

INCREASED DEMAND FOR SERVICES

Frequently Asked Questions

The following questions and answers are organized by the headings/topics of the guidance for Increased Demand for Services (HRSA-09-218).

ISSUE: Summary of Funding

1. Is the amount calculated according to the formula (grantee's maximum amount) an annual amount for each of the two years of the project period, or is the amount for the whole 2-year period?

The maximum amount is the total amount of funding grantees will receive for the entire 2-year project period. Grantees are expected to budget this amount over the course of the two years (24 months).

2. When will the grant be awarded? What is the date of the project period?

Increased Demand for Services (IDS) funds will be awarded on or about April 1, 2009. The project period for all IDS grants is March 27, 2009 through March 26, 2011.

3. Can IDS funding be used to cover costs incurred prior to the award date?

IDS funds cannot be used to support any costs incurred prior to receipt of a Notice of Grant Award (NGA) for the IDS initiative.

4. How should the New Access Points (NAPs) funded in March 2009, also under the ARRA, apply for IDS grants?

All grantees must submit an application via HRSA's Electronic Handbook (EHB) to receive IDS funding. Existing health center grantees that were awarded a NAP (for a satellite site) in March 2009 are eligible to apply for a maximum amount based on the base allocation plus the number of patients and uninsured patients captured in their most recent Uniform Data System (UDS) report. New Start organizations that were awarded a NAP in March 2009 are eligible to apply for the base allocation of \$100,000 only, as they do not yet have patient data in UDS.

ISSUE: Eligibility

5. Is there any type of eligibility restriction for these funding opportunities based on the length of an organization's tenure as a health center grantee (e.g., a health center can't apply if it is a new start within the past 1-2 years)?

No. There is no such restriction for this particular funding opportunity. All grantees are expected to demonstrate, as part of their proposal, the particular need for increased or expanded services based on their assessment of the target population.

6. Are IDS funds for all "health centers" or just Federally Qualified Health Centers?

The American Recovery and Reinvestment Act (ARRA or Recovery Act) specify that funds are to be used for "grants to health centers authorized under section 330 of the Public Health Service Act" (i.e., only funded Health Center Program grantees).

7. Is IDS funding available to rural health clinics?

The American Recovery and Reinvestment Act (ARRA) specify that funds are to be used for "grants to health centers authorized under section 330 of the Public Health Service Act." Rural health clinics are not eligible to apply for this funding.

ISSUE: Methodology

- 8. For a newly-funded health center (which began operations March 9, 2009), will our base allocation be \$100,000? If so, are we required to submit a proposal for the \$100,000 base allocation?**

Health centers that have not been operational long enough to submit UDS data will receive the base allocation of \$100,000. These health center grantees are still required to submit an application to receive IDS funding.

- 9. If 2007 UDS data were used initially to determine funding amounts, but 2008 UDS data became available after the determination of the maximum amount, would the funding amount be changed to reflect 2008 data?**

Section 330 funded health centers are required to submit UDS data to HRSA in an accurate and timely manner. HRSA will review any updated data after the IDS applications are submitted and make adjustments as appropriate.

- 10. Will there be any special consideration in this grant for rural FQHCs? Some rural centers have witnessed an increase in uninsured patients, yet don't often have the significant numbers of patients that the urban clinics do.**

In establishing the funding allocation formula, HRSA considered the unique needs of both rural and urban, and small and large, health centers. The first part of the formula, the base allocation of \$100,000, is likely to benefit more frontier, rural, and smaller centers, since those funds will not be distributed by patients served. The second part of the formula, an additional \$6.00 per health center patient, recognizes that insurance expansion has occurred in several States yet, the need for health center services remains. The third part of the formula, an additional \$19.00 per uninsured health center patient, is intended to direct funds to health centers experiencing large numbers of uninsured patients.

- 11. How is the maximum amount addressed for a health center that received a UDS filing extension for 2008 data?**

Health centers who have not yet submitted their 2008 UDS data will not be affected significantly. HRSA used 2007 UDS data to calculate maximum amounts when 2008 data were not available. HRSA will review any data submitted after the IDS applications are submitted and make adjustments as appropriate.

ISSUE: Eligible Use of Funds

- 12. Our health center proposes to expand oral health services for uninsured patients by collaborating (subcontracting) with our local Health Department. The Health Department has a state of the art dental clinic near our location. Can we use money from this grant to pay for services provided by the Health Department to our patients, and in turn, have the Health Department report to us the encounter information?**

Yes, IDS funds can be used if oral health services are currently in your scope of project.

