

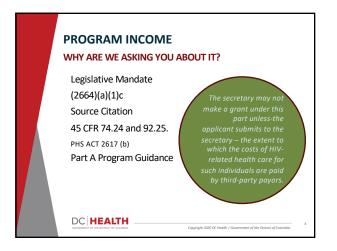
PROGRAM INCOME

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

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,

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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 Pl

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 subrecipients 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

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

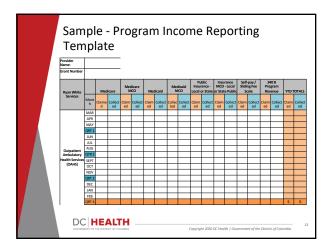
Step 6: Complete the program income template with only the sum of all income collected for the quarter and submit with the monthly progress report through the various submission systems.

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.**

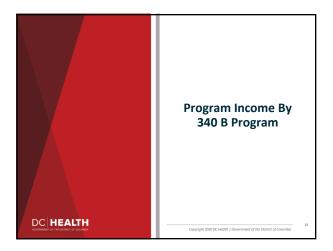
Step 8: Track all expenditures made with the program income generated and provide records to your program officer upon request

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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.

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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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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.

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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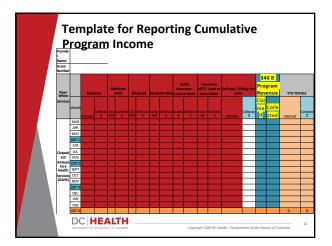
Example of 340B Program Income

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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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

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 $\ensuremath{\mathsf{PI}}$

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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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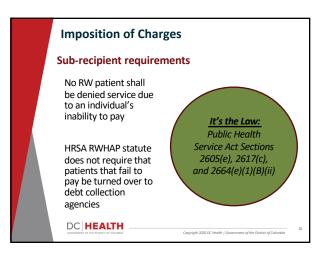


Imposition of charges

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





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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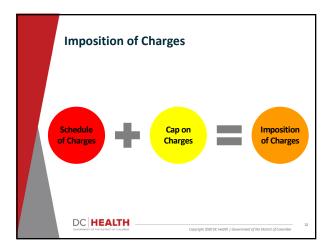
Imposition of Charges Cont'd

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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Schedule of Charges

Schedule of charges applies to uninsured RW customers.

Prohibits fees imposed on customers with income ≤ 100% FPL

Required fees be imposed on customers with income > 100% FPL

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.	Rate	FPL	Clinic	Clinic	Clinic		
		Nominal fee	Category	Α	В	С		
	2.	Clinic B: Varying Rate Nominal fee	<=100% FPL	\$0	\$0	0%		
			101-200% FPL	\$5	\$5	10%		
	3.	Clinic C: Varying Rate	201-300% FPL	\$5	\$10	20%		
		Sliding fee scale	>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
Applicability	Any service or set of services for which a distinct fee in typically billed for within the local health care market
Denial of service	No RWHAP customer shall be denied service due to inability to pay
Fee Schedule	Recommended
Basis by which to charge custome	rs Schedule of Charges (flat or varying rate)
Customers eligible for reduced rates/discounts	All Ryan White eligible customers may receive a reduced rate.
Assessment of charges	All customers above 100% FPL must be charged. Customers at or below 100% FPL MUST NOT be charged.
Cap on charges	Annual limit based on RW customer's income level

2022 Federal Pover	ty Levels a	nd 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.	For families/households with more than 8 persons, in DC add \$23,600 for each additional person				
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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