



POLICY AND PROCEDURE NOTICE: FPPN-011

PROGRAM INCOME/ INCOME FROM FEES FOR SERVICES PERFORMED

Summary and Purpose of PPN: To guide the administration of the Ryan White Part A Program regarding income from fees for service performed.

Authority:

- PHS ACT 2605(a)(6)
- PHS ACT 2604(g)
- 45 CFR 74.24
- 45 CFR 92.25
- 2 CFR 215.24
- 45 CFR § 75.2
- 45 CFR § 75.307(e)
- 45 CFR § 75.307(e)(2)
- 45 CFR § 75.307(e)(3)
- PHS ACT 2617(d)(2)(A)
- PHS ACT 2604(a)(2)
- PHS ACT 2612(a)
- PHS ACT 2651(b)(1)
- HAB National Monitoring Standards – Fiscal Part A
- HRSA PCN #15-03: Clarifications Regarding the Ryan White HIV/AIDS Program and Program Income <http://hab.hrsa.gov/manageyourgrant/policiesletters.html>
- Funding Opportunity Announcement
- Fulton County Ryan White Contract/Agreement
- Fulton County Part A RFP

Policies and Procedures:

1. Subrecipients must use Part A and other funding sources to maximize program income¹ from third party sources and ensure that Ryan White is the payer of last resort. Third party funding sources include:

¹ Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided on 45 CFR § 75.307(f). Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulation, or the terms and conditions of the Federal award, **program income does not include rebates, credits, discounts, and interest earned on any of them.**

- Medicaid
 - State Children’s Health Insurance Programs (SCHIP)
 - Medicare (including the Part D prescription drug benefit)
 - Private insurance
2. Subrecipients must implement billing and collection policies and procedures for reimbursement from third party payers.
 3. Subrecipients must ensure billing and collection from third party payers, including Medicare and Medicaid, so that payer of last resort requirements are met.
 4. Subrecipients must document billing and collection of program income. Subrecipients should use the Program Income Summary Worksheet incorporated herein by reference. The latest version may be downloaded from: www.ryanwhiteatl.org
 5. Subrecipients must have documentation of accounts receivable.
 6. Subrecipients must report program income documented by charges, collections, and adjustment reports or by the application of a revenue allocation formula. These reports must be submitted with each Quarterly Report.
 7. Subrecipients must retain program income derived from Ryan White-funded services and use such funds in one or more of the following ways:
 - Funds added to resources committed to the project or program, and used to further eligible project or program objectives
 - Funds used to cover program costs

NOTE: Program income must be used for the purposes for which the award was made, and may only be used for allowable costs under the award. Program income may be utilized for elements of the program that are otherwise limited by statutory provisions, such as administrative and clinical quality management activities that might exceed statutory caps, or unique services that are needed to maintain a comprehensive program approach but that would still be considered allowable under the award. For example, all program income can be spent on administration of the Part A program, however HRSA and the grantee do encourage funds be used for services.

8. **Under the uniform administrative requirements, to the extent available, subrecipients must disburse funds available from program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments from the Grantee (recipient).**²

Verification:

- Monitoring to determine that Ryan White is serving as the payer of last resort, including review of client records and documentation of billing and collection policies and procedures and information on third party contracts.
- Review of billing and collection policies and procedures.
- Review of billing and collection process.
- Review documentation of accounts receivable.
- Review file of information on Medicaid status.
- Review file of contracts with Medicaid insurance companies.
- If no Medicaid certification, review documentation of current efforts to obtain such certification.
- If certification is not feasible, review subrecipient's waiver request as appropriate.
- Monitoring to ensure appropriate billing and tracking of program income
- Review subrecipient reporting of program income to recipient.
- Review systems for tracking and reporting program income generated by Ryan White services.
- Review of Quarterly Reports regarding collection and use of program income.
- Monitoring of medical practice management system to obtain reports of total program income derived from Ryan White Part A activities.

Approved October 2016

Last Reviewed: January 2021

² 45 CFR § 75.305(b)(5).