rebate funds to pay for the premium when you are purchasing or buying into a high-risk pool that aids your clients. For example, we have had some proposals where the State wanted to literally take your rebate dollars and have them shift to underwrite the cost of the high-risk pool. You can't do that. Or to cost-share your rebate dollars; that is, I get the first 10 percent and you get the next 90 percent or something like that. Again, you can't do that. If you want to use your federal dollars, as well as your rebate dollars, to purchase health insurance that has better or comparable-added benefits for your clients, then yes, you can do that.

5. Updates About the Federal Financial Report (FFR)

The moderator, Katherine Patterson then introduced Shonda Gosnell, from the Division of Grants Management Operations, to discuss the recent updates to the Federal Financial Report (FFR), including highlights and clarifications.

Ms. Gosnell welcomed everyone to the call and then moved forward in providing updates to the Federal Financial Report (FFR). Ms. Gosnell highlighted two new changes pertaining to future submission requirements for the Federal Financial Reports.

- OMB, HHS and HRSA have implemented the replacement of the FSR, which was the Financial Status Report, with the FFR—the Federal Financial Report. With that change, there are new requirements surrounding the submission dates for final reports. Grants with budget periods ending, in March, the subsequent final FSR will no longer be due in June, but **will now be due by July 30th**. This is in conjunction with the quarterly due date for the submission of the top section of the FFR that is submitted to the Payment Management System (PMS), (which was formerly the 272 Quarterly Reports). This allows grantees to submit the same information to both PMS and to HRSA regarding outlays and disbursements, as well as advances. Carryovers will still be available to be requested through the Prior Approval Module within the EHB, but the FFR must be received in order for a Carryover Request to be approved. Just as in the past, the FFR must be in agreement with the Report of Disbursements to PMS as well, in order for it to be approved. Organizations may continue to submit the FFR early if it is in synch with PMS. In order to submit a carryover request sooner, make sure that it is in synch.
- The second change regarding the final FFR submissions, beginning with the FY '10 final FFR which will be due by July 30th, 2011, is the inclusion of an attachment. In order for the FFR to be submitted into the EHB, the newly-required attachment will need to be completed. The attachment will include a breakdown of expenditures in the following format:

$$\text{Authorized} - \text{Expended} = \text{Unobligated}$$

This will list all possible categories. For example, the format for Part B will be used for each of the following:

- Base
- Emerging communities
- ADAP
- MAI
- Carryover from the prior year
- Total

“N/A” will be allowed to be submitted for categories that do not apply to a particular grantee. The amount of State-match must also be submitted with the EHB FFR submittal section, as applicable as well.

6. Overview of the Fiscal Year 2011 Award

The moderator, Katherine Patterson then turned the call over to Doug Morgan, who provided an overview of the fiscal year 2011 award.

Mr. Morgan began his presentation reminding participants of the current fiscal 2011 budget situation. He reiterated that currently HRSA is operating under the 5th continuing resolution that expires April 8th. HRSA has been working closely with our budget people and grants. On April 1st, participants should receive a Notice of a Grant Award that reflects a *partial* award for fiscal year 2011. A partial award amount is less than 50 percent of the organizations FY 2010 award amount for the following categories:

- Part B base
- Part B ADAP earmark award
- Emerging Communities
- Minority Aids Initiative (MAI)

The exact amount of the award is between 48 and 49 percent of FY 2010 award amounts for the following categories:

- Part B base
- Emerging Communities, if organizations have those
- ADAP earmark
- MAI award levels

The date of the final award could not be confirmed at the time of this call. Organizations were cautioned not to assume that, if their initial award represented 48 to 49 percent of last year, that they would get exactly last year's amount. It was emphasized that the amount of the final award would not be determined until a final budget was received. Organizations were advised to work with what they have, and be guarded by whatever they see with respect to the public information regarding the status of the FY 2011 budget. When final budget categories or numbers are received, HRSA's Division of Service Systems will be prepared to tell organizations what their final award will be.

