

## Health Center Program Compliance Manual Revisions

Updated by HRSA: August 20, 2018

## Background

The Bipartisan Budget Act of 2018 amended Section 330 of the Public Health Service Act (<u>42 U.S.C.</u> <u>254b</u>), which is the authorizing statute of the Health Center Program. The Health Resources and Services Administration (HRSA)/Bureau of Primary Health Care (BPHC) has revised the Health Center Program Compliance Manual (Compliance Manual), which was originally issued in August 2017, to reflect the amended statute. All related Health Center Program documents, including the <u>Site Visit Protocol</u>, have been revised to align with the statutory changes. Refer to the revised <u>Health Center Program statute</u> for current statutory language and detail on all statutory amendments.

## How to Read the Revisions Tables

Below are the revisions and the relevant Compliance Manual chapter and section(s) impacted.

- Each relevant chapter has its own table and a short summary of the revisions
- On the left side of the table is the language from the Compliance Manual that was originally issued in August 2017.
- On the right side of the table are the revisions
  - Text that has been added has been marked through the use of bold. For example: this is added text.
  - Text that has been deleted has been marked off curly brackets, and italicized red text. For example: {*this is deleted text.*}

## Revisions

**Chapter 2: Health Center Program Oversight:** *Program Compliance and Application Review and Selection and related footnotes:* Revisions based on amendments to Section 330(e)(1)(B) of the PHS Act that require HRSA to award a 1-year project period when HRSA finds that a health center has not demonstrated compliance with Health Center Program requirements, and for such health centers to submit an implementation plan for compliance within 120 days of award.

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
Program Compliance and Application Review and	
Selection	
Project/designation period length is based on a	Project/designation period length is based on {a
comprehensive evaluation of the risks to the	comprehensive evaluation of the risks to the
Health Center Program posed by each applicant if	Health Center Program posed by each applicant if
it were to receive an award/designation for a	it were to receive an award/designation for a new
new project or designation period, including an	project or designation period, including} an
assessment of a health center's compliance with	assessment of a health center's compliance with
program requirements. Therefore, an existing	program requirements. Therefore, an existing
health center with a history of failure to	health center {with a history of failure} that fails
demonstrate compliance with Health Center	to demonstrate compliance with <b>all</b> Health
Program requirements may be considered by	Center Program requirements {may be
HRSA to pose risk and may be awarded Federal	considered by HRSA to pose risk and} may only be
funding or designation for a shortened	awarded Federal Service Area Competition (SAC)
project/designation period as part of the	funding {or designation} for a {shortened} one-
competing continuation/renewal of designation	<b>year</b> project/designation period {as part of the
application review process. The specific criteria	competing continuation/renewal of designation
for determining project period length are further	application review process. The specific criteria
detailed in the applicable Service Area	for determining project period length are further
Competition (SAC) Notices of Funding	detailed in the applicable Service Area
Opportunity (NOFOs) and Look-Alike Renewal of	Competition (SAC) Notices of Funding Opportunity
Designation (RD) application instructions.	(NOFOs) and Look-Alike Renewal of Designation
	(RD) application instructions}. <sup>25</sup>
Further, if a current Health Center Program	
Federal award recipient has been awarded two	Further, if a current Health Center Program
consecutive one-year project periods, based on	Federal award recipient has been awarded two
the project period length criteria associated with	consecutive one-year project periods as a result
program compliance and outlined in the SAC	of noncompliance with any Health Center
NOFO, and a review of the subsequent SAC	Program requirements {, based on the project
application would result in a third consecutive	period length criteria associated with program
one-year project period, HRSA may conclude that	compliance and outlined in the SAC NOFO}, and
this organization cannot consistently carry out	<pre>{a} review of {the} a subsequent SAC application</pre>
the Health Center Program project in accordance	would result in a third consecutive one-year
with Health Center Program requirements. Due	project period due to noncompliance with
to continued unsatisfactory performance in	Program requirements, HRSA will not {may
demonstrating compliance with program	conclude that this organization cannot
requirements, this organization's SAC application	consistently carry out the Health Center Program
may not be selected for funding for a third	project in accordance with Health Center
consecutive one-year project period. <sup>25</sup> In such	Program requirements. Due to continued
circumstances, HRSA may announce a new	unsatisfactory performance in demonstrating
competition for the <u>service area</u> , in order to	compliance with program requirements, this
identify an organization that can carry out a	organization's SAC application may not be
service delivery program consistent with Health	<pre>selected for} fund{ing for} a third consecutive</pre>
Center Program requirements.	one-year project period. <sup>(25)26</sup> In such
	circumstances, HRSA may announce a new
In addition, a health center's ability to	competition for the service area, in order to
demonstrate compliance with program	identify an organization that can carry out a

