



**Instructions for Preparing and Submitting the Fiscal Year 2023  
Native Hawaiian Health Care Improvement Act Progress Report  
for Native Hawaiian Health Care Systems and Papa Ola Lokahi**

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## Purpose

The Native Hawaiian Health Care Improvement Act (NHHCIA) (42 U.S.C. [11701](#) - [11714](#), as amended), is a Congressional Special Initiative to improve the provision of comprehensive disease prevention, health promotion, and primary health care services for Native Hawaiians. The NHHCIA Non-Competing Continuation (NCC) Progress Report (hereafter referred to as the progress report) will provide funding for the fiscal year (FY) 2022 budget period (August 1, 2023 through July 31, 2024).

## Submission and Award Information

Submissions are due in the HRSA Electronic Handbooks (EHBs) by 11 p.m. ET on March 13, 2023. HRSA will award funding on or around August 1, 2023. Progress reports must describe progress made since submission of the FY22 progress report on March 14, 2022.

Continued funding is based on program compliance, organizational capacity to accomplish the project's goals, Congressional appropriation, and a determination that continued funding would be in the best interest of the federal government.

## Summary of Funding

Submission of this progress report is required to obtain federal funding for FY 2023.<sup>1</sup> Funds are appropriated annually and distributed among the six NHHCIA award recipients in consultation with Papa Ola Lokahi (POL) (see 42 U.S.C. [11705](#) and [11706](#)). Award recipients include POL and five Native Hawaiian Health Care Systems (NHHCS) certified by POL. The specific amount that each organization is eligible to receive for FY 2023 is identified below in Table 1. Recipients will be notified if maximum funding amounts are updated prior to disbursement of funds.

**Table 1: Maximum Awards for FY 2023**

| Recipient Name          | Maximum Funding Amount |
|-------------------------|------------------------|
| Ho'ola Lahui Hawai'i    | \$3,246,769            |
| Hui Malama Ola Na O'iwi | \$3,001,484            |
| Hui No Ke Ola Pono      | \$3,088,269            |
| Ke Ola Mamo             | \$ 2,924,208           |
| Na Pu'uwai              | \$ 2,530,712           |
| Papa Ola Lokahi         | \$10,000,000           |
| <b>Total</b>            | <b>\$24,791,442</b>    |

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<sup>1</sup> For this grant, FY 2023 funding is for the August 1, 2023–July 31, 2024 budget period.

**Table 2: Technical Assistance**

| ASSISTANCE NEEDED                                    | CONTACT  |
|--|--|
| NHHCIA NCC technical assistance (e.g., sample forms) | <b>Native Hawaiian Health Care Improvement Act Technical Assistance (NHHCIA TA) Webpage</b><br><a href="http://bphc.hrsa.gov/programopportunities/fundingopportunities/NHHCS/index.html">http://bphc.hrsa.gov/programopportunities/fundingopportunities/NHHCS/index.html</a> |
| NHHCIA progress report questions                     | <b>Marc Clark</b><br>Bureau of Primary Health Care<br>Office of Policy and Program Development<br><a href="#">BPHC Contact Form</a> , or 301-594-4300  |
| NHHCIA budget or other fiscal questions              | <b>Rachel Holmes</b><br>Office of Federal Assistance Management<br>Division of Grants Management Operations<br><a href="mailto:RHolmes1@hrsa.gov">RHolmes1@hrsa.gov</a> or 301-443-0165  |
| Electronic submission issues (i.e., EHBs issues)     | <b>Health Center Program Support</b><br><a href="https://hrsa.force.com/support/s/">https://hrsa.force.com/support/s/</a> , or 877-464-4772  |

**General Instructions**

Your progress report should not exceed **40 pages** when printed by HRSA (approximately 5 MB). Submit single-spaced narrative documents in a 12-point, clear, readable font (e.g., Times New Roman, Arial, Calibri) and one-inch margins. For tables, charts, and footnotes, you may use 10-point font or larger.

To ensure completeness and responsiveness, include all required information. Incomplete or non-responsive progress reports will be returned via a “Change Requested” notification in EHBs. If HRSA receives a progress report after the established deadline or receives an incomplete or non-responsive progress report, a delay in award issuance or a lapse in funding could occur.

Listed below are the required submission components. “Form” refers to structured forms completed online in EHBs and “Attachment” refers to documents that must be created by the applicant and uploaded into EHBs.

