Fiscal Year 2015 Affordable Care Act (ACA) Health Center Expanded Services Supplemental Funding Opportunity
HRSA-15-153
CFDA# 93.527

EHB Application Access Date: June 26, 2015
Application Due Date: July 20, 2015

Table of Contents

Purpose

This announcement details the fiscal year (FY) 2015 Expanded Services (ES) supplemental funding opportunity for existing Health Center Program grantees.[1] Expanded Services funding will support increased access to comprehensive primary health care services at existing health center sites through:

- Expanded service hours;
- Increased numbers of staff/providers;
- Increased availability of eligible services; and/or
- Enhanced enabling services.

Applications for Expanded Services funding are due by **5:00 PM ET on July 20, 2015.**

Summary of Changes from Fiscal Year 2014 Expanded Services

Compared to the FY 2014 Expanded Services opportunity, the FY 2015 Expanded Services funding opportunity includes the following changes:

- Applicants will complete only one set of forms, regardless of the number or type of expanded services activities proposed.
- Up to twenty percent of the total Expanded Services budget may support enabling services expansion activities.
- Grantees funded for the first time in FY 2015 are not eligible to apply.
- Applicants may not add new or modify existing additional (non-required) medical or specialty services through the Expanded Services application.
- Applicants must complete a Summary Verification form.

Overview

This supplemental funding opportunity is authorized under section 330 of the Public Health Service (PHS) Act, as amended 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 communities and vulnerable populations.

Applicants must propose to use at least 80 percent of the Expanded Services funding to increase capacity to provide one or more of the following eligible services:

- Medical services;
- Oral health services;
- Behavioral health services;
- Pharmacy services; and/or
- Vision services.

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[1] See Eligibility section for additional details.

Applicants may propose to use no more than 20 percent of the Expanded Services funding to increase the availability of new and/or existing enabling services.

Summary of Funding
HRSA will award approximately $350 million through formula-based supplements to eligible Health Center Program grantees. HRSA will communicate to each eligible health center the maximum annualized amount of supplemental funds it may request for the Expanded Services application.

Funding allocations will be determined based on each Health Center Program grantee's 2014 Uniform Data System (UDS) report.[2] The maximum amount of funding that can be requested through the Expanded Services opportunity <u>per year</u> will be derived from the following formula:
- A base amount of $220,000, 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. Expanded Services funding will be provided to each grantee in the same special population[3] funding proportion(s) as the existing operational grant funding.

Applicants must demonstrate that the overall Expanded Services proposal will result in the expansion of services for all special populations currently in scope. Applicants may not propose funding to serve a special population outside of their current approved scope of project.

Eligible Grantees
Organizations receiving Health Center Program operational funds at the time of release of this funding opportunity are eligible to apply for Expanded Services supplemental funding, with the exception of organizations that received initial Health Center Program grant funding as a new start/new grantee in FY 2015 via a New Access Point, Service Area Competition, or Service Area Competition – Additional Area grant award).[4]

Eligible Activities
Applicants must propose to expand medical, oral health, behavioral health, pharmacy, and/or vision services, and may propose to increase the availability of enabling services. Table 1 below provides an overview of the requirements for expanded services activities and outcomes.

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[2] For eligible grantees that have not submitted 2014 UDS data, the maximum amount that can be requested is the base amount.
[3] Section 330 of the PHS Act special populations include Migratory and Seasonal Agricultural Workers (section 330(g)), People Experiencing Homelessness (section 330(h)), and Residents of Public Housing (section 330(i)).
[4] Existing grantees that were awarded FY 2015 NAP funding under HRSA-15-016 as satellite/supplemental applicants (i.e., organizations that were already receiving Health Center Program operational funding at the time of NAP application and award) are eligible for the Expanded Services funding opportunity.

