History

- What is Program Income?
- How was Program Income signed into Law?
- For whom was Program Income intended?

Reference: 340BCoalition.org/resources

Who Relies on 340B

PROVIDERS AND PROGRAMS THAT RELY ON 340B

HOSPITALS*

- Disproportionate share hospitals**
- Children's hospitals
- Cancer hospitals exempt from the Medicare payment system
- Sole community hospitals
- Rural referral centers
- Critical access hospitals

*Must be publicly owned or operated, nonprofit corporations granted government powers, or private, nonprofit hospitals contracting with government to provide care to patients who don't qualify for Medicaid or Medicare.
**Hospitals that serve a significantly disproportionate number of low-income patients.

COMMUNITY HEALTH CENTERS

- Federally Qualified Health Centers (FQHCs)
- FQHC lookalikes
- Urban Indian clinics
- Native Hawaiian health centers

CHRONIC CONDITION PROGRAMS

- State-operated AIDS drug assistance programs (ADAPs)
- Ryan White Program grantees
- Hemophilia treatment centers

SPECIALTY CLINICS

- Tuberculosis clinics
- Black lung clinics
- Title X public housing primary care clinics
- Homeless clinics

FAMILY PLANNING/SEXUAL HEALTH CLINICS

- Title X Family Planning clinics
- STD clinics

Policy Clarification Notice (PCN) 15-03

- Who generates Program Income?
- What is the definition of Program Income and Where do you find it?
- Who determines how Program Income can be used?
- How was Program Income determined?
- How should Program Income be reported?
- Who is responsible?

Summary of Program Income

- Program income (PI) is income earned that is generated by activities supported by a federal award.

- Program income should be reported on required reports

- Recipients are required to track and account for all program income.

- It is the responsibility of the recipient to monitor and track program income earned and spent by subrecipients.

DSHS Background

- A case where Program Income was not reported to DSHS and the effect it caused.

Program Income Spending and Allocation Monitoring Tool

Spending Plan

Agency Name	
Contact Name and Title	
Contact Email	

Actual costs must be submitted to fmu@dshs.texas.gov with the submission of the second and fourth quarter FSR (months of February and August).

Total PI Earned	$						-

Program Income Spending Plan							
Service Category	Description	Date Used (MM/DD/YYYY)	Estimated Cost	DSHS Funding Stream	Funding Stream Cont.	Actual Cost	
Training	Enter Comment	Enter Date		Other	Enter Comment		

Service Category

Accounting Services

Communication Costs

Salaries

Office Supplies

Meeting/Conferences

Professional Services Costs

Training

Advertising Costs

Travel

Equipment

Other

Program Income Revenue Allocation

Agency Name	
Contact Name and Title	
Contact Email	

Program Income Allocation					
Service Category	**Description**	**Date Received MM/DD/YYYY**	**DSHS Funding Stream**	**Funding Stream Cont.**	**Amount**
Medication Difference	Enter Comment	Enter Date	Other	Enter Comment	

Service Category Options

Co-Pay

Sold Item

Sub-recipient

Medication Difference

Registration Fees

Fees for Services Performed

Revenue from the Use or Rental of Property

Other

Instructions

Program Income Spending Plan Instructions:

1. "Service Category" column: Choose an allowable category to spend earned program income from the drop down list.
2. "Description" column: Enter a comment further explaining the allowable category in column "service category." For example, if in the "item/service category" column, an agency chooses 'training' then in the description column, the agency would describe the training intended to attend, such as "XYZ training on 12/2/2019-12/4/2019."
3. "Date Used" column: Enter the estimated date this program income will be used for the first submission to DSHS. For the 2nd and 3rd submission, update the date to when the program income was actually used.
4. "Estimated Cost" column: This cost is the initial budgeted cost for the fiscal year.
5. "DSHS Funding Stream" column: Document the contract/program in which the program income was earned.
6. "Funding Stream Cont." column: If in step 5, "other" was chosen, please elaborate on the funding stream in which this program income was earned.
7. "Actual Cost" column: Update this column when program income is actually spent on this particular category for a comparison between what was budgeted for this category and the amount of program income actually spent on this category.

Program Income Revenue Allocation Instructions:

1. "Service Category" column: Choose a category in which the program income was obtained from the drop down list.
2. "Description/Comment" column: Enter a comment further explaining how obtained the program income. For example, if the program income is from the "sold item" category then list the item that was sold and further necessary comments.
3. "Date Received" column: Document the date in which the program income was earned.
4. "DSHS Funding Stream" column: Document the contract/program in which the program income was earned.
5. "Funding Stream cont." column: If in step 4, "other" was chosen, please elaborate on the funding stream in which this program income was earned.
5. "Amount" column: Document the amount of program income earned.