**Table 3: Submission Components**

| <b>Progress Report Section</b>   | <b>Form Type</b> | <b>POL, NHHCS, or Both</b> | <b>Instructions</b>   | <b>Counted in Page Limit?</b> |
|--|------------------|----------------------------|---|-------------------------------|
| SF-PPR and SF-PPR-2  | Form             | Both POL and NHHCS         | Refer to the <a href="#">NCC User Guide</a> .   | No                            |
| SF-424A Budget Information   | Form             | Both POL and NHHCS         | Refer to the SF-424A <a href="#">Budget Information</a> section for detailed instructions.  | No                            |
| Budget Narrative   | Attachment       | Both POL and NHHCS         | Upload the Budget Narrative. Refer to the <a href="#">Budget Narrative</a> section for detailed instructions.   | Yes                           |
| Performance Narrative  | Attachment       | Both POL and NHHCS         | Upload the Performance Narrative. Refer to the <a href="#">Attachment Instructions</a> section for detailed instructions.   | Yes                           |
| Attachment 1: FY 2022 Project Work Plan Progress Report                    | Attachment       | POL Only                   | Upload the Project Work Plan Progress Report (see <a href="#">Appendix A</a> ). A sample is available on the <a href="#">NHHCIA TA webpage</a> .                          | Yes                           |
| Attachment 2: FY 2023 Project Work Plan Update                             | Attachment       | POL Only                   | Upload the Project Work Plan Update (see <a href="#">Appendix A</a> ). A sample is available on the <a href="#">NHHCIA TA webpage</a> .                                   | Yes                           |
| Attachment 3: Service Projections Update                                   | Attachment       | NHHCS Only                 | Upload the Service Projections Form Update (see <a href="#">Appendix B</a> ). A sample is available on the <a href="#">NHHCIA TA webpage</a> .                            | Yes                           |
| Attachment 4: Clinical Performance Measures Update (Required and Optional) | Attachment       | NHHCS Only                 | Upload the Required Clinical Performance Measures Update Forms; include Optional Clinical Performance Measures Update Forms, as appropriate (see <a href="#">Appendix</a> | Yes                           |

| <b>Progress Report Section</b>  | <b>Form Type</b> | <b>POL, NHHCS, or Both</b> | <b>Instructions</b>   | <b>Counted in Page Limit?</b> |
|---|------------------|----------------------------|---|-------------------------------|
|   |                  |                            | <a href="#">B</a> ). A sample is available on the <a href="#">NHHCIA TA webpage</a> .   |                               |
| Attachment 5: Financial Performance Measures Update (Required and Optional)       | Attachment       | NHHCS Only                 | Upload the Required Financial Performance Measures Update Forms; include Optional Financial Performance Measures Update Forms, as appropriate (see <a href="#">Appendix B</a> ). A sample is available on the <a href="#">NHHCIA TA webpage</a> . | Yes                           |
| Attachment 6: Income Analysis   | Attachment       | NHHCS Only                 | Upload the Income Analysis form (see <a href="#">Appendix B</a> ). A sample is available on the <a href="#">NHHCIA TA webpage</a> .   | Yes                           |
| Attachment 7: Summary of Contracts and Agreements (as applicable)                 | Attachment       | Both POL and NHHCS         | Provide a summary describing any new or revised contracts and/or agreements established since the submission of the FY 2021 limited competition application (see <a href="#">Appendix C</a> ).  | Yes                           |
| Attachment 8: Current NHHCS Certification from POL                                | Attachment       | NHHCS Only                 | Upload your current NHHCS certification from POL.   | Yes                           |
| Attachment 9: List of Currently Certified NHHCS (required)                        | Attachment       | POL Only                   | Upload a list of all currently certified NHHCS.   | Yes                           |
| Attachment 10: Most recent version of systems' certification procedure (Required) | Attachment       | POL Only                   | Upload the most recent procedural guidance for certification provided to NHHCS.   | Yes                           |
| Attachment 11: Other Relevant   | Attachment       | Both POL and NHHCS         | If applicable, provide the indirect cost rate   | Yes                           |

| Progress Report Section   | Form Type | POL, NHHCS, or Both | Instructions   | Counted in Page Limit? |
|---------------------------|-----------|---------------------|--|------------------------|
| Documents (as applicable) |           |                     | agreement. If desired, provide other documents to support the progress report (e.g., publications, survey instruments, data summary charts) (see <a href="#">Appendix C</a> ). |                        |

## Budget Presentation Instructions

A complete budget presentation includes:

- The SF-424A [Budget Information Form](#), to be completed electronically in EHBs for the upcoming FY 2023 budget period (August 1, 2023 through July 31, 2024); and
- The [Budget Narrative](#) attachment.

