



MEMORANDUM

June 5, 2014

TO: Tribal Clients

FROM: Geoff Strommer
HOBBS, STRAUS, DEAN & WALKER, LLP

RE: ***FY 2014 Affordable Care Act Formula Grants for Health Centers
Funded Under Section 330 of the Public Health Service Act***

The Health Resources Services Administration has announced the availability of FY 2014 formula funds under the Affordable Care Act for Health Center Grantees funded under Section 330 of the Public Health Service Act. While quite a number of Native health organizations in Alaska receive Section 330 funds, few Indian health organizations in the lower 48 states receive funding through Section 330. *Funds are for expanded services.*

While the funds will be distributed via formula, potential grantees must apply for the funds. Applications are due by July 1, 2014.

The attached notice contains information regarding required proposals for expansion including adding new medical providers, expanding hours of operation and/or increasing currently approved medical services. An option exists to increase or establish services related to oral health, behavioral health, and pharmacy and vision services. The attached notice details allowable services under various categories of care.

Funding allocations will be determined based on a grantee's 2013 Uniform Data System report or most recent UDS report in the following amount:

- A base of \$178,000
- An additional \$2.00 per health center patient, plus
- An additional \$4.00 per health center uninsured patient

Allocations will be adjusted based on the number of approvable applications.

Please let us know if we may be of assistance regarding the FY 2014 Affordable Care Act expanded services funding. If you have any questions or comments, please contact Geoff Strommer at gstrommer@hobbsstraus.com or 503-242-1745.

Fiscal Year 2014 Affordable Care Act Health Center Expanded Services
HRSA-14-148
CFDA# 93.527

1. Purpose

This announcement details the fiscal year (FY) 2014 Expanded Services (ES) supplemental funding opportunity for existing Health Center Program grantees (health centers currently funded under section 330 of the Public Health Service (PHS) Act, as amended (42 U.S.C. 254b)).¹ The Expanded Services funds will support increased access to comprehensive primary health care services through:

- expanded service hours
- increased numbers of medical providers
- increased availability of medical services, and, if interested
- the provision of services such as oral health, behavioral health, pharmacy, and/or vision services, at existing health center sites.

Applications for Expanded Services funding are due by **July 1, 2014**.

2. Background

This supplemental funding opportunity is authorized under section 330 of the Public Health Service (PHS) Act, as amended (42 U.S.C. 254b) and supported by section 10503 of the Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the Healthcare and Education Reconciliation Act (P.L. 111-152), collectively referred to as the Affordable Care Act. The Expanded Services funding opportunity will support the implementation of the Affordable Care Act by increasing access to comprehensive primary health care services for underserved populations.

Health Center Program grantees requesting Expanded Services funds must demonstrate how these funds will be used to expand medical capacity and the provision of services to underserved populations in their service areas. Applicants **must** propose to expand existing primary care medical capacity by adding new medical providers, expanding hours of operations, and/or increasing the availability of currently approved medical services. Applicants **may also** propose to utilize up to half of their Expanded Services funds to increase capacity (establish or expand a service) to provide one or more of the following:

- Oral health services
- Behavioral health services
- Pharmacy services
- Vision services

¹ See [Eligible Grantees](#) for details about Health Center Program grantees not eligible for Expanded Services funding.

3. Summary of Funding

HRSA will award approximately \$300 million through formula-based supplements to existing Health Center Program grantees. HRSA will communicate to each eligible Health Center Program grantee the maximum amount of supplemental funds it may request.

Funding allocations will be determined based on each Health Center Program grantee's 2013 Uniform Data System (UDS) report, or the most recent UDS report available.² The maximum amount of funding that can be requested through the Expanded Services opportunity will be derived from the following formula:

- A base amount of \$178,000, plus
- An additional \$2.00 per health center patient, plus
- An additional \$4.00 per health center uninsured patient.

Depending on the number of approvable applications, HRSA may adjust award amounts consistent with funds available for this supplemental opportunity. Cost sharing or matching is not a requirement for this funding.

4. Eligible Grantees

Organizations that received initial Health Center Program grant funding through a New Access Point opportunity (e.g., new start NAPs) that have not verified that at least one site in scope is operational and providing services as of the date of this funding opportunity release are not eligible for this supplemental funding.³ All other organizations receiving Health Center Program operational funds are eligible to apply for Expanded Services supplemental funding.

