



District of Columbia Department of Health Ryan White HIV/AIDS Program Policies and Procedures Program Income and 340B Drug Pricing Program Policy		Policies and Procedures Implementing office: HAHSTA Care and Treatment Division Ryan White HIV/AIDS Program Originally Issued: March 10, 2022 Revised/Reviewed: 2/12/2026
Program Approval:  _____ Ebony Fortune Deputy Chief, Care and Treatment Division/HAHSTA	Recipient Authorization:  _____ Avemaria Smith Chief, Care and Treatment Division/HAHSTA	Effective Date: February 12, 2026 Valid Through Date: February 28, 2027
I. SUBJECT Program Income and 340B Drug Pricing Program		
II. PURPOSE The purpose of this policy is to delineate the processes required for successful reporting use, monitoring, and oversight of income earned through the Ryan White Program and 340B Drug Pricing Program. This document outlines the guidance and expectations for program income resulting from a program supported, whole or in part, by Ryan White Parts A and B funding, as well as participation in 340B drug pricing programs.		
III. DEFINITIONS	340B Drug Pricing – a federal drug pricing program that allows qualifying organizations that treat low-income and uninsured patients to buy outpatient prescription drugs at a discounted rate. AIDS Drugs Assistance Program (ADAP) – a program component of the Ryan White Part B Program that operates in the District of Columbia and in all 50 states, Guam, Northern Mariana Islands, Puerto Rico, and the Virgin Islands. The program is authorized under Title II of the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act and provides access to HIV-related prescription drugs to under-insured and uninsured individuals living with HIV/AIDS. Contract Pharmacy – an external, third-party retail or mail-order pharmacy that partners with a “covered entity”, i.e., hospital or community health center, participating in the federal 340B Drug	

	<p>Pricing Program to dispense discounted outpatient drugs to the covered entity’s eligible patients</p> <p>Covered Entity – an eligible safety-net provider, including Federally Qualified Health Centers (FQHCs), children’s hospitals, and Ryan White providers, that serves low-income and uninsured patients and can therefore purchase covered outpatient drugs at reduced prices from pharmaceutical manufacturers</p> <p>Customer – a person with HIV/AIDS who is uninsured or under-insured and meets the eligibility criteria as defined by the EMA in which services are sought. For specifics on eligibility criteria, see: PCN 16-02 RWHAP Services Eligible Individuals and Allowable Uses of Funds</p> <p>Eligible Health Care Organizations – are specific types of hospitals and other healthcare providers that are eligible to receive discounts under the 340B program due to serving a large number of low-income or uninsured patients. Examples include HRSA-supported health centers and look-alikes, Ryan White clinics and State AIDS Drug Assistance programs, Medicare/Medicaid Disproportionate Share Hospitals, children’s hospitals, and other safety net providers</p> <p>Federal Financial Report (FFR) - a statement of expenditures associated with a federal grant that HAHSTA is required to submit for each budget period no later than 90 days after the end of the calendar quarter in which the budget period ends</p> <p>Federal Poverty Level (FPL) - a measure of income issued every year by the Department of Health and Human Services (DHHS) that is used to determine eligibility for certain programs and benefits, including savings on Marketplace health insurance, Medicaid, and CHIP coverage</p> <p>Imposition of Charges – all activities, policies, and procedures related to assessing charges to Ryan White customers</p> <p>Office of Pharmacy Affairs Information System (OPAIS) – formerly the 340B Database, this replacement system includes security updates and enhancements for covered entity/manufacturer registrations, change requests, recertification, and other updates</p> <p>Program Income - is gross revenue earned by a subrecipient that is directly generated by a supported activity or earned because of a Federal Ryan White grant award during the period of performance,</p>
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	<p>as defined in 45 CFR § 75.307. This includes reimbursements or payments received from self-pay or sliding fee scale customers, Medicaid, Medicare, private insurance, and other third-party sources for services provided.</p> <p>Ryan White HIV/AIDS Program - program funded by the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act. A Federal legislation created to address the health care and service needs of people living with HIV/AIDS (PLWHA) and their families in the United States and its territories. The law emphasizes providing lifesaving and life-extending services for people with HIV/AIDS.</p> <p>Sliding Fee Scale/Schedule of Charges – a scale or schedule of charges that adjusts the standard rate of fees owed by Ryan White customers for services based on their annual gross income</p> <p>Sliding Fee Scale Customer – a customer who receives discounted service fees based on their ability to pay, determined by a sliding fee scale. This scale adjusts the standard fee schedule according to the customer’s income and family size.</p> <p>Subrecipient – a Non-Federal entity that expends Federal awards (from the Health Resources Services Administration) received from a pass-through entity (like DC Health) to carry out the Federal (Ryan White) program by providing direct services to customers and their families or to the grantee. Subrecipients do not include an individual that is a beneficiary of such a program. A subrecipient may also be a grant recipient of other Federal awards directly from a federal awarding agency.</p>
<p>IV.</p>	<p>1. Program Income Requirements</p> <p>1.1 Use of Program Income</p> <p>Subrecipients that generate program income must:</p> <ul style="list-style-type: none"> • Maintain records documenting the amount, source, and disposition of all program income. • Use program income only for HIV program purposes. • Expend all program income before drawing down Ryan White grant funds. <p>1.2 Schedule of Charges Requirements</p> <p>Subrecipients must apply the Ryan White schedule of charges for customers with incomes and family size above 100% of the federal poverty level (FPL):</p> <ul style="list-style-type: none"> • 100–200% FPL: 5% annual cap • 200–300% FPL: 7% annual cap • >300% FPL: 10% annual cap