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
requirements is critical to ensuring continued	service delivery program consistent with Health
Federal award support and may, in certain cases,	Center Program requirements.
directly impact award decisions for supplemental	
funding, as outlined in the specific NOFO.	{In addition, a health center's ability to
	demonstrate compliance with program
Consistent with the approach regarding Federal	requirements is critical to ensuring continued
award recipients, HRSA will not renew a Health	Federal award support and may, in certain cases,
Center Program look-alike organization's	directly impact award decisions for supplemental
designation if the organization has received two	funding, as outlined in the specific NOFO.}
consecutive one-year designation periods and the	,
review of the subsequent RD application would	Consistent with the approach regarding Federal
result in a third consecutive one-year designation	award recipients, HRSA will not renew a Health
period. Look-alikes whose designation period has	Center Program look-alike organization's
not been renewed may reapply for look-alike	designation if the organization has received two
designation through the initial designation	consecutive one-year designation periods and the
application process at any time. <sup>26</sup>	review of the subsequent RD application would
	result in a third consecutive one-year designation
	period. Look-alikes whose designation period has
	not been renewed may reapply for look-alike
	designation through the initial designation
	application process at any time. <sup>(26)27</sup>
	application process at any time.
	In addition, project/designation period length
	determinations may be impacted by <i>{further</i>
	<i>based on</i> } a comprehensive evaluation of the
	risks to the Health Center Program posed by
	each applicant if it were to receive an
	award/designation for a new project or
	designation period, or for supplemental funding.
	The specific criteria for determining project
	period length are further detailed in the
	applicable Service Area Competition (SAC)
	Notices of Funding Opportunity (NOFOs) and
	Look-Alike Renewal of Designation (RD), or
	supplemental funding application instructions. A
	health center's ability to demonstrate
	-
	compliance with program requirements is
	critical to ensuring continued Federal award
	support and may, in certain cases, directly
	impact award decisions for supplemental
	funding, as outlined in the specific NOFO.

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
Footnotes	
	<sup>25</sup> Section 330(e)(1)(B) of the PHS Act (42 U.S.C. 254b(e)(1)(B)). In addition, a health center that fails to demonstrate compliance with all Health Center Program requirements, including those in Section 330(k)(3) of the PHS Act, must submit, within 120 days of grant funding, an implementation plan for compliance for HRSA approval. Additional information related to this implementation plan will be included in the applicable Notices of Funding Opportunity and Look-Alike Designation/Renewal of Designation application instructions.
<sup>25</sup> While such organizations may apply to future Health Center Program notice of funding opportunity (NOFO) in accordance with 45 CFR 75.205(c)(3), HRSA may consider factors, including an applicant's history of performance if it is a prior recipient of <u>Federal awards</u> or designation when making competitive awards. These factors include, but are not limited to, unsuccessful Progressive Action condition resolution and current compliance with Health Center Program requirements and regulations.	<sup>(25)26</sup> Section 330(e)(4) of the PHS Act states that "Not more than two grants may be made under subparagraph (B) of paragraph (1) for the same entity." While such organizations may apply for {to} future Health Center Program {notice of} funding {opportunity (NOFO) in accordance with} under 45 CFR 75.205(c)(3), HRSA may consider factors, including an applicant's history of performance if it {i}has been a prior recipient of Federal awards or designation when making competitive awards. These factors include, but are not limited to, unsuccessful Progressive Action condition resolution and current compliance with Health Center Program requirements and regulations.
<sup>26</sup> See <u>http://bphc.hrsa.gov/</u> programopportunities/lookalike/index.html for more information on the Health Center Program	<sup>{26}27</sup> See <u>http://bphc.hrsa</u> . <u>gov/programopportunities/lookalike/index.html</u> for more information on the Health Center
look-alike application process.	Program look-alike application process.

