



Fact sheet: Ryan White Part B Maintenance of Effort Requirement

Purpose of the Maintenance of Effort Requirement

- To ensure federal Ryan White Program funds expand HIV-related services and do not supplant state contributions to HIV-related programs
- To prevent Ryan White Part B funds from being used to offset specific HIV-related budget reductions at the state level

Summary: Part B Maintenance of Effort Requirement

Maintenance of effort (MOE) requires that all Ryan White Part B grantees contribute at least the same amount of state funds for HIV-related activities as the previous fiscal year. For example, if a state contributes \$100,000 in a given fiscal year, then the state is expected to contribute *at least* \$100,000 in the next fiscal year.

The elements that states may use to demonstrate MOE compliance are defined as HIV-related activities which have at a minimum, an identifiable line item in state budgets and expenditure reports from state agencies. All costs submitted for MOE are subject to audit for purposes of establishing compliance.

Types of Allowable State Contributions

Funds used to meet maintenance of effort requirements must expand HIV-related activities and have a designated line-item in the state budget and expenditure report. Examples include:

- State appropriations to the AIDS Drug Assistance Program (ADAP) or other Ryan White services
- Rebate funds received from pharmaceutical companies for prescription drug purchases
- State Pharmacy Assistance Program (SPAP) funds
- State-funded HIV-related salaries (DIS, ADAP, pharmacy, program staff, home care, etc.)
- State funds spent on health insurance for HIV positive individuals not served by the Ryan White Program
- ADAP delivery/courier fees
- Department of Corrections funds for medical care to incarcerated individuals living with HIV
- State share of Medicaid expenses for HIV positive individuals
- State-funded HIV prevention, HIV care and/or surveillance efforts

State contributions may be made in cash or in in-kind contributions as follows:

Cash

Cash is defined as the transfer of funds directly from the state general legislature to the Part B or ADAP program for use in providing HIV-related services or funds that are provided to the Part B or ADAP through donations from private or public entities.

In-kind Contributions

In-kind contributions are defined as non-cash contributions that a state may provide to support HIV-related services. These non-cash contributions must be fairly valued and may include plant, equipment, supplies, or services. The value of plant and equipment must be assessed based on the purpose of the award, not to exceed fair market value. The value of supplies must be

reasonable and not exceed fair market value. The value of services must include the rate of pay plus reasonable and allowable fringe benefits.

Donations, volunteer services, or non-recurring/short-term expenditures such as emergency or one-time-only commitments by the state are not allowable to meet MOE requirements.

Documentation of Maintenance of Effort Requirement

For each Ryan White Part B application, the state must provide the following:

- Signed assurance of intended compliance with MOE requirements
- Description of "consistent" data set providing year-to-year state HIV-related expenditures, including explanation of any significant changes to the data set and an illustration that overall expenditure levels have been maintained year-to-year for the previous two complete fiscal years
- Description of the methodologies used to calculate and compile HIV-related expenditures from state-funded agencies
- MOE table and worksheet

States may change the allocation of resources over time (e.g., reducing or eliminating funding towards one program while increasing funding for another program). However, significant changes in expenditures or line-items must be documented and explained in the grant application. Specifically, the reasons for any changes must be explained and the maintenance of a consistent year-to-year overall funding level of expenditures must be demonstrated.