- 13. What are the funding limitations for the Increased Demand for Services opportunity—is there anything in particular that cannot be supported?**

Funding may NOT be used for the following:

- Construction costs (including minor alterations and renovation) for activities proposed under this announcement.
- Support of sites or services not included in the grantee's current scope of project.
- Facility or land purchases.
- Equipment items costing greater than \$5,000.

Keep in mind that allowable costs principles under section 330 apply to IDS, unless those explicitly identified as ineligible as in the list above. Uses of grant funds presented in the IDS application should support activities that address increases in patients, including uninsured populations.

14. If a grantee begins working on or submits a change in scope request prior to the IDS submission deadline of March 16, can the proposed change be included in the IDS application project even if not approved yet?

Grantees must utilize IDS funds to support sites, services, and activities that are currently in their approved, existing scope of project only. Any change in scope request that has not yet been approved has no guarantee of being approved prior to the IDS award date.

HRSA has established this requirement to ensure that grantees do not begin funding sites and services that they would not be able to sustain after the 2-year IDS project/funding period. Once a grantee adds a site or service to its scope of project, the grantee is expected to be able to maintain that site or service in scope without additional funding.

15. We are looking at filing a change of scope to move a very small medical site to a larger site so that we can increase our capacity. This will entail an increase in rent; can we use the Increased Demand for Services funding to cover our rent costs for the new site for one or two years?

A grantee may use IDS funding to cover rent/lease costs. However, IDS funds must be used to support sites that are currently in scope. Since ARRA funding is one-time, all sites/services must be sustainable within a grantee's ongoing section 330 project. For additional information on scope of project, please see *Policy Information Notice 2008-01: Defining Scope of Project and Policy for Requesting Changes* available at <http://bphc.hrsa.gov/policy/pin0801/>.

16. Please clarify and detail the definition of "comprehensive primary care services" as used in Section 5 (Eligible Use of Funds) in Announcement HRSA-09-218.

"Required primary health services" and "additional health services" are defined in the authorizing legislation of the Health Center Program (section 330 of the Public Health Service Act). The legislation is available at <http://bphc.hrsa.gov/about/legislation/section330.htm>.

17. Please clarify "scope of project" as used throughout the instructions.

Definitions and information regarding "scope of project" are available in *Policy Information Notice 2008-01: Defining Scope of Project and Policy for Requesting Changes* available at <http://bphc.hrsa.gov/policy/pin0801/>.

18. Can IDS funding be used to support services proposed in a recently submitted Service Expansion application, which has an award date of later this year?

IDS funding can only support services that are currently in a grantee's scope of project. If the service is within the health center's scope, funds may be used to expand this service. If the service(s) proposed in the Service Expansion application is not in the grantee's current scope of project, then IDS funds cannot go to support that service.

19. Can you confirm that it is acceptable to use the IDS funds for dental or mental health FTEs?

IDS funds can be used to support dental, mental health, and/or pharmacy professionals as long as the services provided by those professionals are in the grantee's current scope of project.

ISSUE: Budget

20. As we prepare our IDS grant application, our intent is to allocate a portion of the award to help offset the increase in sliding fee discounts associated with the recent rise in our uninsured population. In the Line Item Budget (Form 15R) is this figure best shown as an offset to revenue or listed as an expense?

An increased amount of grant funds applied to sliding fee dollars per visit would result in a lower amount of patient revenue per visit. The amount entered for Patient Service Income (Form 15R) should appropriately reflect the projected amount to be received per visit.

21. Does the requested budget have to be specifically for 24 months?

IDS funding is awarded for a 2-year project/budget period. The submitted budget should account for how the IDS funds will be utilized during the 2-year period.

22. The budget (and therefore the narrative) for IDS grants (HRSA-09-218) appears to be specific to this announcement and should not include the base operation. Is this correct?

Yes, the budget and narrative submissions for IDS grants should demonstrate the health center's best projections of how IDS funds will be used over the 2-year project period. The budget should also take into account any program income anticipated to be generated by the IDS funding.

23. Do grantees submit one budget for all funds, including the base allocation and amounts based on numbers of patients and uninsured patients?

Yes, grantees submit one budget that accounts for all IDS funding.