**Chapter 3: Needs Assessment:** *Requirements, Demonstrating Compliance element (b) related footnote:* Revisions based on amendments to Section 330(k)(2) of the PHS Act that add "unmet" before "need" and provides clarity in footnote 2 of this chapter regarding needs assessments.

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
Requirements	
<ul> <li>(Bullet 2)</li> <li>The health center must assess the need for health services in the catchment area of the center based on the population served, or proposed to be served, utilizing, but not limited to, the following factors:</li> </ul>	<ul> <li>(Bullet 2)</li> <li>The health center must assess the unmet need for health services in the catchment or proposed catchment area of the center based on the population served, or proposed to be served, utilizing, but not limited to, the following factors:</li> </ul>
Footnotes	
<sup>2</sup> Compliance may be demonstrated based on the information included in a Service Area Competition or a Renewal of Designation application.	<sup>2</sup> Compliance may be demonstrated based on the information included in a Service Area Competition [SAC] or a Renewal of Designation [RD] application. Note that in the case of a Notice of Funding Opportunity { <i>n application</i> } for a New Access Point or Expanded Services grant, { <i>the Notice of Funding Opportunity (NOFO)</i> } HRSA { <i>will</i> } may specify application-specific requirements for demonstrating an applicant has consulted with the appropriate agencies and providers consistent with- Section 330(k)(2)(D) of the Public Health Service Act. Such application-specific requirements may require a completed or updated needs assessment more recent than{ <i>one</i> } that which was provided in an applicant's SAC or RD application.

**Chapter 4: Required and Additional Health Services:** *Requirements: Revisions based on amendments to Section* 330(b)(1)(A)(ii) and (b)(2)(A) of the PHS Act that replace the term "substance abuse" with "substance use disorder."

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
Requirements	
(Bullet 2)	(Bullet 2)
• A health center that receives a <u>Health</u>	• A health center that receives a <u>Health</u>
Center Program award or look-	Center Program award or look-
alike designation under section 330(h) of	alike designation under section 330(h) of
the PHS Act to serve individuals	the PHS Act to serve individuals
experiencing homelessness must, in	experiencing homelessness must, in
addition to these required primary health	addition to these required primary health
services, provide substance abuse	services, provide substance {ab}use
services.	disorder services.

**Chapter 9: Sliding Fee Discount Program:** *Demonstrating Compliance element (k)*: Revisions based on a technical correction of a typographical error (deleting two commas) that produced a clearly erroneous statement.

	Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
De	monstrating Compliance	
k.	Health center patients, who are eligible for sliding fee discounts and have third-party coverage, are charged no more for any out- of-pocket costs than they would have paid under the applicable SFDS discount pay class. <sup>9</sup> Such discounts are subject to potential legal and contractual restrictions. <sup>10</sup>	<ul> <li>k. Health center patients{,} who are eligible for sliding fee discounts and have third-party coverage{,} are charged no more for any out-of-pocket costs than they would have paid under the applicable SFDS discount pay class.<sup>9</sup> Such discounts are subject to potential legal and contractual restrictions.<sup>10</sup></li> </ul>

**Chapter 11: Key Management Staff:** Authority, Requirements, Demonstrating Compliance element (d), Related Considerations, and related footnotes: Revisions based on amendments to Section 330(k)(3)(H)(ii) of the PHS Act that require the health center to directly employ the Project Director/Chief Executive Officer (PD/CEO). References to contracted PD/CEO have been removed.