5. Eligible Use of Funds

Applicants **must** propose one Expanded Medical Capacity (EMC) project to expand existing primary medical services by at least one of the means described in this FOA. Applicants have the option to also propose one or more optional Service Expansion (SE) projects to establish or expand services in the areas of oral health, behavioral health, pharmacy, and/or vision services. See Table 1 for further detail.

In determining how many and which types of projects to propose, applicants should carefully consider both the existing need for various services, as well as their ability to respond to identified needs. Refer to [Appendix A: Expanded Services Project Types](#) for information on each project type, including project-specific expectations, eligible uses of funds, and details regarding allowable services and providers for each project type.

² For grantees that have not submitted 2013 or 2012 UDS data as of April 15, 2014, the maximum amount that can be requested is the base amount of \$178,000.

³ Verification of at least one full-time service delivery site via an EHB Scope Verification condition as of the date of this funding opportunity release.

TABLE 1. Overview of Expanded Services Funding Requirements

	Project Type	Percent of ES Funds	Eligible Use of Funds	Project Activity Examples
REQUIRED	Expanded Medical Capacity (EMC)	50% to 100%	Expand primary medical care services to new patients	<ul style="list-style-type: none"> • Hire medical providers • Expand hours of operation • Expand medical services
OPTIONAL	Service Expansion (SE)	Up to 50%	Expand or establish services to new and/or existing patients in any of the following eligible SE services: <ul style="list-style-type: none"> • Oral Health • Behavioral Health • Pharmacy • Vision 	<ul style="list-style-type: none"> • Hire new/additional licensed SE providers • Expand operating hours for SE services • Establish or expand SE services

A. Services for Special Populations

Expanded Services funding will be provided to each grantee in the same special population⁴ funding proportion(s) as its existing operational grant funding. Applicants cannot propose to serve a special population outside of their current approved scope of project and must propose to expand services for **all** special populations currently in scope.

B. Eligible Sites

Applicants may not propose to add, delete, consolidate, or relocate sites as part of the Expanded Services opportunity. All proposed services must be provided at sites (including mobile vans) that are in a health center’s approved scope of project (listed on the grantee’s *Form 5B: Service Sites*) as of the date of application for Expanded Services funding.

C. Eligible Services

For each project type, applicants will be permitted to propose a limited number of modifications to their existing, approved *Form 5A: Services Provided*⁵ currently in effect

⁴ Section 330 of the PHS Act special populations include Migratory and Seasonal Agricultural Workers (section 330(g)), Homeless Populations (section 330(h)), and Residents of Public Housing (section 330(i)).

⁵ Refer to PIN 2008-01 for an explanation of Form 5A and modes of service provision (i.e., Columns I, II, and III).

as of the date of application. Allowable services and service modifications per project type are outlined in [Appendix A: Expanded Services Project Types](#). All proposed changes to Form 5A are expected to result in an expanded capacity to deliver eligible services to more patients. For all project types, applicants may propose to expand the following services to support the proposed project:

- Case Management
- Patient and Community Health Education
- Transportation
- Interpretative Services

Information presented on Form 5A will be used by HRSA to determine Health Center Program changes to scope. If approved for funding, proposed changes to Form 5A will result in scope verification conditions on the Notice of Award.

D. Staff

Applicants are required to provide information on proposed new staff that will be supported with Expanded Services funding. All proposed staff must be relevant to the given project (e.g., a psychologist hired under a Behavioral Health Service Expansion project). Administrative and supportive staff (e.g., Case Managers) are allowable within all project types. Applicants may propose to support either direct hire or contracted staff full-time equivalents (FTEs) with Expanded Services funding as long as the application demonstrates an increase in access to eligible services (i.e., funds must be used to supplement, not supplant, existing resources).

HRSA encourages health centers to consider hiring qualified veterans for positions supported by Expanded Services funding. In 2011, HRSA launched the Health Centers Hire Veterans Challenge with a goal to hire an average of one veteran per grantee site, or approximately 8,000 veterans nationwide. Learn more about the Health Centers Hire Veterans Challenge at <http://bphc.hrsa.gov/veterans>.

