



# Service Area Competition (SAC) Health Center Program Requirements – Compliance Review Fiscal Year (FY) 2026

*July 2025*

*Office of Health Center Program Monitoring (OHCPM)*

Health Resources and Services Administration (HRSA), Bureau of Primary Health Care (BPHC)

**Vision: Healthy Communities, Healthy People**



# Agenda

**SAC Compliance Assessment Overview**

**HCP Requirements Commonly Found Out of Compliance During SAC Review**

**Compliance Assessment Review Correspondence Request (CR) Process**

**Period of Performance**

**Compliance Resources**



# SAC Compliance Assessment Overview

- HRSA regularly assesses health centers' program compliance, including during the SAC application review process.
- SAC applicants are required to provide information related to Health Center Program Requirements through the Project Narrative, attachments, and forms.
- Refer to Attachment 13: Health Center Program Compliance Narrative Instructions (located on the SAC Technical Assistance webpage) for additional guidance on how to address the compliance elements listed in Appendix A.



- [SAC Technical Assistance Webpage](#)
- [Health Center Program Compliance Manual](#)

# Health Center Program Requirements



# Health Center Program Requirements (1 of 3)

Health Center Program requirements that are evaluated during the SAC application review process:

- **CHAPTER 9: SLIDING FEE DISCOUNT PROGRAM**
  - Element b – Sliding Fee Discount Program Policies
  - Element c – Sliding Fee for Column I Services
  - Element e – Incorporation of Current Federal Poverty Guidelines (FPG)
- **CHAPTER 11: KEY MANAGEMENT STAFF**
  - Element b – Documentation of Key Management Staff Positions
  - Element d – CEO Responsibilities
- **CHAPTER 12: CONTRACTS AND SUBAWARDS**
  - Element e – HRSA Approval for Contracting Substantive Programmatic Work
  - Element f – Required Contract Provisions
  - Element g – HRSA Approval to Subaward
  - Element h – Subaward Agreement



# Health Center Program Requirements (2/3)

- **CHAPTER 14: COLLABORATIVE RELATIONSHIPS**
  - Element a – Coordination and Integration of Activities
  - Element b – Collaboration with Other Primary Care Providers
- **CHAPTER 16: BILLING AND COLLECTIONS**
  - Element c – Participation in Insurance Programs
  - Element h – Policies or Procedures for Waiving or Reducing Fees
- **CHAPTER 17: BUDGET**
  - Element a – Budgeting for Scope of Project
  - Element b – Revenue Sources
- **CHAPTER 19: BOARD AUTHORITY**
  - Element a – Maintenance of Board Authority Over Health Center Project
  - Element b – Required Authorities and Responsibilities



# Health Center Program Requirements (3/3)

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- **CHAPTER 20: BOARD COMPOSITION**

- Element a – Board Member Selection and Removal Process
- Element b – Required Board Composition
- Element c – Current Board Composition
- Element e – Waiver Requests (If requested under section 330(g): Migratory and seasonal agricultural workers (MSAW), 330(h): Homeless Population (HP), and/or 330(i): Residents of Public Housing (RPH))



# HCP Requirements Commonly Found Out of Compliance During SAC Review (1/4)

- **CHAPTER 9:**
  - Sliding Fee Discount Program b. Policies
  - Sliding Fee Discount Program c. Sliding Fee for Column I Services
  - Sliding Fee Discount Program e. Incorporation of Current Federal Poverty Guidelines (FPG)
- **CHAPTER 16:**
  - Billing and Collections h. Policies or Procedures for Waiving or Reducing Fees
- **CHAPTER 17:**
  - Budget a. Budgeting for Scope of Project
- **CHAPTER 20:**
  - Board Composition c. Current Board Composition





# HCP Requirements Commonly Found Out of Compliance During SAC Review (2/4)

Compliance Manual Requirement	Compliance Issue	NOFO Compliance Reference(s)
<i>Billing and Collections h. Policies or Procedures for Waiving or Reducing Fees</i>	<ul style="list-style-type: none"><li>Documentation describing health center policies or procedures for waiving or reducing fees due to a patient's inability to pay are missing</li></ul>	<ul style="list-style-type: none"><li>Appendix A: Health Center Program Compliance - Billing and Collections</li></ul>
<i>Sliding Fee Discount Program e. Incorporation of Current Federal Poverty Guidelines (FPG)</i>	<ul style="list-style-type: none"><li>Attachment 10: Sliding Fee Discount Schedule(s) is missing or does not reflect the current FPG (as of application submission date) or does not include family income breakdown</li></ul>	<ul style="list-style-type: none"><li>Appendix A: Health Center Program Compliance - Sliding Fee Discount Program</li></ul>