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
Authority	
Section 330(k)(3)(I)(i) of the PHS Act; 42 CFR	Section 330(k)(3)(H)(ii), and 330(k)(3)(I)(i) of the
51c.104(b)(4), 42 CFR 51c.303(p), 42 CFR	PHS Act; 42 CFR 51c.104(b)(4), 42 CFR 51c.303(p),
56.104(b)(5), and 42 CFR 56.303(p); and 45 CFR	42 CFR 56.104(b)(5), and 42 CFR 56.303(p); and
75.308(c)(1)(ii)(iii)	45 CFR 75.308(c)(1)(ii)(iii)
Requirements	
	(Bullet 4)
	• The health center must directly employ its Project Director/CEO. <sup>1</sup>
Demonstrating Compliance	
d. The health center's Project Director/CEO <sup>2</sup> reports to the health center's governing board <sup>3</sup> and is responsible for overseeing other key management staff in carrying out the day-to-day activities necessary to fulfill the HRSA-approved scope of project.	d. The health center's Project Director/CEO <sup>(2)</sup> is directly employed by the health center, <sup>3</sup> reports to the health center's governing board <sup>4</sup> and is responsible for overseeing other key management staff in carrying out the day-to-day activities necessary to fulfill the HRSA-approved scope of project.
Related Considerations	
<ul> <li>(Bullet 1)</li> <li>The health center's governing board determines under what circumstances it is appropriate and necessary to contract for the Project Director/CEO position rather than directly employ this individual.<sup>5</sup></li> </ul>	{The health center's governing board determines under what circumstances it is appropriate and necessary to contract for the Project Director/CEO position rather than directly employ this individual. <sup>5</sup> }

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
<ul> <li>(Bullet 3)</li> <li>The health center determines when and if it is appropriate and necessary to contract for other key management staff positions rather than directly employ such individuals.</li> </ul>	<ul> <li>(Bullet 3)</li> <li>The health center determines when and if it is appropriate and necessary to contract for <i>{other}</i> key management staff positions (other than the CEO, who may not be a contractor), rather than directly employ such individuals.</li> </ul>
Footnotes	
	<sup>(2) 1</sup> While the position title of the key person who is specified in the <u>award</u> /designation may vary, for the purposes of the Health Center Program, this Chapter will utilize the term "Project Director/CEO" when referring to this key person. Under 45 CFR 75.2, the term "Principal Investigator/Program Director (PI/PD)" means the individual(s) designated by the recipient to direct the project or program being supported by the <u>grant</u> . The PI/PD is responsible and accountable to officials of the recipient organization for the proper conduct of the project, program, or activity. For the purposes of the Health Center Program, "Project Director/CEO" is synonymous with the term
<ul> <li><sup>1</sup> Examples of key management staff may include Project Director/CEO, Clinical Director/Chief Medical Officer, Chief Financial Officer, Chief Operating Officer, Nursing/Health Services Director, or Chief Information Officer.</li> <li><sup>2</sup> While the position title of the key person who is</li> </ul>	<ul> <li>"PI/PD."</li> <li><sup>(1)2</sup> Examples of key management staff may include Project Director/CEO, Clinical Director/Chief Medical Officer, Chief Financial Officer, Chief Operating Officer, Nursing/Health Services Director, or Chief Information Officer.</li> <li>(Redesignated as footnote 1)</li> </ul>
specified in the <u>award</u> /designation may vary, for the purposes of the Health Center Program, this Chapter will utilize the term "Project Director/CEO" when referring to this key person. Under 45 CFR 75.2, the term "Principal Investigator/Program Director (PI/PD)" means the individual(s) designated by the recipient to direct the project or program being supported by the <u>grant</u> . The PI/PD is responsible and accountable to officials of the recipient organization for the proper conduct of the project, program, or activity. For the purposes of the Health Center Program, "Project Director/CEO" is synonymous with the term "PI/PD."	