6. Ineligible Activities

Allowable uses of Health Center Program operational grant funds will generally apply to Expanded Services funds, unless specifically excluded in this funding announcement. **The following uses of funds are not permitted under Expanded Services:**

- Construction costs, including minor alterations and renovation
- Fixed/installed equipment
- Facility, land or vehicle purchases

Note: Health centers may not use Expanded Services funding to supplant other resources (federal, state, local, or private) intended to support existing service provision activities.

Pursuant to existing law, and consistent with Executive Order 13535 (75 FR 15599), health centers are prohibited from using federal funds to provide abortion services (except in cases of rape or incest, or when the life of the woman would be endangered). This includes all funds awarded under this announcement and is consistent with past practice and long-standing requirements applicable to grant awards to health centers.

7. Projected Impact

Applicants must provide projections of the number of patients who will benefit from this supplemental funding. Applicants must fully implement their Expanded Services projects and realize the full impact of Expanded Services funding within 2 years of funding. For EMC projects, applicants must provide projections for **new** patients. For SE projects, applicants must provide projections for **new and existing** health center patients not currently receiving the proposed services. Projections should be realistic and achievable, and must be substantiated by a brief written explanation of how the patient projection for each Expanded Services project was determined.

Applicants are encouraged to consider their current federal grant dollar cost per patient when determining patient projections for the end of the 2-year period. If the health center has not previously provided the proposed service (e.g., if funded, the health center will provide oral health services directly for the first time), the applicant should consider local area average cost per patient data specific to the proposed services when determining patient projections. In the absence of local level data, applicants may refer to national average cost data.⁶

8. Application Requirements

Proposals must address how the organization will carry out the following planned activities (as applicable):

- Provide access to new and expanded services within 120 days of award;
- Incorporate Expanded Services activities into the health center's existing service delivery model and Quality Improvement/Quality Assurance (QI/QA) plan;
- Demonstrate an increase in primary care medical capacity to support new patients receiving primary medical care via the EMC project.

See [Appendix B: Detailed Application Requirements](#) for a detailed description of the application requirements. Refer to [Appendix C: Completing the Budget Presentation](#) for detailed budget presentation (SF-424 and a budget justification) instructions.

⁶ State and Regional Primary Care Associations (PCAs) and National Cooperative Agreements (NCAs) may serve as a resource for support in accessing state, regional, and/or national average cost data (see <http://bphc.hrsa.gov/technicalassistance/partnerlinks/>).

9. Application Deadline and Award Notice

The Expanded Services application is due in the EHB by **July 1, 2014 at 5:00 PM ET**. HRSA anticipates awarding FY 2014 Expanded Services supplemental funding in **September 2014**.

10. Application Reviews

HRSA will conduct internal reviews for completeness, eligibility, and allowable costs. HRSA reserves the right to request a rebudgeting of funds if an application is not fully responsive to any ES application requirements, or if ineligible activities are proposed.

Approximately 45 days prior to award, HRSA will assess the status of all Health Center Program grantees applying for Expanded Services supplemental funding. Applicants are not eligible to receive funding if they have either of the following on their current grant award:

- Five or more 60-day Health Center Program requirement progressive action conditions
- One or more 30-day Health Center Program requirement progressive action conditions

11. Reporting

Future UDS reports should demonstrate progress toward meeting overall Expanded Services targets over the 2-year period. Additionally, health centers will be required to provide updates on their progress in meeting established Expanded Services goals in Budget Period Progress Report (BPR) submissions. Expanded Services funding will be incorporated into grantees' ongoing base awards. HRSA may withdraw this support, in part or in total, if Expanded Services projections are not met.

Applicants must also ensure that their proposed Expanded Services projects will not result in a reduction of the level or quality of health services currently being provided to the patients they serve. Awards are subject to the provisions of Executive Order 12372, as implemented by 45 CFR 100 as well as all applicable administrative and national policy requirements as established by the grantees Health Center Program operational fund awards.