TABLE 1. Overview of Expanded Services Funding Requirements

ES Activities	Percent of ES Funds	Required Outcomes
Expand existing or establish new services in any of the following areas: • Medical • Oral Health • Behavioral Health • Pharmacy • Vision	At least 80%	• Increase in provider/staff FTEs for services selected for expansion • Increase in patients accessing services selected for expansion
Expand existing or establish new enabling services	Maximum of 20%	• Increase in enabling services staff FTEs • Increase in patients accessing care via enabling services

In determining which types of activities to propose, applicants should ensure that their proposed activities address the following:
- The demonstrated need for increased access to services,
- The health center's ability to respond to identified needs, and
- The health center's capacity to demonstrate an increase in patients and staff/providers for each proposed area of expansion.

Applicants must propose service expansion activities that will result in an overall increase in the number of new patients served by the health center (see the Projected Impact section for further details). In addition, applicants may propose to use Expanded Services funding to increase existing patients' access to services selected for expansion. The proportion of Expanded Services funds proposed to be dedicated to new or existing patients should be informed by the health center's understanding of current patient and service area needs. Refer to Appendix A: Expanded Services Eligible Activities for information on Expanded Services expectations, eligible uses of funds, and details regarding allowable services and staff/providers.

Eligible Project 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 (i.e., listed as a service delivery site on the grantee's *Form 5B: Service Sites*[5]).

Eligible Services
Applicants may propose changes to *Form 5A: Services Provided* (Form 5A) that are relevant and necessary for the provision of new and/or expanded medical, oral health, behavioral health,

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[5] Administrative-only sites as listed on *Form 5B: Service Sites* are not eligible Expanded Services project sites.

pharmacy, vision, or enabling services.[6] Allowable services and service modifications are outlined in [Appendix A: Expanded Services Eligible Activities](#).

Applicants may propose to expand access to medication-assisted treatments, such as Methadone, Buprenorphine, and extended-release injectable Naltrexone, as part of an Expanded Services proposal addressing demonstrated community need[7]. Such activities are considered substance abuse services, and are an eligible use of funds under the behavioral health service category. Applicants interested in the expansion of medication-assisted treatments may add substance abuse services to scope via the Expanded Services application if needed.

Note: Applicants may use Expanded Services funding to support the expansion of existing services in scope (i.e., to do more of currently approved eligible activities). Changes to Form 5A are not required and should only be proposed when necessary to implement the Expanded Services project. 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.[8]

Applicants considering the provision of new services as part of the Expanded Services proposal are reminded that, while not all current and proposed services must be available at every service site, health centers must ensure that health center patients have reasonable access to the full complement of in-scope services offered by the organization, either directly or through formal established arrangements.

Eligible Staff
Applicants are required to provide information on proposed new staff that will be supported with Expanded Services funding. Applicants may propose to support either direct hire or contracted staff 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.

Note: The following positions are allowable across all service expansion activities to the extent that such staff are necessary to ensure increased access to the proposed services:
- Administrative and non-clinical support staff (e.g., front desk staff), and
- Staff that support service delivery improvement in the areas of quality improvement, practice transformation, health informatics, clinical data analytics, or workforce development/training.[9]

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[6] Refer to PIN 2008-01 for an explanation of Form 5A and modes of service provision (i.e., Columns I, II, and III). Additional information on scope of project is available at: http://bphc.hrsa.gov/about/requirements/scope/index.html.

[7] Use of these treatments should occur consistent with federal statutes and regulations.

[8] Within 120 days of award, health centers must verify that the requested change(s) to Form 5A have been implemented (e.g., provision of the new service has begun).

[9] HRSA intends to capture the number of FTEs engaged in these activities in future UDS reports.

Such staff must be included under the relevant service category to be supported (e.g., enabling services, medical services) on the Federal Budget Information Form, and a description of how these staff will contribute to the expansion of services must be included in the Project Narrative.

Eligible Equipment Costs
As needed to support increased service provision, applicants may spend up to $100,000 of the Year 1 award in one-time movable equipment. Applicants must demonstrate in the Budget Justification how these items are a necessary part of the proposed Expanded Services project.

Ineligible Activities
Allowable uses of Health Center Program operational grant funds will generally apply to Expanded Services funding, unless specifically excluded in this funding announcement. The following uses of Expanded Services funds are not permitted:
- Construction costs, including minor alterations and renovation;
- Fixed/installed equipment; and/or
- 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.

