**Program Income Guidance and FAQs for Ryan White Part B and Parts A/C/MAI Update**

Revised 09/13/2021

* In the context of the Ryan White HIV/AIDS Program (RWHAP), **program income** is most commonly generated by recipients and subrecipients as a result of charging for services and receiving payment from third-party reimbursement.
* 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).
* To avoid payor of last resort issues, the agency can only bill RWHAP for uninsured clients.
* For Parts A, B, and C, allowable costs are limited to core medical and support services, clinical quality management, and administrative expenses (including planning and evaluation) as part of a comprehensive system of care for low-income individuals living with HIV.
  + 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.
  + Program income may be used to cover any services as detailed in PCN 16-02 if those services are not covered or partially covered by third party payer. This is allowable even if such costs were not included in the approved project scope and budget in order to maximize the impact of limited grant funds, recipients must include program income projections when planning for services based on the comprehensive HIV care and treatment needs of the recipient’s service area
* 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.
  + Fees, payments, or reimbursement for the provision of a specific service, such as patient care reimbursements received by billing public (Medicare, Medicaid, or Children’s Health Insurance Program) or private health insurance.
  + Charges imposed on clients for services, as required by RWHAP Parts A, B, and C legislation.
  + The difference between the third-party reimbursement and the 340B drug purchase price.
  + Is Program Income generated from any third party billable RW service once a subrecipient is granted RW funds or does it only apply to funded services? **Yes, it is program income but it depends on which Ryan White Part has funded the clinic on where you report Program Income. Reportable RW Program Income only applies to funded services for that particular agency. If the agency is providing mental health services that are not being funded by Ryan White, it would not be reportable income for Ryan White.**
  + If an eligible and enrolled client obtains Program Income eligible services that are not at the originating and funded clinic/agency, but that service may be available within the overall system/satellite sites, is that considered program income? **No, it would not be reported to Ryan White as program income**.
* Program income does not include rebates, credits, discounts, and interest earned.
* Program Income is Additive, meaning PI is added to funds committed to the project or program and used to further eligible project or program objectives.
* Program Income can be used for services beyond the original award, but it must be used within the guidelines noted by the jurisdiction, i.e. service standards.
* Program Income must be used within the period the income was received (not earned) and must be spent before any other Ryan White funding can be expended. If the funding is received in the last quarter of the year received, it must be expended in the first quarter of the succeeding year. Program Income can be carried over with written approval from the granting agency.
* Program Income is applicable **only to eligible and enrolled clients** (at the time of service)of the Ryan White program who have a viable means for third party payment.
  + If fee for service is paid for a service for an uninsured client that would otherwise be reimbursable under insurance if the client were insured, i.e., OAHS or MHS, **this would not be considered reportable as the client is uninsured and therefore no means by which to do third party billing and there is no opportunity to generate program income.**
  + If a service is funded by RW and clients have a co-pay based on the imposition of charges, then that co-pay, even if they are uninsured **is considered PI, but only if agency is able to collect the payment.** But the agency must have a means to track the billing and the process for vigorously pursuing payment.
  + If Part A or B are paying for a service and are paying for the salary for the person that is providing the service, and the agency is billing insurance for the unit of service that is delivered and an insurance payment is generated back for a position that is funded by the program**, then that is PI.**
  + With fee-for-service, agency enters, for example, an hour as a unit of service into CAREWare for Part A or B. Agency also bills insurance for that reimbursable service because it’s allowable, that is also PI. However, Part A or B needs to consider proportionality.