Mr. Morgan reiterated that there was obviously a lot of uncertainty regarding budgets, but confirmed the awarding of partial awards so that organizations can continue their programs. He further confirmed that this was the first time that he remembered partial awards being administered for Part B.

7. Question and Answer Session II

Question: As far as the actual NGA document, will it have just the partial award amount on it, or will it have the estimated total awards, with the partial award being actually in the line that states, “This is the amount that has been funded at this time.”

Answer: The NGA will only have the partial award amount. It may also include what the required State match is against that partial award amount, but it will only be the partial award. There will be no estimate of what your final award is. Let me be very clear, in the absence of a final FY 2011 appropriated budget, there is no way we can estimate what your final award will be.

Follow-up

Question: What will the term of the NGA be? If it's a full one-year term, are there any suggestions or recommendations from HRSA on how States should operate with the partial funding?

Answer: It will be a one-year term. I cannot tell you what we will recommend to you in terms of these dollars. It may be—let me answer your question this way. As the administration along with the Congress move further along in budget negotiations, we may be able to—and I emphasize the words “may be”, able to give you some guidance, but it is absolutely unclear as to what I could possibly tell you about the future at this point. I just simply don't know it nor will I try to speculate. All I can tell you is that negotiations are underway between the administration and the Congress on the FY 2011 budget.

Question: What is the date that we are receiving the NGA partial award? Is it April 5th?

Answer: You should get it on April 1st.

Question: Is it safe to say we won't know anything about ADAP supplemental (ADAP sup) until the final budget resolution occurs?

Answer: The answer to that question is “yes”. The determination of the ADAP sup is based on what the set aside of the final appropriation is. Without knowing what the final appropriation is, you cannot speculate, in any way, on what the amount of the ADAP sup will be.

Question: I have a question about the step-down transition funding for the TGA. We have a TGA for whom we should be receiving funding. I am just curious how it's going to be accounted for in the partial award?

Answer: We have not accounted for that at all in the partial award. Partial award reflects approximately 49 percent of your FY 2010 formula award. Until we have a final appropriation amount for both Part A and Part B, we cannot, in any way, project or handout dollars that would have come to Part B as a result of the closeout of the TGAs. As a reminder, the dollars that you are talking about, essentially, are going to be transferred from the Part A program to the Part B program. Without having a final budget, I can't say to you how much money is going to be available.

Follow-up

Question: So the Part A has received partial award, as well?

Answer: Part A has received partial award calculated at 50 percent. Now you may be wondering how come they (Part A grantees) got more than (Part B grantees). That's because 50 percent of their (Part A) award is far less than 50 percent of your (Part B) award. Fifty percent of Part B awards exceeded the amount of money available. The partial Part B awards are in excess of little under \$560M. That's the amount of money that has been made available through the CR that ends on April 8th. We don't have any additional money that we can send out.

Comment: I wanted to bring up something as a result of one of your questions. We had a glitch in our system here within the last couple of weeks. So, there is a number 19 on your face page of your notice on grant award (NGA) that says future recommended amount. We are not sure how many people are affected, but there are a few awards, potentially, that went out with a number there. That is to be overlooked; it means nothing. So, you don't need to call your project officer, and you don't need to call us. Just as Doug said, there are no estimates of your future funding. This happened for many programs--not just for yours. I don't think it affected many of you, but just in case any of you see that number, it really means nothing and will be zeroed out on your next award.

8. Concluding Remarks

The presenter, Mr. Morgan, had no closing remarks and stated if the grantees had any questions or concerns after the teleconference, to address those to their Project Officers. The key point of the

presentation was to understand that a partial award will be made in order to assure that services do continue into FY 2011 and to assure participants that as soon as final appropriation are received, that they will move with haste and speed to calculate the final award amount and get that out to organizations.

Katherine Patterson closed the call by thanking both Doug Morgan, Director of the Division of Service Systems and Shonda Gosnell from the Division of Grants Management Operations, for their presentations. She reminded grantees that did not have the opportunity to have questions addressed on this call, to contact their project officer. The recording from the call will be available on the TARGET center website.

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