Projected Impact
For each service targeted for expansion (e.g., enabling services, medical services), applicants must enter projections for new patients, existing patients, or a combination of both new and existing patients to be impacted by Expanded Services funding.[10] Expanded Services applications must demonstrate an overall increase in new patients, and if funded, grantees will be expected to achieve the new patient projection by December 31, 2017 (i.e., the impact of Expanded Services funding should be reflected in the unduplicated patients reported in the 2017 UDS Report).

Patient projections should be realistic and achievable. Applicants should use available data to estimate the number of patients that will be served as a result of Expanded Services funding, including their current federal grant dollar cost per patient. If the health center is proposing a new service, applicants may consider local area average cost per patient data specific to the proposed service to assist in determining patient projections. In the absence of local level data,

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[10] Applicants proposing to expand medical services must propose an increase in new patients; a projection for existing patients to be impacted is not collected for the medical services category.

applicants may refer to national average cost data.[11] Applicants must provide a brief written explanation of how the patient projection was determined in the Project Narrative section of the Expanded Services application.

New patient projections should include the total number of new patients who will receive any combination of services directly through the activities proposed in the FY 2015 Expanded Services application. Table 2 below provides an example of an Expanded Services application proposing to serve new patients through the expansion of enabling, medical, and vision services. In this example, the applicant will be expected to reach 1,650 new health center patients by December 31, 2017 as a result of Expanded Services funding.[12]

Table 2: Sample New Patient Impact Table[13]

	Enabling Services (EN)	Medical Services (MS)	Oral Health Services (OH)	Behavioral Health Services (BH)	Pharmacy Services (PS)	Vision Services (VS)
Projected **NEW** Patients	300	900	N/A	N/A	N/A	450
Total NEW patients for all services		1,650				

When establishing new patient projections, applicants must attribute projected patients to only one service for which Expanded Services funding is requested, even if some patients are expected to receive multiple expanded services. In the example above, the applicant proposes to serve 900 new patients via the expansion of medical services. If 450 additional new patients are expected to receive both medical and vision services, the 450 patients projected to receive both services should only be counted as new medical services patients or new vision services patients, but not both. In this example, the 450 new patients are counted in the vision services category, since the applicant predicts the vision service expansion project will draw the patients to the health center. It is up to applicants to distribute patient impact projections among the services proposed for expansion.

Note: Patient projections included in the Expanded Services application should not duplicate other patient targets (e.g., Service Area Competition projections, FY 2014 Expanded Services projections). Patient projections from multiple opportunities will be added up to compute each grantee's total patient commitment and future funding may be reduced if the total new patient commitment across the multiple funding opportunities is not achieved.

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[11] State and Regional Primary Care Associations (PCAs) and National Cooperative Agreements (NCAs) may serve as resources for support in accessing state, regional, and/or national average cost data (see http://bphc.hrsa.gov/qualityimprovement/supportnetworks/index.html).

[12] Projections for the number of *existing* patients who will access new services as a result of this funding are collected in a separate table consistent with the new patient impact table.

[13] Patient targets included in this sample are based on a sample grantee's 2013 health center grant cost per patient data. The sample is intended to serve as a demonstration of how to complete the Patient Impact form only. Applicants should use all available data resources to estimate an achievable number of patients to be served as a result of Expanded Services funding.

Application Requirements

Proposals must address how the organization will carry out the following planned activities:

- 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
- Demonstrate an increase in new patients as a result of Expanded Services funding.

See Appendix B: Detailed Application Requirements for a detailed description of the content and form of the application requirements. Refer to Appendix C: Completing the Budget Justification for detailed budget justification instructions.

Application Deadline and Award Notice

The Expanded Services application is due in the HRSA Electronic Handbooks (EHB) by **5:00 PM ET on July 20, 2015**. HRSA anticipates awarding FY 2015 Expanded Services supplemental funding in **September 2015**.