Funding is limited to the entities listed in [Table 1](#). Funds under this announcement may not be used for the following purposes:

- Funds awarded to NHHCS organizations may not be used to provide inpatient services, make cash payments to intended recipients of health services, purchase or improve real property (other than minor remodeling/repairs), or purchase major medical equipment.
- NHHCS may not spend more than 10 percent of grant funds for grant administration purposes (e.g., administrative salaries, office/non-program supplies, audit services), as described in the authorizing statute ([42 U.S.C. 11707\(e\)](#)).

The General Provisions of the Bipartisan Budget Act of 2018 (BBA) (P.L. 115-123), apply to this program. See Section 4.1 of HRSA’s [SF-424 Application Guide](#) for additional information. Note that these or other restrictions will apply in FY 2023, as required by law.

## Cost Sharing/Matching

Cost sharing/matching is required for NHHCS organizations. As described in the authorizing statute ([42 U.S.C. 11705\(e\)](#)), the NHHCS must accrue non-federal matching funds in an amount equal to \$1 for every \$5 of federal funds. At least 16.7 percent of the total budget must be paid with non-federal resources.

Non-federal contributions may be in cash or in-kind. In-kind contributions must be fairly evaluated and may include plant, equipment, or services. Amounts provided by the federal government or services assisted or subsidized to any significant extent by the federal government may not be included in determining the amount of such non-federal contributions. Federal sources may be used as matching funds if received as fees, payments, or reimbursements for the provision of a specific service, such as patient care reimbursements

received under Medicare or Medicaid. You may use generated program income as matching funds.

## **SF-424A Budget Information Form (Required for POL and NHHCS)**

In Section A: Budget Summary, in the Federal column, provide the total of federal funding request, based on [Table 1](#).

In the Non-Federal column, provide the total of the non-federal funding sources for your organization. For the NHHCS, demonstrate the required cost sharing/matching and ensure that the total for the Non-Federal column should equal the Total Non-Federal value on the Income Analysis form. The amount(s) in the Total column will be calculated automatically as the sum of the Federal and Non-Federal columns.

In Section B: Budget Categories, provide a breakdown of the requested funds by object class category (e.g., Personnel, Fringe Benefits). You may use the SF-424A Budget Information Form included with your FY 2022 progress report as a reference. The total federal request and the value for each object class category may differ year to year based on funding allocations and programmatic changes. The total in Section B: Budget Categories should match the federal request in Section A: Budget Summary.

The amounts in the Total Direct Charges row and the Total column will calculate automatically. Indirect costs may only be claimed with an approved indirect cost rate (see details in the [Budget Narrative](#) section).

In Section C: Non-Federal Resources, categorize the non-federal resources. NHHCS applicants are required to include non-federal matching funds in an amount equal to \$1 for every \$5 of federal funds. See [Cost Sharing/Matching](#) for more information about in-kind contributions and matching funds.

## **Budget Narrative**

The Budget Narrative is for **one year, based on the upcoming FY 2023 budget period (August 1, 2023 through July 31, 2024)**. Upload the Budget Narrative in the Budget Narrative field in EHBs.

Include a line item Budget Narrative explaining the amounts requested for each row in Section B: Budget Categories of the SF-424A: Budget Information Form, including details on both the federal request and non-federal resources. The Budget Narrative must contain detailed calculations explaining how each line-item expense is derived. Demonstrate the following in the Budget Narrative:

- The total resources required to achieve the goals (both federal and non-federal).
- The maximization of non-grant revenue relative to the proposed plan.
- A complete breakdown of the costs for each activity.

- **For POL:** One-time equipment purchases (see definition of equipment on page 10).
- **For NHHCS:**
  - A detailed presentation of the breakdown and sources for matching funds as required in [42 U.S.C. § 11705\(e\)](#).
  - A demonstration of adherence to the 10 percent administrative cap.

