

DC | **HEALTH**  
GOVERNMENT OF THE DISTRICT OF COLUMBIA

**Program Income & Implementation in DC EMA**

Dr. Christie Olejemeh, February 16, 2022

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**Generation and Reporting of Program Income (PI)**

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**PROGRAM INCOME**

**WHAT IS IT?**

Program Income is any income that is generated for a sub-recipient by a Ryan White grant or earned as a result of the grant.

Reimbursement/payments for services provided includes self-pay, Sliding Fee Scale, Medicaid, Medicare, private insurance, Alliance, and other third-party sources (e.g Managed Care)

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**PROGRAM INCOME**  
**WHY ARE WE ASKING YOU ABOUT IT?**

- ☑ Legislative Mandate
- ☑ (2664)(a)(1)c
- ☑ Source Citation
- ☑ 45 CFR 74.24 and 92.25.
- ☑ PHS ACT 2617 (b)
- ☑ Part A Program Guidance

*The secretary may not make a grant under this part unless the applicant submits to the secretary – the extent to which the costs of HIV-related health care for such individuals are paid by third-party payors.*

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**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

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**Program Income**

- ☑ Includes but is not limited to income from
- ☑ License fees and royalties on patents and copyrights, and
- ☑ Principal and interest on loans made with Federal award funds.
- ☑ Program income is also generated through participation in 340B program.

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**Examples**

- ☑ The net proceeds from a fee for a service is program income (e.g. if the fee for a procedure is \$100 and the costs (staff pay and benefits, supplies, indirect expenses, etc.) total \$85, then program income is \$15)

Insurance Refund (Insurance Reimbursements)

- ☑ If Ryan White grant charged \$200 for provided services and insurance reimburses for \$150. The \$150 is program income
- ☑ Fees from ineligible patient
- ☑ If the agency treats a patient who is assumed Ryan White eligible, collects a fee and /or billing collected is program income

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**Sale of furnishings, equipment and supplies**

- ☑ Proceeds from sale of equipment, supplies and furnishings originally bought with Ryan White funds and valued less than \$5000 is PI
- ☑ Other purchases of assets over \$5000 will not be sold without permission from Recipient and usually given to a like-kind agency when no longer in use (e.g Vehicles, IT equipment, etc.)

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**Program Income per Ryan White Grant**

Program income is generated by sub-recipients as a result of their Ryan White grant. This includes reimbursement/payments for services provided:

- ☑ Self –pay sliding fee patients,
- ☑ Medicaid,
- ☑ Medicare,
- ☑ Private insurance
- ☑ Other third-party sources
- ☑ All income generated by participation in 340B programs are earned income

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**Program Income Reporting Template**

☐ The program income template is divided into sections providing sub-recipients an array of third- party payers that the Ryan White program may bill for services provided to eligible customers, but the list is not exclusive.

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**Steps for completing the template**

☐ Step 1: Document the Ryan White service to which income is expected (Example of services are provided on the template)

☐ Step 2: Bill all relevant insurance companies for services provided for every service that has a third-party payer reimbursement.

☐ Step 3: Set up a tracking system to document correct amounts received per service per customer/patient

☐ Step 4: Document all billed and collected amounts per patient/customer in subrecipient tracking system

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**Steps for completing the template**

☐ Step 5: Add all income collected monthly and aggregate for the quarter

☐ Step 6: Complete the program income template with only the sum of all income collected for the quarter and submit with the monthly progress report through the various submission systems.

☐ Step 7: Include the program income report in the monthly report for the quarter and upload in EGMS. No Protected Health Information should be included in the report. **Submit reports quarterly.**

☐ Step 8: Track all expenditures made with the program income generated and provide records to your program officer upon request

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### Sample - Program Income Reporting Template

Provider Name: \_\_\_\_\_  
Grant Number: \_\_\_\_\_

Ryan White Services	Month	Medicare		Medicare MCO		Medicaid		Medicaid MCO		Public Insurance Local or State		Insurance MCO: Local or State Public		Self-pay / Sliding Fee Scale		340 B Program Revenue		YTD TOTALS			
		Claim ed	Collect ed	Claim ed	Collect ed	Claim ed	Collect ed	Claim ed	Collect ed	Claim ed	Collect ed	Claim ed	Collect ed	Claim ed	Collect ed	Claim ed	Collect ed	Claim ed	Collect ed		
Outpatient Ambulatory Health Services (Outpatient)	MAR																				
	APR																				
	MAY																				
	JUN																				
	JUL																				
	AUG																				
	SEPT																				
	OCT																				
	NOV																				
	DEC																				
	JAN																				
	FEB																				
QTR 4																					

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### Program Income By 340 B Program

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### 340 B Program

- ❑ The **340B Program** enables covered entities to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.
- ❑ Manufacturers participating in Medicaid agree to provide outpatient **drugs** to covered entities at significantly reduced prices.
- ❑ Section **340B** of the Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to health care organizations that care for many uninsured and low-income patients.