Application Reviews

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

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 any of the following on their current grant award:

- 5 or more 60-day Health Center Program Requirement progressive action conditions
- 1 or more 30-day Health Center Program Requirement progressive action conditions

Reporting and Additional Requirements

Annual UDS reports should demonstrate progress toward meeting the Expanded Services new patient projection by December 31, 2017, or future funding may be reduced. Additionally, health centers will be required to provide updates on their progress in meeting established FY 2015 Expanded Services goals in future 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 ensure that their proposed Expanded Services projects will not result in a reduction of the level or quality of health services currently being provided within their approved scope of project to existing patients.

Awards are subject to the provisions of Executive Order 12372, as implemented by Uniform Guidance 2 CFR 200 (as codified by HHS at 45 CFR 75), as well as all applicable administrative and national policy requirements, as established by existing grantees' Health Center Program operational fund awards.

Every organization is required to maintain an active System for Award Management (SAM) registration at all time during which it has an active Federal award or a plan under consideration.

Agency Contacts

ASSISTANCE NEEDED	PLEASE CONTACT
Expanded Services Technical Assistance Resources	A Web page (http://bphc.hrsa.gov/programopportunities/fundingopportunities/ExpandedServices/index.html) has been established to provide copies of forms, FAQs, and other resources
Program Issues	**BPHC Expanded Services Team** Bureau of Primary Health Care Office of Policy and Program Development bphc-es@hrsa.gov
Budget or Other Fiscal Issues	**Clare Oscar** Office of Federal Assistance Management Division of Grants Management Operations coscar@hrsa.gov
Electronic Submission Issues	**BPHC Helpline** 1-877-974-BPHC (2742) Submit Web Request Form (http://www.hrsa.gov/about/contact/bphc.aspx)

Appendix A: Expanded Services Eligible Activities

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 the provision of comprehensive primary care services to underserved populations in their service areas.

If needed, applicants may propose changes to Form 5A that are relevant and necessary for the provision of new and/or expanded medical, oral health, behavioral health, pharmacy, vision and/or enabling services to address demonstrated need in the service area. **Note**: Applicants may propose to use Expanded Services funding to support the expansion of existing services in scope with no changes to Form 5A required.

See Table3 for the list of eligible services and staff/provider types.

Applicants <u>may not</u> add the following services to scope or modify the service delivery method if currently in-scope through the Expanded Services funding opportunity:[14]
- Additional Medical Services (i.e., recuperative care, environmental health services, occupational therapy, physical therapy, speech language pathology/therapy, nutrition, and complementary alternative medicine); or
- Other Additional and/or Specialty Services.

Strategies to expand services may include:
- Expanding hours and/or hiring additional staff/providers to support eligible services currently provided *(no changes to Form 5A required)*.

- Adding a new eligible service, which must be available within 120 days of award *(Form 5A modification required)*.

- Providing an existing service directly (Column I) that is currently offered through an agreement in which the grantee pays for the service (Column II)[15] *(Form 5A modification required)*.

- Providing a service directly (Column I) or paying 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) *(Form 5A modification required)*.

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[14] Applicants may propose to expand the Additional Medical Services listed above if they are in scope as of the date of application and there is demonstrated need in the service area for expansion of those services.

[15] 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.

