



Indiana
Department
of
Health

Breakout Session 2

Program Income

Mark Schwering & Traci Johnson

OUR MISSION:

**To promote, protect, and improve
the health and safety of all Hoosiers.**

OUR VISION:

**Every Hoosier reaches optimal health
regardless of where they live, learn,
work, or play.**



Program Income

What is it?

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

Examples:

- Income from fees for services performed
- Use or rental of real or personal property acquired under Federal awards
- Sale of commodities or items fabricated under a Federal award
- License fees and royalties on patents and copyrights
- Principal and interest on loans made with Federal award funds

Program Income

Specific Examples:

- Fees, payments or reimbursement for the provision of a specific service, such as patient care reimbursements received by billing public (Medicare, Medicaid, or CHIP) 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

Program Income

How is it used?

- HAB is authorized to consider how program income is to be used and is authorized to make a distinction between income earned by the recipient and income earned by subrecipients
- HAB has determined for RWHAP recipients and subrecipients, use of program income will be “additive”
- “Additive” means program income must be used for the purposes for which award was made, and may only be used for allowable costs under the award
- “Additive” means added to funds committed to the project or program and used to further eligible project or program objectives

Program Income

How is it used?

- 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)
- Program income may be utilized for elements of the program that are otherwise limited by statutory provisions, such as administrative and CQM activities that might exceed statutory caps, or unique services needed to maintain a comprehensive program approach but that would still be considered allowable

Program Income

Documentation and Reporting:

- Recipients/Subrecipients are required to track and account for all program income
- Subrecipients must track all client services funded by Program Income
 - As of 1/1/2021 all client services funded by PI must be reported in annual RSR
- Recipients must report Program Income on their FFRs
- Recipients must monitor and track Program Income earned by subrecipients
- Subrecipients must retain program income for “additive” use within their own programs

Program Income

What's Next?

- A webinar devoted to Program Income in early to mid-June
 - Further explanation and details of Program Income
 - Tracking tool
 - Policy
 - Additional TA
- Resources
 - PCN 15-03
 - FAQ PCN 15-03 and 15-04 March 21, 2016
<https://hab.hrsa.gov/sites/default/files/hab/Global/faq15031504.pdf>