



**Memphis Transitional Grant Area (TGA)
Part A Program Policy**

Program Income

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, Part A Funding Opportunity Announcement, Shelby County Ryan White Contract/Agreement, Shelby County Part A RFP

Policy Statement: To ensure compliance with federal requirements related to program incomes regulations provided under the Ryan White Part A authorizing language, every Ryan White Part A funded subrecipient must develop, implement, and adhere to the following policies:

1. Subrecipients must use Ryan White funding sources to maximize program income from third party sources and ensure that Ryan White is the payer of last resort. Third party funding sources include Medicaid, State Children’s Health Insurance Programs (SCHIP), Medicare (including the Part D prescription drug benefit) and Private insurance.
 - a. 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 [sic.] 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.
2. Subrecipients must implement billing and collection policies and procedures for reimbursement from third party payers and must ensure billing and collection from third party payers, including Medicare and Medicaid, so that payer of last resort requirements are met.
3. Subrecipients must document billing and collection of program income.
4. Subrecipients must retain program income derived from Ryan White-funded services and use such funds in one or both of the following ways:
 - a. Funds added to resources committed to the project or program, and used to further eligible project or program objectives
 - b. Funds used to cover program costs



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.

5. 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 Recipient.
6. The subrecipient must ensure that personnel are aware of, and consistently follow, the policy for time and effort reporting, including providing employee orientation, training, and perform periodic timekeeping reviews to ensure compliance with the policy.

Monitoring

1. The Shelby County Ryan White Part A Program Office shall monitoring this policy by:
 - a. reviewing client records and documentation of billing and collection policies and procedures and information on third party contracts
 - b. reviewing billing and collection policies and procedures and process, as well as documentation of accounts receivable.
 - c. reviewing file of information on Medicaid status and contracts with Medicaid insurance companies.
 - d. reviewing subrecipient records, documentation, and reporting to ensure appropriate billing and tracking of program income.