Include the following sections in the Budget Narrative:

**Personnel Costs:** Provide the following information for all direct hire staff and contractors you propose to support with federal NHHCIA funding: name (if possible), position title, percentage of full time equivalency (FTE), annualized base salary, adjusted annual salary based on salary limitation requirements, and the amount of federal funding requested.

**Reminder:** Federal funds may not be used to pay the salary of an individual at a rate in excess of Federal Executive Level II, or \$212,100 as of January 2023. See Section 4.1 of HRSA’s [SF-424 Application Guide](#) for additional information. Federal salary limits are updated annually. For up-to-date information on federal salary limits, visit the [Office of Personnel Management’s Salaries and Wages](#) webpage. This salary rate limitation also applies to sub-awards/sub-contracts under a HRSA grant. An individual's base salary, per se, is not constrained by the legislative provision for a limitation of salary. The rate limitation simply limits the amount that may be awarded and charged under the NHHCIA. Provide an individual’s actual base salary if it exceeds the cap.

[Table 4](#) provides the information that must be included for each staff position supported in whole or in part with NHHCIA funds.<sup>2</sup>

**Table 4: Budget Sample for Salary Limitation**

| Name     | Position Title     | % of FTE | Annualized Base Salary | Adjusted Annual Salary* | Federal Amount Requested |
|----------|--------------------|----------|------------------------|-------------------------|--------------------------|
| J. Smith | Physician          | 50       | \$255,000              | \$212,100               | \$106,050                |
| R. Doe   | Nurse Practitioner | 100      | \$75,950               | no adjustment needed    | \$75,950                 |
| D. Jones | Data/IT Specialist | 25       | \$33,000               | no adjustment needed    | \$8,250                  |

\*Used when the base salary is over the 2023 Executive Level II salary limitation of \$212,100.

Ensure that personnel costs are supported by official records that accurately reflect the work performed and that internal controls provide reasonable assurances that the personnel costs are accurate, allowable, and allocable to the NHHCIA award.

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<sup>2</sup> If a full-time staff member is paid from several HRSA funding sources, the total federal contribution to that staff person’s salary cannot exceed \$212,100.



**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 project. If an individual's base salary exceeds the legislative salary cap, adjust fringe benefits proportionally.

**Travel:** Categorize travel costs by local and long distance travel. For local travel, outline the mileage rate, number of miles, reason for travel, and staff/board members completing the travel. For long distance travel, include the reason for travel (e.g., name of conference and location), staff traveling, as well as itemized costs associated with airfare, ground transportation, per diem, hotel, conference/meeting registration fees, etc. Your budget must reflect travel expenses associated with participating in proposed meetings, trainings, or workshops, as applicable.

**Equipment: (POL only):** List equipment costs and provide justification for the need of the equipment to support program goals. Per [45 CFR § 75.320](#), property will be classified as equipment if the per unit acquisition cost is \$5,000 or more and the property has a useful life of one or more years. For example, large medical equipment. Extensive justification and a detailed status of current equipment must be provided when requesting funds for the purchase of items that meet the definition of equipment.

**Supplies:** Per [45 CFR § 75.321](#), property will be classified as supplies if the acquisition cost is under \$5,000. Classify items, such as laptops, tablets, and desktop computers, as supplies if the value is under the \$5,000 equipment threshold.

List the items that will be used to implement the proposed project. Separate 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). List items separately.

**Contractual/Subawards/Consultants:** Provide a clear explanation for the purpose of each contract, how the costs were estimated, and the specific contract deliverables. Include the basis for your cost estimate. You are responsible for ensuring that your organization has established an adequate procurement system with fully developed, written award and monitoring procedures for all contracts. Procedures should be consistent with the federal procurement standards set forth in [45 CFR Part 75](#): Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards or [45 CFR Part 92](#): Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Tribal Governments, as appropriate.

For consultant services, list total costs for all consultant services. Identify each consultant, the services he/she will perform, total number of days, travel costs, and total estimated costs. Per the Suspension and Debarment rules in the Uniform Administrative Requirements, as implemented by HRSA under [45 CFR § 75.213](#), non-federal entities and contractors are subject to the non-procurement debarment and suspension regulations implementing Executive Orders [12549](#) and [12689](#), and 2 CFR parts [180](#) and [376](#). These regulations restrict awards, subawards,

and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

**Other:** Include all costs that do not align with any other category. Provide an explanation of each cost (e.g., audit, legal counsel). In some cases, rent and utilities fall under this category if they are not included in an approved indirect cost rate.