24. Please give us instructions on what you want for the budget justification.

The budget justification should provide sufficient narrative detail of the budget to support proposed IDS activities and be limited to one page. The justification must clearly describe each cost element and explain how it contributes to the goals and objectives of the IDS project.

25. How would a health center deal with overhead to support additional positions (coder, biller, etc.)? Can these costs be covered by indirect costs?

Yes, overhead expenses could be claimed under indirect costs. However, they must have a Federally-negotiated indirect cost agreement already in place to claim any indirect costs.

Indirect costs are those costs incurred for common or joint objectives which cannot be readily identified but are necessary to the operations of the organization, e.g., the cost of operating and maintaining facilities, depreciation, and administrative salaries. For institutions subject to Office of Management and Budget (OMB) Circular A-122, the term "facilities and administration" is used to denote indirect costs. If an organization applying for an assistance award does not have an indirect cost rate, the applicant may wish to obtain one through HHS's Division of Cost Allocation (DCA). Additional information can be found at <http://rates.psc.gov/>.

If an organization applying for Federal assistance does not have a "Federally Negotiated Indirect Costs (IDC) Rate Agreement" all costs will be considered direct costs until a rate agreement is negotiated with a Federal cognizant agency and provided to HRSA to review as part of the budget request. If the application is funded, HRSA will reallocate any amount identified under the IDS line item budget to the "Other" line item and request a revised budget, which clearly identifies how these funds will be expended under the grant until the grantee can provide an approved IDS Rate Agreement.

26. How can I track and separate ARRA versus H80 funds?

IDS grants are provided under a unique grant number and Payment Management System (PMS) sub-account, so separate maintenance and tracking should not be a problem. The activity code for IDS grants is H8B.

27. Could the cost of a hotline and added hours of our staff be covered by IDS funds? What other costs are allowable?

Yes, the cost of a hotline and the additional hours are allowable costs under IDS grants. Keep in mind that allowable costs principles under section 330 apply to IDS, unless explicitly identified as ineligible in the application instructions. Uses of grant funds presented in the IDS application should support activities that address increases in patients, including uninsured populations.

28. IDS funds cannot be used for equipment items costing \$5,000 or more. Is this limit per item or for all equipment?

The limit is per item.

29. How will IDS funding be delivered to grantees?

Grantees will receive IDS funds much in the same way centers get their current H80 funding via the Payment Management System; a Notice of Grant Award (NGA) will be issued under a different grant number.

Project Description

30. What do I report for “Total Retained Jobs?”

In Form 13R, in line 5c, you will project the number of FTEs be retained over the 2-year project period as a result of IDS funding. Please refer to the clarification that was sent out to grantees on March 10 available at <http://bphc.hrsa.gov/recovery/031009listserv.htm>.

31. What are the instructions for completing Form 14R?

Form 14R provides a 2-year projection of new and retained staff (FTE), encounters, and patients served as a result of IDS funding. These projections should demonstrate the increased impact of new FTEs and patients with access to services supported by IDS funds over the 2-year project period. Keep in mind—the expectation for IDS funding is to demonstrate an increase in the number of jobs and increase in the services provided to patients and the uninsured.

Column A (New/Retained FTEs): reports the number of FTEs—whether they are new/retained (as defined in the guidance, HRSA-09-218). Further, all direct hire and/or contractual FTEs that are supported by IDS funds should be included here. A good rule of thumb for FTEs is to only count each position once for the whole 2-year project period and always use the maximum FTE associated with that position.

Column B (New Encounters): reports the number of unduplicated encounters within each of six major service categories: medical, dental, mental health, substance abuse, other professional services, and enabling. “New Encounters” projected in Form 14R will be those that are new to the IDS service/project since they would not have occurred if not for IDS funding.

Column C (New Patients): reports the number of unduplicated patients within each of six major service categories: medical, dental, mental health, substance abuse, other professional services, and enabling. Grantees should remember the intent of IDS funding is to demonstrate an increased number of patients and uninsured served by the health center over the 2-year project period. “New Patients” projected in Form 14R will be those that are new to the IDS service/project since they would not have received those services if not for IDS funding.

32. What is the difference between “Total New Patients (Unduplicated)” on Form 13R line 5a and “New Patients” on Form 14R Column C?

“Total New Patients (Unduplicated)” on Form 13R line 5a is the projected number of **new patients to the health center** over the total 2-year project period. “New Patients” listed on Form 14R Column C refers to the **new patients to that particular service** over the total 2-year project period.