Reporting Program Income on DSHS Required Documents

Program income must be reported monthly on your reimbursement request (Form B-13) and you must document on the B-13 that you are utilizing program income first by deducting it from their expenses and the balance is what DSHS will reimburse. The monthly reimbursement request must be submitted to **invoices@dshs.texas.gov** and to **cmsinvoices@dshs.texas.gov**. In addition, the quarterly Financial Status Report is also where all of your expenses will be reported, included program income and it must be submitted to

See below example:

Reporting of Program Income (PI)

DSHS share of PI must be reported as a deduction from gross expenses on the monthly reimbursement request each month. For example:

|	
Gross Allowable Expenses incurred this month	$XXXXXX
Less: Program Income	$ (XXXX)
Non-DSHS Funding	$(XXXXX)
Net Reimbursable Expense	$XXXXXX

Reimbursement requests must be submitted to **invoices@dshs.texas.gov** and to **cmsinvoices@dshs.texas.gov**. PI must also be reported on the quarterly Financial Status Report (FSR). FSRs are to be submitted to **fsrgrants@dshs.texas.gov**. All adjustments related to PI should be made on the reimbursement requests. Actual costs must be submitted to **fmu@dshs.texas.gov** with the submission of the second and fourth quarter FSR (months of February and August).

Interview with Amy Duron
Brazos Valley Council of Governments
Senior Accountant

Brazos Valley Council of Governments
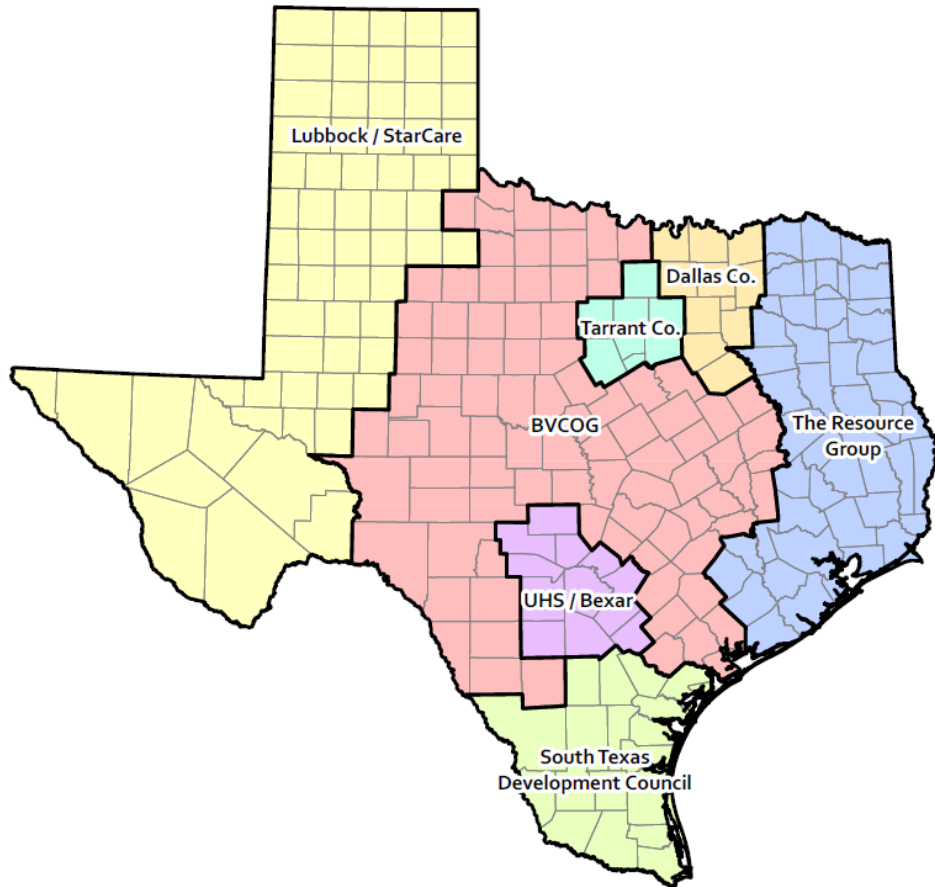
Mission Statement: To benefit the citizens of the Brazos Valley Region by serving as the vehicle for their local governments to cooperatively identify needs, develop responses, implement solutions, eliminate duplication and promote the efficient and accountable use of public resources, and to improve quality of life.

Question #1

- Q: What different sources of program income are BVCOG sub-recipients reporting?

- A: Fees for services for clients and copays

Question #2

- Q: How has BVCOG been monitoring and tracking program income of the sub-recipients prior to this monitoring tool being provided?

  - A: Program Income Statement

Question #3

- Q: From the differing ways the sub-recipients are providing the program income tracking to BVCOG, how would you prefer the program income to be sent to you?

- A: Prefer an excel document with explanation regarding how program income is spent.

Question #4

- Q: What obstacles have you seen when sub-recipients are reporting their program income to the Administrative Agency?

- A: Overall: not an official policy for program income from DSHS, concerns with subrecipients attempts at collecting program income, lack of knowledge and reporting guidance

Question #5

- Q: As the Administrative Agency, was there any immediate feedback that came to mind when explaining the tool to the sub-recipients?

- A: Timeframe to provide information to DSHS was unclear

Question #6

- Q: As the sub-recipient began using the tool, what was their feedback when filling it out?

- A: COVID issues

Question #7

- Q: What are some things that you have seen your sub-recipients spending their program income on?

- A: Service Categories

Question #8

- Q: What misconceptions or fears do some sub-recipients have regarding 340B/Program income?

- A: Fear or desire to save their funds

Question #9

- Q: Any final thoughts or concerns for our program income monitoring tool?

- A: Wide variety of different reactions across the sub-recipients