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	<sup>3</sup> Public agency health centers utilizing a co-
	applicant structure would demonstrate
	compliance with the statutory requirement for
	direct employment of the Project Director/CEO
	by demonstrating that the public agency, as the
	Health Center Program awardee/designee of
	record, directly employs the Project
	Director/CEO. Refer to related requirements in
	Chapter 19: Board Authority regarding public
	agencies with co-applicants.
<sup>3</sup> Refer to related requirements in Chapter 19:	<sup>(3)4</sup> Refer to related requirements in Chapter 19:
Board Authority regarding the selection and	Board Authority regarding the selection and
dismissal of the Project Director/CEO by the	dismissal of the Project Director/CEO by the
health center board as part of its oversight	health center board as part of its oversight
responsibilities for the Health Center Program	responsibilities for the Health Center Program
project.	project.
<sup>4</sup> Such changes include situations in which the	<sup>{4)5</sup> Such changes include situations in which the
current Project Director/CEO will be disengaged	current Project Director/CEO will be disengaged
from involvement in the Health Center Program	from involvement in the Health Center Program
project for any continuous period for more than 3	project for any continuous period for more than 3
months or will reduce time devoted to the	months or will reduce time devoted to the
project by 25 percent or more from the level that	project by 25 percent or more from the level that
was approved at the time of award [see: 45 CFR	was approved at the time of award [see: 45 CFR
75.308(c)(1)(ii) and (iii)].	75.308(c)(1)(ii) and (iii)].
<sup>5</sup> Contracting for the Project Director/CEO or for	{ <sup>5</sup> Contracting for the Project Director/CEO or for
the entire key management staff requires prior	the entire key management staff requires prior
approval from HRSA as this is considered to be a	approval from HRSA as this is considered to be a
transfer of substantive programmatic work. For	transfer of substantive programmatic work. For
more information, see Chapter 12: Contracts and	more information, see Chapter 12: Contracts and
<u>Subawards</u> .	<u>Subawards</u> .}

**Chapter 12: Contracts and Subawards:** *Footnotes:* References to contracted PD/CEO removed consistent with amendments to Section 330(k)(3)(H)(ii) of the PHS Act that require the health center to directly employ the PD/CEO.

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
Italicized note (below the title/before Authority)	
Footnotes	
<sup>4</sup> For the purposes of the Health Center Program, contracting for substantive programmatic work does not include the acquisition of supplies, material, equipment, or general support services. However, it does apply to contracting for the: Project Director/CEO; entire key management team; majority of health care providers with a single entity. Substantive programmatic work may be further defined within HRSA Notices of Funding Opportunity (NOFOs) and applications.	<sup>4</sup> For the purposes of the Health Center Program, contracting for substantive programmatic work {does not include the acquisition of supplies, material, equipment, or general support services} applies to contracting with a single entity for the majority of health care providers. {However, it does apply to contracting for the: Project Director/CEO; entire key management team; majority of health care providers with a single entity.} The acquisition of supplies, material, equipment, or general support services is not considered programmatic work. Substantive programmatic work may be further defined within HRSA Notices of Funding Opportunity (NOFOs) and applications.
<sup>12</sup> For the purposes of the Health Center Program, contracting for substantive programmatic work does not include the acquisition of supplies, material, equipment, or general support services. However, it does apply to contracting for the: Project Director/CEO; entire key management team; majority of health care providers with a single entity. Substantive programmatic work may be further defined within HRSA Notices of Funding Opportunity (NOFOs) and applications.	<sup>12</sup> For the purposes of the Health Center Program, contracting for substantive programmatic work {does not include the acquisition of supplies, material, equipment, or general support services} applies to contracting with a single entity for the majority of health care providers. {However, it does apply to contracting for the: Project Director/CEO; entire key management team; majority of health care providers with a single entity.} The acquisition of supplies, material, equipment, or general support services is not considered programmatic work. Substantive programmatic work may be further defined within HRSA Notices of Funding Opportunity (NOFOs) and applications.

**Chapter 14: Collaborative Relationships:** *Requirements, Demonstrating Compliance elements (a), (b), and (c)*: Revisions based on amendments to Section 330(k)(3)(B) of the PHS Act that require health centers to establish and maintain collaborative relationships with other health care providers, local hospitals, and specialty providers to provide access to services not available through the health center and to reduce the non-urgent use of hospital emergency departments.

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
Requirements	
(Bullet 1) The health center has made and must continue to make every reasonable efforts to establish and maintain collaborative relationships with other health care providers in the health center's catchment area [service area].	(Bullet 1) The health center has made and must continue to make every reasonable effort{s} to establish and maintain collaborative relationships {with other health care providers in the health center's catchment area [service area]}, including with other health care providers that provide care within the catchment area [service area], local hospitals, and specialty providers in the catchment area of the center, to provide access to services not available through the health center and to reduce the non-urgent use of hospital emergency departments.
Demonstrating Compliance	
<ul> <li>a. The health center documents its efforts to coordinate and integrate activities with other providers or programs in the service area (for example, social service organizations, including those that serve special populations, specialty practices, hospitals) in order to support: <ul> <li>Continuity of care across community providers; and</li> <li>Other health or community services that impact the patient population.</li> </ul> </li> </ul>	<ul> <li>a. The health center documents its efforts to {coordinate and integrate activities} collaborate with other providers or programs in the service area, including local hospitals, specialty providers, and social service organizations (including those that serve special populations), to provide access to services not available through the health center {(for example, social service organizations, including those that serve special populations, specialty practices, hospitals)} in order to support</li> <li>Reductions in the non-urgent use of hospital emergency departments;</li> <li>Continuity of care across community providers; and</li> <li>Access to {O} other health or community services that impact the patient population.</li> </ul>