33. In our grant we are asking for \$36,000 which we will use to provide vouchers to our patients for psychiatry visits (we will work with psychiatrists in our area who will bill us for visits with patients that we refer to them). The psychiatrists are not our employees—we will contract with them—so we don't think we should count them in our FTE numbers. We do want to count the new patients and the encounters since we will be paying for their visits. Can we count these patients and encounters? If we can count them, where on Form 14 R do we count them? Even though the psychiatrists are not our employees should we still count them as FTEs on Form 14R?

First, psychiatry must already be in the health center's approved scope of project. Second, vouchers are allowable. The psychiatrists can be counted because our definition includes direct-hire and contractual arrangements and should be counted on Form 14R.

34. If a grantee has an insured patient that loses their job/insurance, would they be able to be counted as a "new uninsured user" in IDS reporting?

Yes, they would be counted as a new uninsured user. “Underinsured” individuals, however, should **not** be counted as uninsured users.

35. We are proposing to use IDS funds to support case managers/outreach workers. Is this acceptable?

Yes, this is allowable; however, the intent of IDS is to generate new access to care and demonstrate an increase not only in jobs but also an increase in the delivery of services to patients and the uninsured. The expansion of services should also include the expansion of some medical staff.

36. Are there page limits for the applications?

Each of the narrative questions for the electronic submission will have its own separate text field. Each text field will be limited to 2,000 characters (including spaces) which is less than one page in length. Please keep in mind that all information presented in the submission is publishable and may be used to provide information to the public and Congress. Also, the budget justification should be limited to a one-page attachment.

37. I'm having trouble accessing the application in the HRSA EHB. Could you go over the process to access the application and the SF-424 after I've logged into the EHB?

To access the application in EHB, grantees need to log-in and then click on the "Funding Opportunity" link in the left menu. Enter announcement number HRSA-09-218. The Eligibility Code is in the EHB generated email that also contained the maximum funding amount.

38. Is it a valid project simply to save health center jobs that were scheduled to be eliminated, assuming that these jobs in and of themselves do not increase patient numbers?

As a result of IDS funding, grantees will need to demonstrate the impact of funding on increased patients and/or uninsured patients served as well as activity that would demonstrate an increase in jobs created and/or retained. Health centers should propose activities that would increase or expand services in addition to retaining health center jobs.

39. Is the Proposed Staffing and Utilization Form (Form 14R) to be included in the EHB submission? If so, should it reflect only the staff we propose to add as a result of IDS funding, or all staff?

Yes, Form 14R will be included in the EHB submission. Using Form 14R, Proposed Staffing and Utilization, health centers will include only the numbers of new and retained FTEs, new clinic encounters, and new patients they **project** to see over the 2-year IDS project period as a result of the IDS funds.

40. Please outline expectations for projected medical users and the increases in patient visits.

Grantees should make user and visit projections based on their current user/cost data and the observed current need for services among their target population. For example, a grantee could divide its maximum IDS funding amount by its average cost per user, based on 2008 UDS data, and derive estimates for projected new users and visits. However, a grantee could also justify estimates via other methods as long as they are outlined within the project description.

Reporting

41. What are the reporting requirements for Recovery Act funding?

Grantees must continue to comply with the usual and customary reporting requirements of the Health Center Program, in addition to specific Recovery Act reporting. Recipients of Recovery Act funding will be required to provide periodic reports to ensure that funds are used for authorized purposes and instances of fraud, waste, error, and abuse are mitigated. Recovery Act funds can be used in conjunction with other funding as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act. Additional information is available at http://www.whitehouse.gov/omb/recovery_default/.

Generally, as required by the Recovery Act, recipients are required to report the following information to the Federal agency providing the award 10 days after the end of each calendar quarter; submission dates will be July 10, October 10, January 10, and April 10. These reports will include the following data elements, as prescribed by the Recovery Act:

1. The total amount of Recovery Act funds;
2. The amount of Recovery Act funds received that were obligated and expended to projects or activities. This reporting will also include unobligated allotment balances to facilitate reconciliations.
3. A detailed list of all projects or activities for which Recovery Act funds were obligated and expended, including
 - a. The name of the project or activity;
 - b. A description of the project or activity;
 - c. An evaluation of the completion status of the project or activity;
 - d. An estimate of the number of jobs created and the number of jobs retained by the project or activity.
4. Detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.