TABLE 3. Eligible Services by Service Category

Service Category	Eligible Staff/Provider Type[16]	Eligible Services to Expand[17]	Eligible to add/edit on Form 5A[18]
Medical Services (MS)	• Family Physicians • General Practitioners • Internists • OB/GYNs • Pediatricians • Nurse Practitioners • Physician Assistants • Certified Nurse Midwives • Nurses • Laboratory Personnel • X-ray Personnel • Other Medical Personnel • Specialty Medical Physicians (if medical specialty in scope)	• General Primary Medical Care • Voluntary Family Planning • Laboratory • Immunizations • Radiology • Well Child • Screenings • Gynecological Care • Coverage for Prenatal Care Emergencies • Intrapartum Care During/After Hours • Postpartum Care	**Yes**
		• Recuperative Care • Environmental Health Services • Occupational Therapy • Physical Therapy • Speech Language Pathology/Therapy • Nutrition • Complementary Alternative Medicine Other • Additional and/or Specialty Services in scope	**No**
Oral Health (OH)	• Dentists • Dental Hygienists • Dental Assistants, Aides, Techs	• Preventive Dental • Additional Dental	**Yes**
Pharmacy Services (PS)	• Pharmacists • Pharmacy Support Staff • Pharmacy Techs/Assistants	• Pharmacy Services	**Yes**
Behavioral Health (BH)	• Licensed Clinical Psychologists • Licensed Clinical Social Worker • Other licensed mental health providers and staff • Substance Abuse Providers • Psychiatrists (if in scope)	• HCH Required Substance Abuse Services • Mental Health Services • Substance Abuse Services (may include medication-assisted treatment, such as Methadone, Buprenorphine, or Naltrexone).	**Yes**
		• Psychiatry	**No**
Vision Services (VS)	• Optometrists • Optometric Assistants • Ophthalmologists (if in scope)	• Optometry	**Yes**
		• Ophthalmology	**No**
Enabling Services (EN)	• Case Managers • Patient and Community Education Specialists • Outreach Workers • Transportation Workers • Eligibility Assistance Workers • Interpretation Staff • Other Enabling Services Staff	• Case Management • Eligibility Assistance • Health Education • Outreach • Transportation • Translation • Additional Enabling/Supportive Services[19]	**Yes**

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[16] Service delivery improvement and administrative support staff are allowable to support increased access to services.

[17] Service descriptors are available at: http://bphc.hrsa.gov/about/requirements/scope/form5aservicedescriptors.pdf.

[18] Additional medical services and specialty services may be proposed for expansion if in scope, but may not be added to scope.

[19] Additional enabling/supportive services include services that support a patient's access to non-medical, social, educational, or other related services (e.g., child care, food banks/meals, employment and education counseling, legal services/legal aid).

Appendix B: Detailed Application Requirements

This chart outlines the Expanded Services application components. A detailed User Guide with step-by-step instructions for completing each section will be available on the Expanded Services technical assistance Web page (http://bphc.hrsa.gov/programopportunities/fundingopportunities/ExpandedServices/index.html).

SF-424 Basic Information and Budget Sections
Enter the required information on SF-424 Part 1 and Part 2. Fields that are not marked as required may be left blank. In Section A of the SF-424 Budget Information form, enter the federal and non-federal costs for the first 12-month budget period for each currently funded sub-program,[20] as applicable. Expanded Services funding must be requested in each sub-program at the same proportion as the current Health Center Program grant. Each eligible grantee will be notified about their sub-program funding breakout.
Federal Budget Information Form
Enter costs to expand services according to the Service Categories selected for expansion. At least 80 percent must be used to expand access to one or more eligible services, including medical, oral health, behavioral health, pharmacy, and/or vision services. A maximum of 20 percent of the total Expanded Services funding may be used to expand enabling services.
Federal Object Class Categories Form
Enter federal and non-federal expenses for the Expanded Services application by object class category (e.g., personnel, supplies) for all proposed activities for the first budget period (9/1/2015 – 8/31/2016).
Budget Justification (upload as attachment)
Complete a Budget Justification that details costs for all activities proposed for the first two years of the Expanded Services project (in one document). The Budget Justification must clearly detail the federal and non-federal costs of each line item within each object class category from the Federal Object Class Categories form, and explain how each cost contributes to meeting the Expanded Services goals and objectives.
Equipment List Form (as applicable)
Expanded Services proposals that include equipment costs must include an Equipment List form. Federal Equipment is defined as an article of tangible nonexpendable personal property that has a useful life of more than one (1) year and an acquisition cost of $5,000 or more per unit. See additional details in Appendix C.
Services (Form 5A)
The application will include a pre-populated, currently approved Form 5A. Limited modifications to Form 5A are permitted (as needed) to enable health centers to implement the Expanded Services proposal. **Note**: An applicant may propose to use Expanded Services funding to support the expansion of existing services in scope. Changes to Form 5A are not required.
Patient Impact
Include new and/or existing patient impact projections for all service categories supported by Expanded Services funding, demonstrating an overall increase in new patients in the Expanded Services application. **Note:** Expanded Services applications must propose activities that will support achievement of the Expanded Services new patient projection by December 31, 2017.