You may include the cost of access accommodations as a part of your project's budget, including sign interpreters; plain language and health literacy print materials in alternate formats (including Braille, large print, etc.); and linguistic competence modifications (e.g., translation or interpretation services).

**Indirect Costs:** Include costs incurred for common or joint objectives that are not readily identified but are necessary for organizational operation (e.g., facility operation and maintenance, depreciation, administrative salaries). Visit the U.S. Department of Health and Human Services [Program Support Center Cost Indirect Cost Negotiations webpage](#) to learn more about indirect cost rate agreements, including the process for applying for an agreement.

**Note:** If your organization claims indirect costs in your budget, you must upload a copy of your most recent indirect cost rate agreement in Attachment 11: Other Relevant Documents.

## Attachment Instructions

### Performance Narrative (*Required for POL and NHHCS*)

Provide a brief narrative highlighting **broad issues, significant progress, and challenges** that have impacted your target audience and organization since submitting the FY22 progress report. Your Performance Narrative should include the elements listed below and **report on the impact of COVID-19 in all applicable areas.**

1. **Any significant changes of the demographics or needs of the target population, and/or changes in the service area and population served.**
2. **Any significant progress, challenges, and changes to the approved activities.** Include a description of:
  - Specific challenges encountered and the strategies used to overcome them.
  - Significant strategy changes needed to address the unique needs of the target population.
3. **Any significant changes to collaborations, partnerships, and coordinated activities.** Describe significant changes since submission of the FY22 progress report to planned or current collaborations or activities coordinated with other organizations. Address how these changes will impact proposed objective achievement. Refer to Attachment 7: Summary of Contracts and Agreements as appropriate.
4. **Any significant changes to program evaluation plans.** Describe significant changes since submission of the FY22 progress report to the evaluation strategies related to data collection, analysis, and dissemination/sharing.
5. **Any significant changes to project staffing.** Describe staffing updates since submission of the FY22 progress report and address any significant challenges encountered in recruiting and retaining key management/project staff. Contact your Program Contact for guidance regarding key management changes.
6. **Funding match requirement achievement. (NHHCS ONLY)** Describe how the \$1 non-federal match for every \$5 of federal funds requirement was or will be met in FY 2023 (August 1, 2023 through July 31, 2024). See [Cost Sharing/Matching](#) for additional details.
7. **Recognizing the full universe of NHHCS, as well as certifying NHHCS that have the qualifications and the capacity to provide the services and meet the requirements of the NHHCIA. (POL ONLY)** Separately for each identified island community (O'ahu, Moloka'i, Maui, Hawai'i, Lana'i, Kaua'i, and Ni'ihau), describe specific actions taken to publicize the NHHCS planning, recognition, and certification processes. Include a description of progress toward increasing recognition and certification of new organizations in each island community so there may be a growing number of qualified NHHCS to serve one or more island community/ies in the next competitive cycle of the NHHCIA (FY 2024).

## APPENDIX A: Attachment Instructions for POL Only

### Appendix Overview

You will upload two Project Work Plan documents:

- FY 2022 Project Work Plan Progress Report: Provide updates on progress made thus far towards goals in the Project Work Plan submitted as part of the FY 2021 limited competition application.
- FY 2023 Project Work Plan Update: Provide anticipated changes to the upcoming budget period's Project Work Plan

Refer to the sample Project Work Plan Progress Report and Project Work Plan Update on the [NHHCIA TA webpage](#) and follow the instructions below to ensure that all required information is provided.

#### Attachment 1: FY 2022 Project Work Plan Progress Report

Start with the FY 2021 Project Work Plan Update submitted with your FY 2022 progress report (or the version approved by your Program Contact if post-award revisions were required), and add a column titled FY 2022 Progress. In this new column, provide information regarding progress made toward planned activities and goals since last year's progress report. Do not edit any other fields. Refer to the sample FY 2022 Project Work Plan Progress Report on the [NHHCIA TA webpage](#) to ensure submission of a complete Project Work Plan Progress Report.