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<ul> <li>b. The health center documents its efforts to collaborate with other primary care providers serving similar patient populations in the service area (at a minimum, this would include establishing and maintaining relationships with other health centers in the service area).</li> </ul>	<ul> <li>b. The health center documents its efforts to {collaborate} coordinate and integrate activities with other federally-funded, as well as State and local, health services delivery projects and programs {primary care providers} serving similar patient populations in the service area (at a minimum, this would include establishing and maintaining relationships with other health centers in the service area).</li> </ul>
<ul> <li>c. If the health center expands<sup>1,2</sup> its HRSA-approved scope of project:         <ul> <li>The health center obtains letters or other appropriate documents specific to the request or application that describe areas of coordination or collaboration with providers serving similar patient populations in the service area (health centers, rural health clinics, critical access hospitals, health departments, other providers, as applicable); or</li> <li>If such letters or documents its attempts to coordinate or collaborate with these providers (health centers, rural health clinics, critical access hospitals, health departments, other providers, as applicable); or</li> </ul> </li> </ul>	<ul> <li>c. If the health center expands<sup>1,2</sup> its HRSA-approved scope of project:         <ul> <li>The health center obtains letters or other appropriate documents specific to the request or application that describe areas of coordination or collaboration with health care providers serving similar patient populations in the service area (health centers, rural health clinics, local hospitals including critical access hospitals, health departments, other providers applicable); or</li> <li>If such letters or documents its attempts to coordinate or collaborate with these health care providers (health centers, rural health clinics, local hospitals including specialty providers, as applicable); or</li> <li>If such letters or documents cannot be obtained from these providers, the health center documents its attempts to coordinate or collaborate with these health care providers (health centers, rural health clinics, local hospitals including critical access hospitals, health departments, other providers including critical access hospitals including specialty providers, as applicable) on the specific request or application proposal.</li> </ul></li></ul>

**Chapter 15: Financial Management and Accounting Systems:** Requirements, and related footnotes: Revisions based on the amendment to Section 330(k)(3)(N) of the PHS Act that require health centers to have written policies and procedures to ensure the appropriate use of federal funds. This requirement to safeguard federal assets is consistent with the existing Demonstrating Compliance Element (a) of this chapter, which requires health centers demonstrate that they have written policies and procedures in place to ensure the appropriate use of federal funds in compliance with applicable federal statutes, regulations, and the terms and conditions of the federal award.

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
Authority	· · · · ·
Sections 330(e)(5)(D), 330(k)(3)(D), and 330(q) of the PHS Act; 42 CFR 51c.113, 42 CFR 56.114, 42 CFR 51c.303(d), and 42 CFR 56.303(d); and 45 CFR Part 75 Subparts D, E and F	Sections 330(e)(5)(D), 330(k)(3)(D), <b>330(k)(3)(N)</b> , and 330(q) of the PHS Act; 42 CFR 51c.113, 42 CFR 56.114, 42 CFR 51c.303(d), and 42 CFR 56.303(d); and 45 CFR Part 75 Subparts D, E and F
Requirements	
	(Bullet 2) The health center must have written policies and procedures in place to ensure the appropriate use of Federal funds in compliance with applicable Federal statutes, regulations, and the terms and conditions of the Federal award.
Demonstrating Compliance	
<ul> <li>(a, sub-bullet 3)</li> <li>The safeguarding of all assets to assure they are used solely for authorized purposes in accordance with the terms and conditions of the Health Center Program award/designation; and</li> </ul>	<ul> <li>(a, sub-bullet 3)</li> <li>The safeguarding of all assets to assure they are used solely for authorized purposes in accordance with the terms and conditions of the Health Center Program award/designation;<sup>4</sup> and</li> </ul>
Footnotes	
	<sup>4</sup> The requirement to safeguard federal assets as described in this bullet substantially reflects the requirement to have written policies and procedures in place to ensure the appropriate use of Federal funds in compliance with applicable Federal statutes, regulations, and the terms and conditions of the Federal award. See Section 330(k)(3)(N) of the Public Health Service Act.