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[20] Sub-program funding streams include: Community Health Centers (CHC), Migrant Health Centers (MHC), Health Care for the Homeless (HCH), and/or Public Housing Primary Care (PHPC).

Staffing Impact Table
Enter new staff/provider FTEs (direct hire and/or contracted) for service categories selected for expansion. Specify the Enabling Service position types to be supported by Expanded Services funding if enabling services are selected for expansion. For personnel proposed to be supported in other service categories, enter the total FTEs per service category. In addition to direct care FTEs, applicants may also propose to support service delivery improvement FTEs (which should be included in the staffing line for services that will be impacted by these FTEs) and administrative staff (which are reported on a separate unique row in the Staffing Impact form (optional). The Staffing Impact Table captures staff/providers supported through Expanded Services funding. Do not include staff on this form supported by other funding sources that will work on the Expanded Services project.
Project Narrative

Need (response to this section should be no longer than 2,000 characters not counting spaces)
Describe the following:
    1. The need to expand or begin providing the proposed service(s) and how this proposal will respond to the health care needs of the target population (with reference to relevant special populations, demographic characteristics, and/or access to care/health status indicators).
 	
Response (responses should be no longer than 1,000 characters not counting spaces for each question 1-5)
Describe the following:
    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 the health center will ensure that all proposed services are or will be integrated into the existing service delivery model.
    3. How the health center will ensure that all proposed services are accessible without regard to ability to pay through the health center's board-approved sliding fee discount program.
    4. How the health center will ensure that all patients will have reasonable access to any proposed new services, as appropriate. Include details about any services or staff proposed under the Other Enabling Services category on Form 5A and/or the Staffing Impact Form.
    5. If any services will be provided by a Formal Written Agreement (via Column II on Form 5A), describe how the health center maintains oversight over all services provided via contracts/agreements or sub-recipient arrangements in accordance with Health Center Program requirements[21]. If services are not provided via Formal Written Agreement, indicate that this question is not applicable.
 	
Impact (response to this section should be no longer than 2,000 characters not counting spaces)
Describe the following:
    1. The impact of the Expanded Services proposal, including the number of:
        • Proposed new patients,
        • Existing patients with increased access to services (as applicable), and
        • New staff/provider FTEs.
Include a detailed explanation for how the projections were calculated (including data sources).

Summary Verification Form
A read-only summary of select elements proposed in previous sections of the application will be presented. Verify that the information is correct or make necessary changes before submitting the Expanded Services application. Instructions and links will be provided to access the appropriate application sections to make necessary updates.

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[21] 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 Justification

Applicants must provide a budget justification that explains the amounts requested for each line item in the Federal Object Class Categories Form for the first two years of the Expanded Services project (i.e., 9/1/2015 – 8/31/2016 and 9/1/2016 – 8/31/2017). The budget justification must contain sufficient detail to enable HRSA to determine if costs are allowable[22] and must outline federal and non-federal costs for each line item. 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). Expanded Services funds may not be used to support costs incurred prior to award.

The budget justification should describe how each cost will support the proposed objectives, and include the following for the first two years of the project separately:

Cost Category	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 4 must be included for all proposed staff to be supported with federal 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.[23] 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 and **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).

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[22] Refer to the HHS Grants Policy Statement available at http://www.hrsa.gov/grants for details on allowable costs.
[23] Per Uniform Guidance 2 CFR 200 as codified by HHS at 45 CFR 75.

Cost Category	Budget Presentation Description
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.
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, 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

Expanded Services funding may not be used to pay the salary of an individual at a rate in excess of Executive Level II or $183,300. 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.

The information included in Table 4 below must be provided for **all** staff proposed to be supported by federal funding through the Expanded Services funding opportunity. Staff supported entirely with non-federal funds do not require this level of information.

TABLE 4. Budget Justification Sample for Proposed Staff

Name	Position Title	% of FTE	Base Salary	Adjusted Annual Salary	Federal Amount Requested
J. Smith	Physician	50%	$225,000	$183,300	$91,650
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