#### Attachment 2: FY 2023 Project Work Plan Update

Start with the FY 2022 Project Work Plan Update submitted with your FY 2022 progress report (or the version approved by your Program Contact if post-award revisions were required), and update it as needed to highlight any changes planned for the upcoming FY 2023 budget period (August 1, 2023 through July 31, 2024). The FY2023 Project Work Plan Update should include all of the fields that were included in the FY 2022 Project Work Plan submitted with your FY 2022 progress report, with appropriate edits to describe proposed new activities/changes. **Highlight updates to facilitate HRSA review.** Refer to the sample FY 2023 Project Work Plan Update on the [NHHCIA TA webpage](#) to ensure submission of a complete Project Work Plan Update.

#### Attachment 9: List of Currently Certified NHHCS (required) and Updated System Certification Procedure

Upload a list of all currently certified NHHCS. This list must include the following information for each organization:

- Organization's legal name,
- Address for main site/location,
- Certification period start and end date, and
- Names of island communities the organization is certified to serve.

**Attachment 10: Most Recent Version of Systems' Certification Procedure  
(required)**

Upload the most recent procedural guidance provided to NHHCS to explain the process and requirements for systems' certification.

## **APPENDIX B: Attachment Instructions for NHHCS Only**

### **Attachment 3: Service Projections Update**

Three required service projections link to legislatively required NHHCS services. All three services must be tracked over the course of the 3-year period of performance. Add two additional columns to show cumulative progress since the beginning of the period of performance (August 1, 2021). In one column, provide cumulative numeric data showing progress to date and in the second column, provide a narrative explanation of cumulative progress in relation to the goal. Do not edit the goal previously provided. Refer to the sample on the [NHHCIA TA webpage](#) to ensure that progress is properly reported.

### **Attachment 4: Clinical Performance Measures (Includes Required and Optional Measures)**

#### **Required Clinical Performance Measures**

Required clinical performance measures link to legislatively required NHHCS services. Starting with the Required Clinical Performance Measures Form submitted with the FY 2022 progress report, add two new rows to provide numeric data to date and a narrative explanation of progress in relation to the goal. Do not edit information in any other rows or cells. Refer to the sample on the [NHHCIA TA webpage](#).

#### **Optional Clinical Performance Measures**

If optional clinical performance measures were included in the FY 2021 limited competition application, report progress on measures. Starting with the Optional Clinical Performance Measures Form submitted with the FY 2022 progress report, add two new rows to provide numeric data showing progress to date and a narrative explanation of such progress in relation to the goal. Do not edit any information in any other rows or cells. Refer to the sample on the [NHHCIA TA webpage](#). If Optional Clinical Performance Measures Form were not included in the FY 2021 limited competition application, do not include any in this submission.

### **Attachment 5: Financial Performance Measures (Includes Required and Optional Measures)**

#### **Required and Optional Financial Performance Measures**

Report progress on goals you previously set for the Grant Costs Financial Performance Measure and at least one other Financial Performance Measure. Starting with the Financial Performance Measures Form submitted with the FY 2022 progress report, add two new rows to provide numeric data showing progress to date and a narrative explanation of progress in relation to the goal. Do not edit any information in any other rows or cells. Refer to the sample on the [NHHCIA TA webpage](#).

## Attachment 6: Income Analysis Form

Use the Income Analysis Form template posted at the [NHHCIA TA webpage](#) to show the expected income sources, projected patient services income, and other income from all sources (other than the NHHCIA grant) for the upcoming budget period of August 1, 2023 through July 31, 2024. The Income Analysis form includes:

- Program income (known as patient service revenue), and;
- All other income (known as other federal, state, local, and other income).

### Part 1: Patient Service Revenue—Program Income

Patient service revenue is income directly tied to the provision of services to patients. This includes services that are reimbursed by health insurance plans, managed care organizations, categorical grant programs (e.g., breast and cervical cancer screening), employers, and health provider organizations. Reimbursements may be based upon visits, procedures, member months, enrollees, the achievement of performance goals, or other service related measures.

The program income section groups billable visits and income into the five payer groupings used in the Uniform Data System (UDS) (see the [UDS Manual](#) for details). All patient service revenue is reported in this section of the form.

**Exclude patient service revenue for sites or services not in the approved scope of project or pending HRSA approval.**

**Column (a) Patients by Primary Medical Insurance:** The projected number of unduplicated patients classified by payer based upon the patient's *primary medical insurance* (payer billed first). The patients are classified in the same way as in the [UDS Manual](#), Table 4, lines 7–12. Examples for determining where to count patients include:

- A crossover patient with Medicare and Medicaid coverage is to be classified as a Medicare patient on line 2.
- A Medicaid patient with no dental coverage who is only seen for dental services is to be classified as a Medicaid patient on line 1 with a self-pay visit on line 5.