	<ul style="list-style-type: none">• Nominal charges may also be imposed. <p>DC EMA applies an overall eligibility ceiling of 500% FPL for all jurisdictions.</p> <p>2. Documenting and Reporting Program Income</p> <p>2.1 Subrecipient Responsibilities</p> <p>Subrecipients must:</p> <ul style="list-style-type: none">• Track and report all program income quarterly using the HAHSTA template.• Report barriers to timely submission to their Program Officer within 7 days of the reporting due date.• Document program income by type, including:<ul style="list-style-type: none">○ Self-pay/sliding fee○ Medicaid○ Medicare○ Private insurance○ Other third-party payers <p>2.2 Allowable Uses</p> <p>Program income may be used to:</p> <ul style="list-style-type: none">• Supplement resources that advance eligible project objectives.• Offset program-related expenses.• Support any allowable cost without federal caps on:<ul style="list-style-type: none">○ Administration (10%)○ Quality management (5%)○ Core medical services (75%) <p>2.3 Reporting Program Income Expenditures to HAHSTA</p> <p>Subrecipients must:</p> <ul style="list-style-type: none">• Report expenditures using the invoice cover sheet or submit a program income budget for the upcoming grant year.• Submit program income budget within 30 days of the next grant period start date (if not reporting expenditures).• Use all earned program income before spending Ryan White grant funds.• Submit required expenditure reports for:<ul style="list-style-type: none">○ Part A GY35 (June 1–Dec 31, 2025) due Sept 30, 2026○ Part B GY35 (Apr 1–Dec 31, 2025) due Sept 30, 2026 <p>Note: HAHSTA does not include aggregated subrecipient program income in its federal financial report (FFR) or HRSA annual report.</p>
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3. Recipient Monitoring of Program Income

3.1 Monitoring Activities

Ryan White Program Officers shall review program income compliance during comprehensive site visits. Reviews shall include a subrecipient's:

- Schedule of charges policies to ensure customers below 100% FPL are not billed.
- Eligibility determination procedures and documentation.
- Written policies on:
 - Program income tracking by activity
 - Use of program income
 - Retroactive insurance charges and billing
 - Back-billing processes
 - Pursuit and documentation of Medicaid/Medicare retroactive eligibility
 - Reconciliation with third party payment
- Program income tracking systems
- Quarterly program income reports (HAHSTA template required)
- Expenditure documentation aligned with Ryan White allowable costs
- Medical practice management system reports documenting all program income generated

4. 340B Contract Pharmacy Agreements and Arrangements

4.1 Requirements for Establishing Agreements

Subrecipients participating in the 340B Drug Pricing Program must:

1. Determine Need
 - Assess limitations or gaps in in-house pharmacy capacity.
 - Identify pharmacies that support 340B access and compliance.
2. Execute a Written Contract
 - Establish formal agreements between subrecipients and contract pharmacies, outlining roles, responsibilities, and compliance expectations.
 - Determine whether to include all 340B-eligible sites under one agreement or separate agreements.
3. Prevent Diversion and Duplicate Discounts
 - Implement systems that ensure 340B drugs are dispensed only to eligible patients.