12. Agency Contacts

ASSISTANCE NEEDED	PLEASE CONTACT
General technical assistance	A technical assistance Web site has been established to provide copies of forms, FAQs, and other resources http://www.hrsa.gov/grants/apply/assistance/es/
Budget or other fiscal issues	Clare Oscar Office of Federal Assistance Management Division of Grants Management Operations coscar@hrsa.gov

Health Center Expanded Services - Fiscal Year 2014

ASSISTANCE NEEDED	PLEASE CONTACT
Program issues	BPHC Expanded Services Team Bureau of Primary Health Care Office of Policy and Program Development bphc-es@hrsa.gov
Electronic submission issues	BPHC Helpline For questions on navigating and completing forms in EHB bphchelpline@hrsa.gov or 1-877-974-2742

Appendix A: Expanded Services Project Types

The goal of the Expanded Services funding opportunity is to increase access to comprehensive primary health care services for underserved populations. Health Center Program grantees requesting Expanded Services funds must demonstrate how these funds will be used to expand medical capacity and the provision of services to underserved populations in their service areas.

Expanded Medical Capacity Project

Strategies to expand existing medical services may include hiring medical providers and/or expanding hours of operations. Health centers may also propose to expand existing health center services by directly providing and/or paying via formal contract for primary care medical services. Note that oral health, behavioral health, pharmacy, and/or vision services and staff are not eligible uses of funds for EMC projects; these services and provider types may be proposed in the optional Service Expansion projects.

TABLE 2. Allowable Services/Providers for EMC Project

Eligible Services	Eligible Changes to Form 5A	Eligible Staff
<ul style="list-style-type: none"> • Required and Additional medical services currently approved on the applicant’s Form 5A. 	<ul style="list-style-type: none"> • Applicants may propose to: <ul style="list-style-type: none"> ○ Provide a service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II).⁷ ○ Provide a service directly (Column I) or pay for the service through an agreement (Column II) that was previously offered through a referral arrangement in which the grantee does NOT pay (Column III). • Applicants may not propose to add any new Additional Specialty or Other services to scope. <p><i>Note:</i> Applicants may choose to make no changes to Form 5A and instead focus funding on expanding hours or hiring additional staff to support eligible EMC services currently provided.</p>	<ul style="list-style-type: none"> • Family Physicians • General Practitioners • Internists • OB/GYNs • Pediatricians • Nurse Practitioners • Physician Assistants • Certified Nurse Midwives • Nurses • Laboratory Personnel • X-ray Personnel • Other Medical Personnel • Non-clinical staff, including: <ul style="list-style-type: none"> ○ Case Managers ○ Patient/Community Education Specialists ○ Transportation Staff ○ Interpretation Staff

⁷ Applicants proposing to provide a service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II) must ensure that the proposed change results in an increase in patients served and the resources previously allocated through the agreement are now allocated to medical services.

Service Expansion Projects

Oral Health

Strategies to expand existing oral health services may include hiring additional providers and/or expanding hours of operations. Health centers may also propose to expand existing health center services by directly providing and/or paying via formal contract for oral health care services. Note that medical services and staff allowable under EMC projects are not eligible uses of funds for Oral Health Service Expansion projects; these services and provider types must be proposed in the EMC project.

Applicants are encouraged to utilize a comprehensive primary oral health care approach in developing and delivering oral health services, which includes personal oral health care encompassing all but the most specialized oral health needs of the individuals being served.

TABLE 3. Allowable Services/Providers for Oral Health Service Expansion Projects

Eligible Services	Eligible Changes to Form 5A	Eligible Staff
<ul style="list-style-type: none"> • Preventive Dental Services • Dental Services <ul style="list-style-type: none"> ○ Restorative ○ Emergency • Specialty Dental 	<ul style="list-style-type: none"> • Applicants may propose to: <ul style="list-style-type: none"> ○ Add a new oral health service. Must be available within 120 days of an ES award. ○ Provide an oral health service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II).⁸ ○ Provide an oral health service directly (Column I) or pay for the service through an agreement (Column II) that was previously offered through a referral arrangement in which the grantee does NOT pay (Column III). <p><i>Note:</i> Applicants may choose to make no changes to Form 5A and instead focus funding on expanding hours or hiring additional staff to support eligible oral health services currently provided.</p>	<ul style="list-style-type: none"> • Dentists • Dental Hygienists • Dental Assistants, Aides, Technicians • Oral Health Specialists (as long as the Specialty Service is in scope or proposed to be added to scope) • Non-clinical staff, including: <ul style="list-style-type: none"> ○ Case Managers ○ Patient/Community Education Specialists ○ Transportation Staff ○ Interpretation Staff

⁸ Applicants proposing to provide a service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II) must ensure that the proposed change results in an increase in patients served and the resources previously allocated through the agreement are now allocated to medical services.

