Program Income & Imposition of Charges in DC EMA

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Generation and Reporting of Program Income (PI)

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.

Program income includes but is not limited to incomes 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 incomes from, Contd.

- 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

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.)

PI Ryan White Program Services Template

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

Program Income per Ryan White Grant

Specifically, program income is generated by sub-recipient as a result of the Ryan White grant. This includes reimbursement/payments for services provided:

- Self –pay sliding fee patients,

- Medicaid,

- Medicare,

- Private insurance and other

- Third-party sources.

- All incomes generated by participation in 340B programs are earned income

Steps to complete the template with income generated

- 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 amount per patient/customer in subrecipient tracking system

Steps to complete the template with income generated contd.

- Step 5: Add all incomes collected monthly and aggregate for the quarter

- Step 6: Complete the program income template with only the sum of all incomes 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 EMS. 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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Template for Reporting Cumulative Program Income

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	
		Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected	Claimed	Collected
Outpatient Ambulatory Health Services (OAHS)	MAR																		
	APR																		
	MAY																		
	QRT 1																		
	JUN																		
	JUL																		
	AUG																		
	QTR 2																		
	SEPT																		
	OCT																		
	NOV																		
	QRT 3																		
	DEC																		
	JAN																		
	FEB																		
	QRT 4																	$-	$-

Program Income By 340 B Program

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340B 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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340B Program Contd.

- **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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340B Generated Revenue

- If RWHAP grant is 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.

Documentation of
340B Generated Revenue

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Disclosure Required

All sub-recipients shall disclose all 340B contract pharmacy arrangements and their statuses with OPA (Office of Pharmacy Affairs) within 15 business days of receipt of the grant award.

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Steps To Complete The Template Are As Follows:

- 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 through progress report in EGMS.

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

Example of 340B PI

- 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

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Tracking Program Income Funds

- Sub-recipients will identify Ryan White eligible services being funded by Program Income.

- All services funded by PI must be provided to eligible/enrolled Ryan White Customers/Patients.

- Sub-recipient develop a customer/patient level PI Tracking system.

- Document customer level services in CareWare.

- Sub-recipients are expected to run RSR data on services provided through PI.

Program Income can be utilized for the following:

Support activities in excess of a cap that is imposed directly by the RWHAP, as such costs that are otherwise allowable.

- Pay for any medically necessary services 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

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

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 Cont'd.

- 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.

Imposition of Charges

Schedule of Charges $+$ **Cap on Charges** $=$ **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 **≤ 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. **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%

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

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

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

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*

Imposition of Charges Summary

	Imposition of Charges
Applicability	Any service or set of services for which a distinct fee is 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 customers	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

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2023 Federal Poverty Levels and DC RW EMA

2023 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 $5,140 for each additional person.	For families/households with more than 8 persons, in DC add $25,700 for each additional person.	
1	$14,580	$ 72,900
2	$19,720	$ 117,250
3	$24,860	$140,850
4	$30,000	$164,450
5	$35,140	$188,050
6	$40,280	$211,650
7	$45,420	$235,250
8	$50,560	$258,850

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QUESTIONS?

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For more information on the District's COVID-19 response, visit **coronavirus.dc.gov**