# HCP Requirements Commonly Found Out of Compliance During SAC Review (3/4)

Compliance Manual Requirement	Compliance Issue	NOFO Compliance Reference(s)
<i>Sliding Fee Discount Program c. Sliding Fee for Column I Services</i>	<ul style="list-style-type: none"><li>Attachment 10: Sliding Fee Discount Program(s) is missing or does not indicate that there are “no discounts” for families with annual incomes above 200% of current FPG</li></ul>	<ul style="list-style-type: none"><li>Appendix A: Health Center Program Compliance - Sliding Fee Discount Program</li></ul>
<i>Sliding Fee Discount Program b. Policies</i>	<ul style="list-style-type: none"><li>The Board-approved definition of family size and income is not included</li></ul>	<ul style="list-style-type: none"><li>Appendix A: Health Center Program Compliance - Sliding Fee Discount Program</li></ul>



# HCP Requirements Commonly Found Out of Compliance During SAC Review (4/4)

Compliance Manual Requirement	Compliance Issue	NOFO Compliance Reference(s)
<b><i>Board Composition c. Current Board Composition</i></b>	<ul style="list-style-type: none"> <li>The <a href="#">Form 6A</a> Current Board Member Characteristics section is not completed as instructed or does not reflect current board member information</li> </ul>	<ul style="list-style-type: none"> <li>Appendix A: Health Center Program Compliance - Governance: Board Composition</li> <li>Form 6A: Current Board Member Characteristics</li> </ul>
<b><i>Budget a. Budgeting for Scope of Project</i></b>	<ul style="list-style-type: none"> <li>Missing the Personnel Justification Table or the <a href="#">SF-424A</a> not included budgets projected for all the years</li> </ul>	<ul style="list-style-type: none"> <li>NOFO Section iii: Budget</li> <li>SF-42A: Budget Information Form</li> <li><a href="#">Budget Narrative Sample</a></li> </ul>

# Compliance Assessment Review

## Correspondence Request (CR)



# Compliance Assessment Review (2/2)

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## Correspondence Request (CR)

- If a competitive continuation or competing supplement application is found non-compliant with one or more elements of Health Center Program requirements, you will have 14 calendar days to submit documentation demonstrating compliance prior to final award decisions.
- The SAC Correspondence Request (CR) process allows applicants to address compliance issues before awards are made, while ensuring objectivity and neutrality.



# Correspondence Request (CR) Process (1/2)

## Notification Process:

- HRSA Reviewer sends request through the Electronic Handbooks (EHBs) **“Correspondence Request (CR)”** feature.
  - Sent to your health center’s Authorizing Official (AO) and/or Project Director (PD)/Chief Executive Officer (CEO).
  - Allows HRSA reviewers to request additional information on non-compliant elements.
- CR requests appear as **“Urgent Application Correspondence”** in the AO or PD/CEO’s EHBs Pending Tasks.
- **An EHBs-generated email** is also sent to the AO or PD/CEO.

## Response Timeline:

- Up to **14 calendar days** to respond with additional information demonstrating compliance.
- **No extensions or exceptions.**



# Correspondence Request (CR) Process (2/2)

## HRSA Reviewer Follow-Up:

- HRSA Reviewers will **call your PD/CEO**, if the AO is unavailable.
- The call ensures:
  - The CR was received and reviewed;
  - The compliance finding(s) are explained based on the content of the application;
  - Questions are addressed.

## Key Reminders:

- Only respond to the CR through the EHBs.
- Documentation submitted by methods other than the EHBs (e.g., phone calls, emails, etc.) will not be considered in HRSA's final compliance assessment.
- Submit CR as soon as possible and prior to the deadline.



# Period of Performance





# Period of Performance Determination

The SAC Correspondence Request (CR) process is necessary to determine the organization's eligibility for a SAC award and provides applicants with an opportunity to correct identified compliance elements prior to award.

- ***A 4-year period of performance will be awarded to:***
  - Competing continuation applicants with no conditions at SAC award decision time
  - Competing supplement applicants with no conditions at SAC award decision time
- ***A 1-year period of performance will be awarded to:***
  - New applicants
  - Competing continuation applicants with conditions at SAC award decision time
- HRSA will ***not*** make a SAC award to a competing continuation applicant that was awarded a 1-year period of performance in FY2024 and FY2025 and meets the criteria for a third 1-year period of performance in FY2026.



# SAC Compliance Resources

Resources	URL
<i>Health Center Program Compliance Manual</i>	<a href="#"><u>Health Center Program Compliance Manual</u></a>
<i>FY2026 SAC Notice of Funding Opportunity (NOFO)</i>	<a href="#"><u>SAC Technical Assistance Webpage</u></a>
<i>Compliance Questions</i>	<a href="#"><u>BPHC Contact Form</u></a>

# Thank You!

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**Compliance Evaluation and Support (CES)**

**Office of Health Center Program Monitoring (OHCPM)**

Bureau of Primary Health Care (BPHC)

Health Resources and Services Administration (HRSA)



[BPHC Contact Form](#)

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