

Program Income from Ryan White HIV/AIDS Program Awards

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Learning Objectives

At the conclusion of this webinar, the participant will be able to

- Know how to identify what program income is.
- Know how to identify program income directly generated by a grant-supported activity (medical billing) or as a result of the grant award (340-B income)
- Identify allowable uses of program income — additive vs. deductive method
- Identify who tracks and reports program income
- Understand all available HIV/AIDS Bureau (HAB) resources

Program Income – Introduction

As the healthcare landscape changes, Ryan White HIV/AIDS Program recipients and subrecipients may generate higher levels of program income (third-party reimbursement, Medicaid expansion, etc.)

In response, HAB provides the following resources:

- PCN 15-03 and accompanying FAQ's
- a renewed effort in monitoring and technical assistance (TA) regarding the long-standing requirements about tracking, spending, and reporting program income generated by RWHAP grants and cooperative agreements

Authorities

- Public Health Service (PHS) Act.5 Sections 2604(a)(2), 2612(a), and 2651(b)(1) of the PHS Act.
- The OMB Uniform Guidance 2 CFR 200/HHS Title 45 Subtitle A, Subchapter A, Part 75
 - 45 CFR 75.2 Definitions
 - 45 CFR 75.305 Payments
 - 45 CFR 75.307 Program Income
- HAB Policy Clarifications Notice (PCN) 15-03.

Program Income - Definition

Per 45 CFR §75.2, Program Income: Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided on 45 CFR §75.307(f). Program income includes but is not limited to income from fees for services performed, the use or rental of [sic.] real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulation, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them.

Identify Directly Generated Program Income

Generated

- By a provider of billable service funded by the award.

Source of Income

- Fees for service payments, or reimbursement for the provision of a specific medical visit or procedure.
- Charges imposed on clients for services, as required by RWHAP Parts A, B, and C legislation.

Identify How to Bill Fees (Medical Billing)

1. Contract with third parties (Medicare, Medicaid, Commercial Insurance)
2. Credential provider with insurance companies
3. Create agency group
4. Acquire a practice management system and a billing system or outsource
5. Determine a clearing house (claim md; change healthcare)
6. Hire staff billers, coders, etc.
7. Patient Registration evaluate insurance coverage
8. Verify the information practice management system, review coding review charges and diagnosis.
9. Prepare and submit claims
10. Monitor payer decisions (payments and disallowances)

Identify Income as a Result of the Award

Generated

- By the acquisition of covered entity status from the Office of Pharmacy Affairs

Source of Income

- The difference between the insurance reimbursement and the 340B drug purchase price and dispensing costs.

How Subrecipients Obtain Covered Entity Status

- Determine if the subrecipient organization is eligible to apply.
- Need to register to gain approval as covered entity status.
- Registration is only open quarterly in the first 15 days of the first month of the quarter online registration required uploading supporting documentation when registering.
- To register the subrecipient must set up an OPA 340B user account.
- Identify primary contact for the subrecipient organization.
- Check if organization has already registered.
- Be aware the recipient will be contacted to verify the receipt of grant funds.
- Need recipient grant award number(s) and the information to register the pharmacy (subrecipient or contracted).

- Determines which method to use additive, deductive, combination or matching.
- Determines how is program income is to be used.
- Makes a distinction between income earned by the recipient and sub-recipient.

Allowable Uses of Program Income

Alternatives for use (45 CFR §75.307(e))

Alternative	Use of program income
Additive	Added to funds committed to the project or program and used to further eligible project or program objectives
Deductive	Deducted from total allowable costs of the project or program to determine the net allowable costs on which the Federal share of costs will be based
Combination	Uses all program income up to (and including) \$25,000 as specified under the additive alternative and any amount of program income exceeding \$25,000 under the deductive alternative
Matching	Used to satisfy all or part of the non-Federal share of a project or program

The HIV/AIDS Bureau (HAB) must specify the alternative and allowable use of program income on the Notice of Award – **ADDITIVE ALTERNATIVE**

Recipients must use additive method with subrecipients

Additive Method

Additive. With prior approval of the HHS awarding agency (except for Institutions of Higher Education (IHEs) and nonprofit research institutions, as described in paragraph (e) of this section), program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must be used for the purposes and under the conditions of the Federal award.

Pay Program Income in the Period It Was Received

Recipients and subrecipients should strive to proactively secure and estimate the extent to which program income will be accrued. This should be done to effectively determine the need for RWHAP funds along with consideration of their allocation and utilization during the current period of performance.

When to Disburse Program Income

45 CFR75. 305 b 5;
PCN 13-05

To the extent available, the non-Federal entity must disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

Program Income – Allowable Uses Part B

Use of Program Income – Part B

To support a comprehensive system of care for low-income individuals living with HIV...

- Core medical services
- Administrative expenses, including planning and evaluation and CQM for subrecipients
- Clinical quality management activities
- Support Services

Not subject to statutory distribution requirements or caps (e.g., 10% admin, CQM, 75% core medical, 50% EIS, etc.)

- Recipients are required to track and report program income from their in-house Ryan White HIV/AIDS Program funded clinics as program income on the annual RWHAP Part B Federal Financial Report (FFR) and in annual data reports. All program income earned must be used to fund core, support, and administrative services.
- Subrecipients are required to track and report program income to recipient. All program income must be used to fund core, support, administrative and Clinical Quality Management.

Resources

Policies Clarification Notices

<http://hab.hrsa.gov/manageyourgrant/policiesletters.html>

Ryan White Legislation

<https://hab.hrsa.gov/about-ryan-white-hiv-aids-program/ryan-white-hiv-aids-program-legislation>

QUESTIONS



Contact Information

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