**Column (b): Billable Visits:** Includes all billable/reimbursable visits. The value is typically based on assumptions about the amount of available clinician time, clinical productivity (visits per unit of time), and mix of billable by payer. Exclude billable services related to laboratory, pharmacy, imaging, and other ancillary services from this column. Note other significant exclusions or additions in the Comment/Explanatory Notes box at the bottom of the form.

**Note:** The patient service income budget is primarily based upon income per visit estimates. However, some forms of patient service income do not generate reportable visits, such as income from laboratory or pharmacy services, capitated-managed care, performance incentives, wrap payments, and cost report settlements. Based on historical experience, you may choose to include some or all of this income in the income per visit assumption. You may also choose to separately budget for some or all of these sources of patient service income.

**Column (c): Income per Visit:** Calculated by dividing projected income in Column (d) by billable visits in Column (b).

**Column (d): Projected Income:** Project accrued net revenue, including an allowance for bad debt, from all patient services for each pay grouping. Pharmacy income, if applicable, may be estimated using historical data to determine the number of prescriptions per medical visit and the average income per prescription. All separate projections of income are consolidated and reported here.

**Column (e): Prior FY Income:** The income data from the most recent completed fiscal year, which will be either interim statement data or audit data, when available.

**(Lines 1–5) Payer Categories:** The five payer categories (Medicaid, Medicare, Other Public, Private, and Self-Pay) reflect the five payer groupings used in Table 9d of the UDS. The UDS instructions are to be used to define each payer category (see the [UDS Manual](#)).

Visits are reported on the line of the primary payer (payer billed first). When a single visit involves more than one payer, attribute each portion of the visit income to the payer group from which it is earned. In cases where there are deductibles and co-payments to be paid by the patient, report that income on the self-pay line. If the co-payment is to be paid by another payer, report that income on the other payer's line. It is acceptable to include that income on the primary payer line, if you cannot accurately associate the income to secondary and subsequent sources.

Classify all service income by payer, including pharmacy and other ancillary service revenue. If you do not normally classify the projected ancillary or other service revenue by payer category, allocate the projected income by payer group using a reasonable method, such as the proportion of medical visits or charges. In the form Comments/Explanatory Notes section, note the method used.

**(Line 1) Medicaid:** Income for services billed to and paid for by Medicaid (Title XIX), regardless of whether they are paid directly or through a fiscal intermediary or a Health Maintenance Organization. Medicaid income may include fee-for-service reimbursement, capitated managed care, fee-for-service managed care, Early Periodic Screening, Diagnosis, and Treatment (EPSDT), Children's Health Insurance Program (CHIP), and other reimbursement arrangements administered either directly by the state agency or by a fiscal intermediary. It includes all projected Medicaid income from managed care capitation, incentives, and primary care case management income.

**(Line 2) Medicare:** Includes income from fee-for-service reimbursement, capitated managed care, fee-for-service managed care, Medicare Advantage plans, and other reimbursement arrangements administered either directly by Medicare or by a fiscal intermediary. It includes all projected income from managed care capitation, risk pool distributions, performance incentives, pharmaceutical reimbursements, and case management fee income.



**(Line 3) Other Public:** Income from federal, state, or local government programs earned for providing services or pharmaceuticals that are not reported elsewhere. A CHIP operated independently from the Medicaid program is an example of other public insurance. Other Public income also includes income from categorical grant programs when the grant income is earned by providing services. An example of this is CDC's National Breast and Cervical Cancer Early Detection Program.

**(Line 4) Private:** This line includes income from private insurance plans, managed care plans, insurance plans, and other private contracts for services or pharmaceuticals. This includes plans such as commercial insurance (e.g., Blue Cross and Blue Shield), managed care plans, self-insured employer plans, group contracts with unions and employers, service contracts with employers and Veteran's Administration Community Based Outpatient Clinic (CBOC) contracts. Revenue from health benefit plans earned by government employees, veterans, retirees, and dependents, such as TRICARE, the federal employee health benefits program, state employee health insurance benefit programs, teacher health insurance, and similar plans are to be classified as private insurance.

**(Line 5) Self-Pay:** Income from patients, including full-pay, self-pay, and sliding fee patients, as well as the portion of the visit income for which an insured patient is personally responsible.