Behavioral Health

Strategies to expand existing behavioral health services may include hiring additional providers and/or expanding hours of operations. Health centers may also propose to expand existing health center services by directly providing and/or paying via formal contract for behavioral health care services. Note that medical services and staff allowable under EMC projects are not eligible uses of funds for Behavioral Health Service Expansion projects; these services and provider types must be proposed in the EMC project.

Applicants are encouraged to adopt or enhance primary and behavioral health care integration (including screening, brief intervention, and referral to treatment – SBIRT) through their Behavioral Health Service Expansion plan.⁹

TABLE 4. Allowable Services/Providers for Behavioral Health Service Expansion Projects

Eligible Services	Eligible Changes to Form 5A	Eligible Staff
<ul style="list-style-type: none"> • Substance Abuse Services: <ul style="list-style-type: none"> ○ Detoxification ○ Outpatient Treatment ○ Residential Treatment ○ Rehabilitation (Non-Hospital Settings) • Mental Health Services <ul style="list-style-type: none"> ○ Treatment/Counseling ○ Developmental Screening ○ 24-Hour Crisis • Psychiatry 	<ul style="list-style-type: none"> • Applicants may propose to: <ul style="list-style-type: none"> ○ Add a new behavioral health service. Must be available within 120 days of an ES award. ○ Provide a behavioral health service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II).¹⁰ ○ Provide a behavioral health service directly (Column I) or pay for the service through an agreement (Column II) that was previously offered through a referral arrangement in which the grantee does NOT pay (Column III). <p><i>Note:</i> Applicants may choose to make no changes to Form 5A and instead focus funding on expanding hours or hiring additional staff to support eligible behavioral health services currently provided.</p>	<ul style="list-style-type: none"> • Psychiatrists (if psychiatry is in scope or proposed to be added to scope) • Licensed Clinical Psychologists • Licensed Clinical Social Workers • Other licensed mental health providers • Other mental health staff, including but not limited to: <ul style="list-style-type: none"> ○ Substance Abuse Providers ○ Psychiatric nurses • Non-clinical staff, including: <ul style="list-style-type: none"> ○ Case Managers ○ Patient/Community Education Specialists ○ Transportation Staff ○ Interpretation Staff

⁹ Additional information on SBIRT and primary and behavioral health care integration can be found at the SAMHSA-HRSA Center for Integrated Health Solutions website at <http://www.integration.samhsa.gov/>.

¹⁰ Applicants proposing to provide a service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II) must ensure that the proposed change results in an increase in patients served and the resources previously allocated through the agreement are now allocated to medical services.

Pharmacy Services

Strategies to expand existing pharmacy services may include hiring additional providers and/or expanding hours of operations. Health centers may also propose to expand existing health center services by directly providing and/or paying via formal contract for pharmacy health care services. Note that medical services and staff allowable under EMC projects are not eligible uses of funds for Pharmacy Service Expansion projects; these services and provider types must be proposed in the EMC project.

Proposed pharmacy services should increase access to affordable medications. In addition to the traditional dispensing role, pharmacy services should utilize a pharmacist in the clinical management of chronic diseases such as diabetes, hypertension, asthma, and obesity.

TABLE 5. Allowable Services/Providers for Pharmacy Service Expansion Projects

Eligible Services	Eligible Changes to Form 5A	Eligible Staff
<ul style="list-style-type: none"> • Pharmacy/Pharmaceutical Services 	<ul style="list-style-type: none"> • Applicants may propose to: <ul style="list-style-type: none"> ○ Provide a pharmacy service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II).¹¹ ○ Provide a pharmacy service directly (Column I) or pay for the service through an agreement (Column II) that is currently offered through a referral arrangement in which the grantee does NOT pay (Column III). <p><i>Note:</i> Applicants may choose to make no changes to Form 5A and instead focus funding on expanding hours or hiring additional staff to support eligible pharmacy services currently provided.</p>	<ul style="list-style-type: none"> • Pharmacists • Pharmacy Support Staff • Pharmacy Techs/Assistants • Non-clinical staff, including: <ul style="list-style-type: none"> ○ Case Managers ○ Patient/Community Education Specialists ○ Transportation Staff ○ Interpretation Staff

Vision Services

Strategies to expand existing vision services may include hiring additional providers and/or expanding hours of operations. Health centers may also propose to expand existing health center services by directly providing and/or paying via formal contract for vision services. Note that medical services and staff allowable under EMC projects are not eligible uses of funds for Vision Service Expansion projects; these services and provider types must be proposed in the EMC project.