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**340 B Program**

- ☐ **340B generated revenue** is the difference between the third-party reimbursement (to the extent this amount exceeds the **340B** purchase price) and the **340B** purchase price paid.
- ☐ All **340B generated revenue** is considered **program income** and **should be reported** as such

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**340 B Generated Revenue**

- ☐ If RWHAP grant is the sole Federal award that makes an organization eligible as a 340 B Drug Pricing Program covered entity (e.g., Part A) and all purchases for pharmaceuticals via 340B pricing, all the program income should be attributed to the RWHAP grant.
- ☐ When an entity is 340B eligible and purchases pharmaceuticals via 340B pricing under multiple awards, the recipient must use a reasonable allocation method for the attribution of costs and program income and be able to document the methodology used.

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**Documentation of 340B generated revenue**

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**DISCLOSURE REQUIRED**

Subgrantees/subrecipients shall disclose all 340B contract pharmacy arrangements and statuses with the Office of Pharmacy Affairs within 15 business days of receipt of the grant award and any changes in status/arrangements within 15 business days to their Program Officer.

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**Steps for completing the template**

- ☑ Step 1: Document all 340B income per customer/patient
- ☑ Step 2: Set up tracking mechanism to account for all incomes received per customer/patient served
- ☑ Step 3: Aggregate all funds received
- ☑ Step 4: Document related expenditures made with the funds
- ☑ Step 5: Submit aggregated quarterly income amount to HAHSTA. Include the amount for that quarter on the progress report submission in EGMS.

*No Protected Health Information (PHI) should be included in the report.*

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**Example of 340B Program Income**

- ☑ Earnings from the pharmacy formulary less the cost of the medication and other expenses associated with the 340B program
- ☑ E.g. You receive \$15,000 in pharmacy income in a month and the cost is \$11,000. The difference of \$4000 is program income.

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### Template for Reporting Cumulative Program Income

Provider Name: \_\_\_\_\_  
Grant Number: \_\_\_\_\_

Ryan White Service	Medicare		Medicare MCO		Medicaid		Medicaid MCO		Public Insurance - Local or State		Insurance MCO - Local or State Public		Self-pay / Sliding Fee Scale		240 B Program Revenue	YTD TOTALS		
	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected
MONTH																		
Output and Ambulatory Health Services (OAH)																		
QRT 1																		
QRT 2																		
QRT 3																		
QRT 4																		
TOTAL																	\$	\$

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- ### Tracking Program Income
- Sub-recipients will identify Ryan White eligible services being funded by program income(PI)
  - All services funded by PI must be provided to eligible/enrolled Ryan White customers/patients
  - Sub-recipients must develop a customer/patient level PI tracking system
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- ### Tracking Program Income
- If a sub-recipient uses PI to deliver RW services to customers, they are required to report that customer level data in CareWare
  - If the sub-recipient uses PI to deliver services for which they are not already funded, they must request to have a CW contract established to report those services
  - Sub-recipients are expected to run RSR data on services provided through PI
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**Uses of Program Income**

**Program Income can be utilized for the following:**

- ☐ To support activities in excess of a cap that is imposed directly by the RWHAP, as such costs that are otherwise allowable.
- ☐ To pay for any medically necessary services for which Medicaid does not cover or only partially covers, as well as premiums, co-pays, and any required deductibles otherwise allowable under the RWHAP award.
- ☐ Program income (RWHAP funds) may be used to cover eligible services (defined in PCN 16-02, Ryan White HIV/AIDS Program Services: Eligible Individuals & Allowable Uses of Funds) if those services are not covered or are only partially covered under Medicaid, even when those services are provided at the same visit as Medicaid-covered service.

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**Imposition of Charges**

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**Imposition of charges**

**Definition**

- ☐ “Imposition of Charges” is a term used to describe all activities, policies, and procedures related to assessing RWHAP patient charges, as outlined in legislation’
- ☐ Imposition of Charges applies to those services for which a distinct fee is typically billed within the local health care market

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**Imposition of Charges**

**Sub-recipient requirements**

- ❑ No RW patient shall be denied service due to an individual's inability to pay
- ❑ HRSA RWHAP statute does not require that patients that fail to pay be turned over to debt collection agencies