	<ul style="list-style-type: none"> ○ Prevent duplicate discounts with Medicaid or other payers. <p>4. Maintain Auditable Records</p> <ul style="list-style-type: none"> ○ Document patient eligibility, inventory integrity, and drug tracking. ○ Maintain records for HRSA and/or HAHSTA audits. <p>5. Follow All 340B Requirements</p> <ul style="list-style-type: none"> ○ Comply with HRSA guidance and recommended contract elements. (See section VI) ○ Keep agreements current and consistent with regulatory updates. <p><i>Subrecipients are strongly encouraged to consult legal counsel and/or 340B compliance experts when establishing contracts.</i></p> <p>4.2 340B Contract Pharmacy Registration</p> <p>Covered entities must register each contract pharmacy with HRSA’s OPAIS during the following open registration periods:</p> <p>Jan 1–15, Apr 1–15, Jul 1–15, Oct 1–15</p> <p>Contracts must be completed prior to registration. All OPAIS data must remain current and accurate.</p> <p>4.3 Compliance and Audit Preparedness</p> <p>Covered entities must:</p> <ul style="list-style-type: none"> • Maintain program integrity. • Prevent diversion and duplicate discounts. • Ensure prescriptions do not qualify for Medicaid reimbursement unless allowed. For additional information see 340B PUBLIC HEALTH SERVICE ACT: Limitation on Prices of Drugs Purchased by Covered Entities • • Remain audit-ready by HRSA and/or HAHSTA. <p>4.4 Required Disclosure to HAHSTA</p> <p>Within 15 business days of receiving a Ryan White grant award, subrecipients must submit a disclosure letter including:</p> <ul style="list-style-type: none"> • Confirmation of contract pharmacy participation • 340B ID and primary OPAIS contact • Participation period • Ryan White grant number • Signature of an authorized official
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	<p>Letters must be submitted on organizational letterhead and addressed to the assigned Program Officer.</p> <p>5. Program Income Requirements Specific to 340B</p> <p>5.1 Documentation and Tracking Subrecipients must bill, track, and report 340B-related program income and third-party reimbursements quarterly using the HAHSTA template. Required documentation includes:</p> <ul style="list-style-type: none"> • 340B income and third-party revenue from eligible pharmaceutical reimbursements. • Manufacturer reimbursements. • General ledger and chart of accounts for all pharmacy income and back-billing. • Expenditure documentation showing compliance with Ryan White requirements. <p>5.2 Use of 340B Income 340B-derived program income may be used to:</p> <ul style="list-style-type: none"> • Enhance eligible project or program objectives. • Cover HIV-related program costs • Expand access to core or support services. • Subrecipients must document in CAREWare client level data for all services funded through 340B income (These expenditures are not restricted by federal administrative or service category caps.) <p>5.3 Reporting Expenditures Subrecipients must:</p> <ul style="list-style-type: none"> • Report expenditures via invoice cover sheet or submit a program income budget. • Use 340B program income before spending Ryan White grant funds. <p>5.4 GY35 Reporting Deadline</p> <ul style="list-style-type: none"> • Final 340B income and expenditure report for GY35 (Apr 1– Dec 31, 2025) is due Sept 30, 2026. • GY36 program income budgets (if not reporting expenditures) are due 30 days after the grant start date. <p>5.5 Communication of Barriers</p>
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	<p>Any barriers affecting timely reporting must be reported to the Program Officer within 7 days of the due date.6. HAHSTA Monitoring and Oversight for 340B</p> <p>HAHSTA shall review:</p> <ul style="list-style-type: none"> • 340B income reports. • Third-party reimbursement capture. • System-generated pharmacy reports. • Supporting documents (general ledgers, invoices, chart of accounts). • Alignment of expenditures with Ryan White allowable costs. <p>Note: Customers enrolled in the DC Pharmacy Benefit Program must use the DC Health Pharmacy Benefit pharmacy provider network.</p> <p>Note: HAHSTA does not include aggregate 340B program income data in its federal financial report (FFR) or HRSA annual report.</p>
<p>V. Key Contacts</p>	<p>Ebony Fortune, Deputy Chief, Care and Treatment Division/HAHSTA, 202.671.4900 or Ebony.Fortune@dc.gov</p>
<p>VI. Related Documents, Links, Forms, and Tools</p>	<p>Attachment A: Ryan White Program Income Reporting Template</p> <p>PCN 16-02 RWHAP Services Eligible Individuals and Allowable Uses of Funds</p> <p>340 B Program Requirements</p> <p>45 CFR § 75.307 - Program Income</p> <p>340 B Contract Pharmacy Registration</p> <p>340B PUBLIC HEALTH SERVICE ACT: Limitation on Prices of Drugs Purchased by Covered Entities</p> <p>PCN 15-04 Utilization and Reporting of Pharmaceutical Rebates</p> <p>Subrecipient program income requirement - PHS ACT 2617 (b) (iii) Part A Program Guidance</p> <p>https://www.govinfo.gov/app/details/CFR-2003-title45-vol1/CFR-2003-title45-vol1-sec74-24</p> <p>Certification requirements for covered entities - 45 CFR 74.24 and 92.25.PHS ACT 2617 (b) (iii)</p> <p>CFR-2014-title45-vol1-sec74-24.pdf</p> <p>Documenting and Reporting Program Income - 45 CFR Part 74.14</p>

	<p>Clarifications Regarding the Ryan White HIV/AIDS Program and Program Income PCN #15-03 Veterans Health Care Act of 1992, Public Law 102-585</p>
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Attachment A: Ryan White Program Income Reporting Template

Subrecipient Name:									
Grant Number:									
Ryan White Services		Medicare		Medicare MCO		Medicaid		Medicaid MCO	
	Month	Claimed	Collected	Claimed	Collected	Claimed	Collected	Collected	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								