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<sup>4</sup> Federal program and Federal award	<sup>(4) 5</sup> Federal program and Federal award
identification would include, as applicable, the	identification would include, as applicable, the
Catalog of Federal Domestic Assistance (CFDA)	Catalog of Federal Domestic Assistance (CFDA)
title and number, Federal award identification	title and number, Federal award identification
number and year, name of the HHS awarding	number and year, name of the HHS awarding
agency, and name of the <u>pass-through entity</u> , if	agency, and name of the pass-through entity, if
any.	any.
<sup>5</sup> The cost principles are set forth in 45 CFR Part	<sup>{5}</sup> <sup>6</sup> The cost principles are set forth in 45 CFR Part
75, Subpart E.	75, Subpart E.

**Chapter 19: Board Authority:** *Footnotes*: References to contracted PD/CEO removed consistent with amendments to Section 330(k)(3)(H)(ii) of the PHS Act that require the health center to directly employ the PD/CEO.

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
Footnotes	
<sup>14</sup> Note that this applies both in situations where	{ <sup>14</sup> Note that this applies both in situations where
the health center directly employs and where the	the health center directly employs and where the
health center contracts for the Project	health center contracts for the Project
Director/CEO position.	Director/CEO position.}
<sup>15</sup> For more information related to the production	<sup>{15}</sup> <sup>14</sup> For more information related to the
of reports associated with these topics, see	production of reports associated with these
Chapter 18: Program Monitoring and Data	topics, see Chapter 18: Program Monitoring and
Reporting Systems, Chapter 15: Financial	Data Reporting Systems, Chapter 15: Financial
Management and Accounting Systems, and	Management and Accounting Systems, and
Chapter 10: Quality Improvement/Assurance.	Chapter 10: Quality Improvement/Assurance.
<sup>16</sup> Policies related to billing and collections that	<sup>{16} 15</sup> Policies related to billing and collections that
require board approval include those that	require board approval include those that
address the waiving or reducing of amounts	address the waiving or reducing of amounts
owed by patients due to inability to pay, and if	owed by patients due to inability to pay, and if
applicable those that limit or deny services due to	applicable those that limit or deny services due to
refusal to pay.	refusal to pay.

**Glossary:** Glossary: Section 330(h) Homeless Population: Revisions based on amendments to Section 330(h)(1) of the PHS Act to include homeless veterans and veterans at risk of homelessness, as among the populations health centers receiving Section 330(h) funding may serve.

Compliance Manual Prior to August 2018	Compliance Manual Revisions as of August 2018
330 Homeless Population	
For the purposes of health centers receiving a Health Center Program award or designation under section 330(h) of the Public Health Service Act, the population served includes individuals:	<ul> <li>For the purposes of health centers receiving a Health Center Program award or designation under section 330(h) of the Public Health Service Act, the population served includes individuals:</li> <li>Who lack housing (without regard to whether the individual is a member of a family);</li> </ul>

- Who lack housing (without regard to whether the individual is a member of a family);
- Whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations;
- Who reside in transitional housing; and/or
- Who reside in permanent supportive housing or other housing programs that are targeted to homeless populations.

Under section 330(h) a health center may continue to provide services for up to 12 months to formerly homeless individuals whom the health center has previously served but are no longer homeless as a result of becoming a resident in permanent housing. (Section 330(h) of the PHS Act)

- Whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations;
- Who reside in transitional housing; and/or
- Who reside in permanent supportive housing or other housing programs that are targeted to homeless populations.

Under section 330(h) a health center may continue to provide services for up to 12 months to formerly homeless individuals whom the health center has previously served but are no longer homeless as a result of becoming a resident in permanent housing and may also serve children and youth at risk of homelessness, homeless veterans, and veterans at risk of homelessness. (Section 330(h) of the PHS Act)