***It's the Law:***  
 Public Health Service Act Sections 2605(e), 2617(c), and 2664(e)(1)(B)(ii)

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**Imposition of Charges**

- ❑ RW Patients ≤ 100% FPL **Not** charged any fee
- ❑ RW Patients above ≥ 100% FPL **charged**
- ❑ Establish system to **track imposed** charges
- ❑ Track **patients reported** charges
- ❑ Establish **Cap** on imposed charges
- ❑ Ensure provision of service regardless of ability to pay

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**Imposition of Charges Cont'd**

- ❑ **Fee Schedule:** complete listing of billable services and their associated fees based on locally prevailing rates or charges (not required by Ryan White Legislation but considered best practice)
- ❑ **Schedule of charges:** fees imposed on the patient for services based on the patient's annual gross income. A schedule of charges may take the form of a flat rate or a varying rate (e.g. sliding fee scale).
- ❑ **Nominal Charge:** fee greater than zero.

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**Imposition of Charges Cont'd**

- ☑ **Cap on charges:** limitation on aggregate charges imposed during the calendar year based on RW patient's annual gross income. All fees are waived once the limit on annual aggregate charges is reached for that calendar year.
- ☑
- ☑ **Waiver:** recipients operating as free clinics (e.g. healthcare for the homeless clinics) have the option to waive the imposition of charges on RW patients.

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**Imposition of Charges**

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**Schedule of Charges**

- ☑ **Schedule of charges** applies to uninsured RW customers.
- ☑ Prohibits fees imposed on customers with income  $\leq$  **100% FPL**
- ☑ Required fees be imposed on customers with income  $>$  **100% FPL**

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### Schedule of Charges

- ☑ Schedule of charges is based on customer’s annual gross income, not household income.
- ☑ A RW customer’s placement on the schedule of charges will change if there is a change in the customer’s annual gross income or the FPL Guidelines.

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### Schedule of Charges

1. **Clinic A: Flat Rate**  
Nominal fee
2. **Clinic B: Varying Rate**  
Nominal fee
3. **Clinic C: Varying Rate**  
Sliding fee scale

FPL Category	Clinic A	Clinic B	Clinic C
<=100% FPL	\$0	\$0	0%
101-200% FPL	\$5	\$5	10%
201-300% FPL	\$5	\$10	20%
>300% FPL	\$5	\$25	100%

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### Schedule of Charges

**What do you have to do?**

- ☑ Develop a schedule of charges
- ☑ Post the schedule of charges
- ☑ Use customer income to determine charges
- ☑ Inform customer of placement on schedule of charges

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**Cap on Charges**

Cap on charges is based on income as a percentage of FPL:

- ☑ 101-200% FPL – 5% cap
- ☑ 201-300% FPL – 7% cap
- ☑ >300% FPL – 10% cap

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**Cap on Charges**

**What do you have to do?**

- ☑ Calculate each RWHAP customer’s annual cap based on their annual gross income
- ☑ Inform the customer of the cap and their responsibility to track all charges
- ☑ Aggregate/add up or track all applicable charges
- ☑ Stop imposing charges on RWHAP customer when cap is met

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**Applicable Charges counts towards Cap**

☑ *The Law States:*

☑ *...the annual aggregate of charges imposed for such services [during the calendar year] without regard to whether they are characterized as enrollment fees, premiums, deductibles, cost sharing, copayments, coinsurance, or other charges*

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### Imposition of Charges Summary

Imposition of Charges	
<b>Applicability</b>	Any service or set of services for which a distinct fee is typically billed for within the local health care market
<b>Denial of service</b>	No RWHAP customer shall be denied service due to inability to pay
<b>Fee Schedule</b>	Recommended
<b>Basis by which to charge customers</b>	Schedule of Charges (flat or varying rate)
<b>Customers eligible for reduced rates/discounts</b>	All Ryan White eligible customers may receive a reduced rate.
<b>Assessment of charges</b>	All customers above 100% FPL must be charged. Customers at or below 100% FPL <b>MUST NOT</b> be charged.
<b>Cap on charges</b>	Annual limit based on RW customer's income level


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### 2022 Federal Poverty Levels and DC RW EMA

2022 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA		
PERSONS IN FAMILY/HOUSEHOLD	POVERTY GUIDELINE	DC EMA 500% FPL, RW PART A, B AND ADAP
For families/households with more than 8 persons, add \$4,720 for each additional person.		
<b>For families/households with more than 8 persons, in DC add \$23,600 for each additional person.</b>		
1	\$13,880	\$ 69,400
2	\$18,310	\$ 91,550
3	\$23,030	\$115,150
4	\$27,750	\$138,750
5	\$32,470	\$162,350
6	\$37,190	\$185,950
7	\$41,910	\$209,550
8	\$46,630	\$233,150


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## Questions?

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