**(Line 6) Total:** This is the sum of lines 1-5.

## **Part 2: Other Income – Other Federal, State, Local and Other Income**

Classify other income by revenue source. This section includes all income other than the patient service revenue shown in Part 1 (exclusive of the NHHCIA grant request). It includes other federal, state, local, and other income. It is other revenue that is earned but not directly tied to visits, procedures, or other specific services. It includes income from services provided to non-health care system patients (patients of an entity with which the health care system is contracting) either in-house or under contract with another entity such as a hospital, nursing home or other health care system ). (See Lines 9 and 10 for examples of services provided to non-health care system patients.) It also includes income from in-house retail pharmacy sales to individuals who are not patients of the health care system. Income is to be classified based on the source from which it was received and not the source from which it originated.

**(Line 7) Other Federal:** Income from direct federal funds where your organization is the recipient of a Notice of Award from a federal agency. Exclude the NHHCIA grant request in this NCC or federal funds awarded through intermediaries (see Line 9 below). It includes funds from federal sources such as the Centers for Disease Control and Prevention (CDC); Housing and Urban Development (HUD); Centers for Medicaid and Medicare Services (CMS); Department of Health and Human Services (DHHS) funding under the Ryan White Part C program; and others. For consistency with the [UDS Manual](#), report CMS electronic health record (EHR) incentive program income here.

**(Line 8) State Government:** Income from state government funding, contracts, and programs, including uncompensated care funding; state indigent care income; emergency preparedness

funding; mortgage assistance; capital improvement funding; school health funding; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); immunization funding; and similar awards.

**(Line 9) Local Government:** Income from local government grants, contracts, and programs, including local indigent care income; community development block grants; capital improvement project funding; federal funding awarded through intermediaries; and similar awards. For example, a health care system that contracts with the local Department of Health to provide services to the Department’s patients is to report all the income earned under this contract on this line; and Ryan White Part A funds are federal funds awarded to municipalities who in turn make awards to provider organizations, so Ryan White Part A funding received directly from the municipality would be shown on this line.

**(Line 10) Private Grants/Contracts:** Income from private sources such as foundations, non-profit entities, hospitals, nursing homes, drug companies, employers, other health care systems, and similar entities. For example, a health care system operating a pharmacy in part for its own patients and in part as a contractor to another health care system is to report the pharmacy income for its own patients in Part 1 and the income from the contracted health care system on this line.

**(Line 11) Contributions:** Income from private entities and individual donors that may be the result of fundraising.

**(Line 12) Other:** Incidental and other income not reported elsewhere and includes items such as Payroll Protection Program revenue, interest income, patient record fees, vending machine income, dues, and rental income. Applicants typically have at least some “Other” income to report on Line 12.

**(Line 13) Applicant (Retained Earnings):** The amount of funds needed from your organization’s retained earnings or reserves in order to achieve a breakeven budget. Explain in the Comments/Explanatory notes section why applicant funds (retained earnings) are needed to achieve a breakeven budget. Amounts from non-federal sources, combined with the NHHCIA funds, should typically be adequate to support normal operations.

**(Line 14) Total Other:** This is the sum of lines 7–13.

**(Line 15) Total Non-Federal (Non-NHHCIA) Income (Program Income Plus Other):** The sum of Lines 6 and 14 (the total income aside from this NHHCIA grant).

**Note that in-kind donations are not included as income on the Income Analysis form.** Applicants should discuss in-kind donations in the [Performance Narrative](#).

### **Attachment 8: Current NHHCS Certification from POL**

Upload your current NHHCS certification from POL.

## **APPENDIX C: Attachment Instructions for NHHCS and POL**

### **Attachment 7: Summary of Contracts and Agreements (as applicable)**

If changes to contracts and agreements have been made since submission of the FY 2022 progress report, upload a brief summary describing project-related contracts and agreements. The summary must address the following items for each contract or agreement:

- Name and contract information for each affiliated agency;
- Type of contract or agreement (e.g., contract, affiliation agreement);
- Brief description of the purpose and scope (i.e., type of services provided, how/where services are provided); and
- Timeframe for each agreement/contract/affiliation.

### **Attachment 11: Other Relevant Documents (*as applicable*)**

If your budget request includes indirect costs, include your indirect cost rate agreement. Additional documents to support the progress report may be provided, as desired.