Proposed vision services must be appropriate to meet the needs of the target population, and may include providing screening for age-related macular degeneration, and dilated eye exams for diabetics, refractions, glaucoma, and cataracts.

¹¹ Applicants proposing to provide a service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II) must ensure that the proposed change results in an increase in patients served and the resources previously allocated through the agreement are now allocated to medical services.

TABLE 6. Allowable Services/Providers for Vision Service Expansion Projects

Eligible Services	Eligible Changes to Form 5A	Eligible Staff
<ul style="list-style-type: none"> • Optometry/ Comprehensive Eye Exams and Vision Services • Ophthalmology 	<ul style="list-style-type: none"> • Applicants may propose to: <ul style="list-style-type: none"> ○ Add a new vision service. Must be available within 120 days of an ES award. ○ Provide a vision service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II).¹² ○ Provide a vision service directly (Column I) or pay for the service through an agreement (Column II) that is currently offered through a referral arrangement in which the grantee does NOT pay (Column III). <p><i>Note:</i> Applicants may choose to make no changes to Form 5A and instead focus funding on expanding hours or hiring additional staff to support eligible vision services currently provided.</p>	<ul style="list-style-type: none"> • Ophthalmologists (if Ophthalmology is in or proposed to be added to scope) • Optometrists • Optometric Assistants • Other vision staff • Non-clinical staff, including: <ul style="list-style-type: none"> ○ Case Managers ○ Patient/Community Education Specialists ○ Transportation Staff ○ Interpretation Staff

Table 7 provides further clarification regarding the types of service delivery modifications that are allowable for each project type. Applicants proposing to add services to scope must respond to a related scope verification condition on the Notice of Award within 120 days signifying that the service is being provided.

TABLE 7. Summary of Allowable Expanded Services Scope Changes

Form 5A ¹³ Change Type	Allowed in EMC	Allowed in SE	Scope Verification Post Award
Shifting services from Column II to Column I	YES	YES	NO
Adding Column II as a service delivery method for a service that is already available via Column I	YES	YES	NO
Adding or shifting services only currently available via Column III to Columns I and/or II	YES	YES	YES
Adding a service that has never previously been recorded on Form 5A to Columns I and/or II	NO	YES ¹⁴	YES

¹² Applicants proposing to provide a service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II) must ensure that the proposed change results in an increase in patients served and the resources previously allocated through the agreement are now allocated to medical services.

¹³ Refer to [PIN 2008-01](#) for an explanation of Form 5A and modes of service provision (i.e., Columns I, II, and III).

¹⁴ With the exception of Pharmacy Service Expansion (P SE) projects, since the only eligible service under P SE projects is a Required Service which should already be in scope.

Appendix B: Detailed Application Requirements

PART 1: Consolidated Application-Level Sections	
Consolidated Federal Object Class Categories Form (read only)	<p>The Consolidated Federal Object Class Categories Form will be automatically generated upon completion of project-level form(s).</p> <p>NOTE: Applicants that propose to use Expanded Services funds in Year 1 on equipment in any proposed projects will be prompted to provide a description of how funds that went toward equipment costs in Year 1 will be spent in Year 2, during which Expanded Services funds may NOT go toward equipment costs, but may be used in other eligible cost categories. This information is required to be entered once at the application-level, and should include relevant details for all projects that are proposing to use Expanded Services funds on equipment costs.</p>
Consolidated Budget Justification	<p>Applicant will complete one consolidated Budget Justification that details all projects proposed in the application (uploaded as an attachment). The Budget Justification should include project-specific budget information for each proposed project in narrative form. It must clearly detail the costs of each line item within each object class category from the Federal Object Class Categories form (federal section 330 request and non-federal (non-section 330) funding), and explain how each cost contributes to meeting the project’s goals and objectives.</p>
Equipment List (as applicable)	<p>For projects that include equipment costs, applicants are required to complete a consolidated Equipment List.</p>
PART 2: Individual Project-Level Sections (completed for each proposed project)	
Project Type	<p>An EMC project is required and automatically created for the applicant; applicants may add one or more optional SE projects (Oral Health, Behavioral Health, Pharmacy Services, and/or Vision Services).</p>
Project-Specific Federal Object Class Categories Form	<p>Applicant will enter federal and non-federal expenses for each project by line item.¹⁵</p>
Services (Form 5A)	<p>For each project type, the applicant will be presented with its pre-populated Form 5A. See Appendix A: Expanded Services Project Types for detailed information on allowable service modifications.</p> <p>NOTE: All changes proposed on Form 5A as part of the Expanded Services application will be automatically reflected in grantees’ approved Form 5A upon notice of Expanded Services funding pending verification.</p>
Staffing Impact	<p>Applicant will enter New FTE data for staffing categories applicable to each project type.</p>
Patient Impact	<p>Applicant will enter Projected Increase for New Patients and Existing Patients (as applicable) for the specific proposed project.</p>