  + Or, as above, if a client is not a RW client and the service is funded by RW and there is a third-party payer, **that payment is not considered PI.**
  + A client who is not enrolled in Ryan White (A/B/C) but is eligible has Indiana Medicaid.  This patient has a visit with an agency physician.  The visit is billed to Indiana Medicaid and paid by Indiana Medicaid.  Ryan White was not billed, and the Physicians time is not paid for by Ryan White.  Is the revenue for this visit program income?   **No, the client must be eligible AND enrolled at the time of the service delivery.**
  + A client who is enrolled in Ryan White (A/B/C) and receives a Mental Health Service at the clinic. The insurance plan, MHS Ambetter, is paid for by Ryan White Part B. Client has a mental health visit with a clinic physician.  The visit is billed to MHS Ambetter and paid by MHS Ambetter. Ryan White was not billed, and the physicians time is not paid for by Ryan White.  Is the revenue for this visit program income?  **NO, unless the mental health services are a Ryan White funded service.**
  + A client is enrolled in RW and being seen at a RW clinic, but the service the client receives was not funded by RW, is that program income. Is revenue from patients who are enrolled in one of the Ryan White programs and are accessing medical care (OAHS), but who are not using Ryan White to pay for the OAHS service considered program income?  Example, if a patient is enrolled in RW Part A (fee for service), but is only accessing MCM and NMCM services from Part A because their medical care is covered by employer health insurance, is the revenue from the medical visit (revenue from the employer health insurance) considered program income?  This is revenue that would be received regardless of if the patient was enrolled in RW. **This would be PI because the NMCM and MCM are funded by Ryan White and the client is receiving program eligible services through a Ryan White supported clinic associated with the MCM/NMCM. The clients would not be receiving this service without the assistance of the MCM/NMCM.**
* Program Income is applicable only to services that are funded by Ryan White. It is service specific.
  + If Ryan White is funding an agency to provide OAHS that funding is for the delivery of that service.How the agency chooses to appropriate those dollars to medical staff is a decision that is derived internally and with the funding agency (IDOH or MCPHD) and is not the determinant of Program Income.
    - If a Provider’s salary is only 30% funded by RW program, how does this affect PI reporting? Proportionality would be attributed to overall cost of the program that is funded, i.e., Cost of OAHS is $1M but Part B funds $100k, 10% would be program income.
    - For example, the overall budget for the OAHS is $500,000 of which RW supports 10% or $50,000, then 10% of the overall program income generated by the entire OAHS program would need to be appropriated to Ryan White. If an agency indicates they are funding a particular staff position for 10% of that individual’s salary and that is the amount granted to the agency for OAHS, the same philosophy applies: it is the service that is the determinant of PI.
    - The agency could also track each eligible and enrolled Ryan White client that received OAHS and whose services were covered by a third-party payer as a means of determining the percentage of eligible PI allocated to the Ryan White Program funding that service. Here again it is based on the service that is being provided. While either method is acceptable, the agency must have a policy that outlines and explains the methodology used to determine PI, how is it is tracked and designate how the PI funds are allocated.
  + A client who is eligible and enrolled on Ryan White (A/B/C), but has Indiana Medicaid has a medical visit with an agency physician (OAHS for which the agency is being funded as a RW Clinic).  The visit is billed to Indiana Medicaid and paid by Indiana Medicaid.  Ryan White was not billed, and the physicians time is not paid for by Ryan White.  Is the revenue for this visit program income?  **Yes, as the agency is funded to provide the service, regardless of how the staff administering the service is paid by the agency.**
  + A client who is enrolled in Ryan White (A/B/C), but has Indiana Medicaid takes their prescription to a Health Pharmacy that is not part of that agency’s clinic and for which they are not funded to provide the service is the revenue for all of their prescriptions (HIV and other) counted as program income? **No, not for the Ryan White Program – it would not be reported to Ryan White.**
* Uninsured individuals and those PLWH that are not enrolled in the RW program would not be considered as eligible for PI reimbursement.
  + For example, If RWHAP is paying fee for service for OAHS, there is no program income for an activity directly funded by the award (provider is not paid by RWHAP).  To avoid payor of last resort issues, the agency can only bill RWHAP for uninsured clients, as payor of last resort says if the payment can reasonable be paid by another funding source or third party then you must bill that source.  If the agency is using its RWHAP award to be a covered entity under 340B, there is program income as a result of the award. Ryan White dollars paid for specific services for uninsured clients do not relate to program income, but when Ryan White dollars are paid for services like case management for insured clients, then the program income generated off of those insured clients for services like medical care would be attributable to Ryan White using a methodology to capture that information. PI determination is client and service specific.
* Program Income Procedure - A recipient must have a written procedure for accounting for program income. These written procedures should provide reasonable assurance that program income is correctly earned, recorded, and used in accordance with program requirements. The recipient should, at a minimum: 1) set realistic performance targets for the generation of program income; 2) analyze variances between expected and actual program income; and 3) have an information system that identified program income collections and usage