¹⁵ Applicants may not propose to spend more than \$100,000 of their total Expanded Services funding on equipment.

<p>Narrative Response¹⁶</p>	<p>Need Describe the following:</p> <ol style="list-style-type: none"> 1. The need to expand or to begin providing the proposed service(s), and how this project will respond to the health care needs of the target population (with reference to any special populations, demographic characteristics, and/or access to care/health status indicators relevant to the proposed Expanded Services project). <p>Response Describe the following:</p> <ol style="list-style-type: none"> 1. An appropriate timeline for project implementation that demonstrates operational readiness within 120 days of award for the provision of new and expanded existing services. 2. How all proposed services are or will be integrated into the existing service delivery model and incorporated into the QI/QA plan. Describe the process for: <ol style="list-style-type: none"> a. Ensuring all employed and contracted providers are appropriately licensed, credentialed, and privileged to perform proposed services.¹⁷ b. Ensuring that appropriate risk management plans are in place for all proposed services. 3. The sliding fee discount program that will be used to ensure that all proposed services are accessible without regard to ability to pay. 4. The health center's plans to ensure that all patients will have reasonable access to any proposed new services, as appropriate. 5. If any services will be provided by a Formal Written Agreement (via Column II on Form 5A), describe how the health center maintains appropriate oversight and authority in accordance with Health Center Program requirements over all services provided via contracts/agreements or sub-recipient arrangements.¹⁸ <p>Impact Describe the following:</p> <ol style="list-style-type: none"> 1. The impact of the proposed project, including the number of 1) proposed new patients, 2) existing patients with increased access to services (as applicable), and 3) new providers (as applicable). 2. A detailed explanation for how the patient projections were calculated (including data sources). <p>The response to each section (i.e., Need, Response, and Impact) should be no longer than about one page (about 3,000 characters).</p>
---	--

¹⁶ Applicants requesting to begin providing services for the first time that do not respond sufficiently to the questions in this section may be required to submit additional information. HRSA reserves the right to request a rebudgeting of funds if unable to approve new services as a result of insufficient information.

¹⁷ See PIN 2002-22 and PIN 2001-16 for further details on Health Center Program requirements regarding credentialing and privileging <http://bphc.hrsa.gov/policiesregulations/policies/index.html>.

¹⁸ All sub-recipient arrangements must be documented through a formal written contract/agreement. The grantee must demonstrate that it has systems in place to provide reasonable assurances that the sub-recipient organization complies with—and will continue to comply with—all statutory and regulatory requirements throughout the period of award.

Appendix C: Completing the Budget Presentation

Applicants are required to provide a 2-year budget justification that explains the amounts requested for each line item in the Federal Object Class Categories Form. The budget justification must contain sufficient detail to enable HRSA to determine if costs are allowable.¹⁹ It is important to **ensure that the budget justification contains detailed calculations explaining how each line-item expense is derived** (e.g., number of visits, cost per unit). The budget justification should describe how each cost will support the proposed objectives, and include the following:

	Budget Presentation Description
Personnel	List each staff member who will be supported by Expanded Services funds, name (if possible), position title, percent full time equivalency (FTE), and annual salary (see important salary limit information below). The details shown in Table 9 must be included for all proposed staff to be supported with federal Expanded Services funding.
Fringe Benefits	List the components that comprise the fringe benefit rate (e.g., health insurance, taxes, unemployment insurance, life insurance, retirement plan, tuition reimbursement). The fringe benefits should be directly proportional to the portion of personnel costs allocated for the Expanded Services project.
Travel	List travel costs according to local and long distance travel. For local travel, include the mileage rate, number of miles, reason for travel, and staff travelling. The budget should also reflect the travel expenses associated with participating in meetings and other trainings or workshops.
Equipment	List equipment costs and provide justification under the program’s goals. Equipment is any article of tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit (45 CFR 74.2 or 45 CFR 92.3). All items with an acquisition cost per unit less than the capitalization threshold are considered supplies. Moveable equipment includes non-expendable items with a useful life of more than one year that are not permanently affixed and can be easily moved, such as x-ray equipment, freezers, autoclaves, medical exam tables, dental chairs, computers, and modular workstations. NOTE: Applicants may only request federal funding for moveable equipment in Year 1. Applicants may not propose to spend more than \$100,000 of their total Expanded Services funding on equipment.
Supplies	List the items necessary for implementing the proposed project, separating items into three categories: office supplies (e.g., paper, pencils), medical supplies (e.g., syringes, blood tubes, gloves), and educational supplies (e.g., brochures, videos).
Contractual	Provide a clear explanation as to the purpose of each contract, how the costs were estimated, and the specific contract deliverables. List both patient care (e.g., laboratory) and non-patient care (e.g., janitorial) contracts. Each applicant is responsible for ensuring that its organization/institution has in place an established and adequate procurement system with fully developed written procedures for awarding and monitoring contracts.

¹⁹ Refer to the HHS Grants Policy Statement available at <http://www.hrsa.gov/grants> for information on allowable costs.

	Budget Presentation Description
Other	Include all costs that do not fit into any other category and provide an explanation of each cost (e.g., audit, legal counsel). In some cases, rent, utilities, organizational membership fees, and insurance fall under this category if they are not included in an approved indirect cost rate. This category can also include the cost of access accommodations, including sign language interpreters, plain language materials, health-related print materials in alternate formats (e.g., Braille, large print), and cultural/linguistic competence modifications (e.g., use of cultural brokers, translation, or interpretation services at meetings, and clinical visits).

Salary Limitation Requirements

For FY 2014, the Consolidated Appropriations Act, 2014, Division H, § 203, (P.L. 113-76) states, “None of the funds appropriated in this title shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II.” (currently \$181,500). This amount reflects an individual’s base salary exclusive of fringe benefits and income that an individual may be permitted to earn outside of the duties to the health center organization (i.e., the rate limitation only limits the amount that may be awarded and charged to HRSA grants). This salary limitation also applies to sub-awards/subcontracts under a HRSA grant.

Example of Application of this Limitation:

If an individual’s base salary is \$350,000 per year plus fringe benefits of 25 percent (\$87,500), and that individual is devoting 50 percent of his/her time to this award, the base salary must be adjusted to \$181,500 plus fringe benefits of 25 percent (\$45,375). This results in a total of \$113,437 that may be included in the project budget and charged to the award in salary/fringe benefits for this individual. See the breakdown in the table below.

TABLE 8. Salary Limitation–Actual vs. Claimed

Current Actual Salary	
Individual’s actual base full time salary: \$350,000 (50% of time will be devoted to the project)	
Direct Salary	\$175,000
Fringe (25% of salary)	\$43,750
Total	\$218,750
Amount of Actual Salary Eligible to be Claimed on the Application Budget due to the Legislative Salary Limitation	
Individual’s base full time salary adjusted to Executive Level II: \$181,500 (50% of time will be devoted to the project)	
Direct Salary	\$90,750
Fringe (25% of salary)	\$22,687
Total	\$113,437

See Table 9 below for the information that must be included for each staff position supported in whole or in part with federal section 330 grant funds. Staff supported entirely with non-federal funds do not require this level of information.

TABLE 9. Budget Justification Sample for Salary Limitation

Name	Position Title	% of FTE	Base Salary	Adjusted Annual Salary	Federal Amount Requested
J. Smith	Physician	50%	\$225,000	\$181,500	\$90,750
R. Doe	Nurse Practitioner	100%	\$75,950	No adjustment needed	\$75,950
D. Jones	Data/AP Specialist	25%	\$33,000	No adjustment needed	\$8,250