

# **Frequently Asked Questions for Health Centers Regarding the Accountability and Reporting Requirements of the American Recovery and Reinvestment Act (ARRA)**

**June 11, 2009**

## **General Information**

### **What is ARRA and how does it apply to health centers?**

The American Recovery and Reinvestment Act (ARRA) is an economic stimulus measure intended to stimulate the national economy. ARRA includes government funding through various agencies to support a variety of projects. ARRA funding available for health centers includes: (1) New Access Point (NAP) grants to establish 126 new health center sites; (2) Increased Demand for Services (IDS) grants to support care to an increasing number of patients and to create or retain jobs at all existing health centers; (3) Capital Improvement Program (CIP) grants to support infrastructure needs, such as construction, repair, renovation, and equipment purchases (including health information technology systems); (4) Health Information Technology (HIT) Systems/Networks grants to support Electronic Health Record (EHR) and HIT systems; and (5) Facility Investment Program (FIP) grants to fund major facility investments in construction, repair, renovation, and equipment purchases.

### **Do I need to meet all Section 330 requirements to receive ARRA funds?**

ARRA authorizes grants to be made to health centers that are authorized under Section 330. As such, all health centers receiving funds under ARRA must meet all applicable Section 330 requirements and, other than the NAP funds, ARRA funds are available only for existing Section 330 grantees. Health centers funded for the first time under the NAP awards are eligible to receive additional funding through other ARRA awards.

### **Can I use my Section 330-related benefits for projects supported by ARRA funds?**

All Section 330-related benefits (such as enhanced reimbursement under the Medicaid and Medicare programs, eligibility for Federal Tort Claims Act coverage, access to Section 340B discount drug pricing, *etc.*) apply to projects and services supported by ARRA funds.

### **Will ARRA funds be rolled into my base grant at the end of the project period?**

ARRA funds may be used in conjunction with other funding (such as a health center's existing Section 330 funds). However, unlike expansion funds, absent additional Congressional action, ARRA funds will not be added to a health center's base grant amount.

### **How long do I have to use the ARRA funds?**

ARRA funds are one-time only awards available for two (2)-year project periods. The funds must be expended and/or obligated by the end of the 2-year period, and the Health Resources and

Services Administration (HRSA) encourages grantees to complete proposed infrastructure projects within that timeframe. HRSA has indicated that it will work with grantees on a case-by-case basis to extend project periods beyond the 2-years, if necessary.

**Do all ARRA awards throughout the government include the same requirements?**

Transparency and accountability are critical elements of all ARRA awards and, as such, there are several common requirements among the grant opportunities available through various government agencies. As discussed further below, these requirements include separate management and tracking systems, types of reporting, reporting deadlines, public access to information, and other types of federal oversight and monitoring. However, each ARRA award also includes program-specific requirements, which generally are defined by the specific awarding agency (*e.g.*, HRSA) in the particular application guidance and related documents.

**Where can I get program- specific information on the various ARRA grant opportunities?**

Each ARRA grant opportunity has its own set of program-specific requirements developed by the specific awarding agency. Health centers can obtain program-specific information (*e.g.*, application issuance dates, allowable uses, eligibility, specific reporting requirements, required terms and conditions, submission deadlines, anticipated award dates) regarding the various ARRA grants awarded to health centers by HRSA at <http://www.bphc.hrsa.gov/recovery>. Generally, this information will be contained in the application guidance and frequently asked questions applicable to each ARRA award. If you have any additional questions, please contact either the person listed in the guidance (or on the HRSA website) or your project officer.

**Can I make changes to the original scope of work that was submitted and approved in my application?**

HRSA has indicated that it intends to afford health centers flexibility in modifying their original scopes of work (including work plans, tasks and specific goals/outcomes) as well as associated budgets that were submitted and approved with the application, provided that: (1) the new scope of work/budget is consistent with the overall objectives of ARRA and the specific objectives of the particular ARRA award, as set forth in the application guidance; and (2) the health center is able to maintain the same or similar projected goal/outcomes. If you need to change your original scope of work /budget, you should contact your project officer for further instructions.

**Management and Tracking of ARRA Funds**

**Do I need to manage and track ARRA funds separate from my other funds?**

ARRA funds may be used in conjunction with the health center's other funds; however, because ARRA funds are distinct from the health center's Section 330 funding (*i.e.*, they are not rolled into the base grant) and must be reported on separately, the funds must be managed and tracked separate from other funds (including other Section 330 funds).

### **How will HRSA track the ARRA funds separately?**

Health centers will receive a separate Notice of Grant Award (NGA) and Catalog of Federal Domestic Assistance (CFDA) number for each ARRA award. Further, to facilitate separate tracking and monitoring, each ARRA award will be deposited by HRSA into a separate Payment Management System (PMS) sub-account, so that the ARRA funds will not be co-mingled or pooled for drawdown purposes. In this way, health centers will make separate drawdowns for each ARRA award. (NOTE: Drawdown procedures will be the same as for other funds).

### **What can I do to separately track the ARRA funds after drawdown?**

Health centers have flexibility to develop their own internal tracking systems for each ARRA award, provided that the systems are sufficient for the health center to comply with reporting and other accountability requirements. Examples of separate tracking include (this is not exhaustive, but is provided by way of example):

- If members of the health center’s staff split their time working on ARRA-supported projects and projects supported by general Section 330 or other funding streams – the health center should prepare appropriate “time and effort” reporting (*e.g.*, daily time cards/sheets or pay roll records verifying the percentage of time spent by the employee on each separately-funded project, other methods to apportion time expended) in order to properly allocate the costs (*e.g.*, salaries, benefits) among the different projects. (NOTE: “time and effort” reporting is based on actual time expended by an employee on a project).
- If ARRA funds are used in conjunction with existing Section 330 funds to support specific services or programs – the health center should maintain separate accounting-related books/records (*e.g.*, cost centers, general ledgers, bank accounts) in order to properly segregate expenditures and programmatic outcomes related to ARRA funds.

### **Do I have to maintain ARRA funds in a separate bank account?**

It is not necessary to maintain separate bank accounts for each ARRA award as long as the health center establishes an alternate system that can be used to separately track funds. Separate management and tracking systems are crucial for meeting the extensive reporting requirements (discussed further below) – health centers should develop systems that work best for their particular operations so long as the systems facilitate being able to obtain both financial and programmatic information required to develop the required reports.

## **Government-Wide Reporting Requirements**

### **What are “government-wide” reports?**

All recipients of discretionary funds under ARRA (including grant recipients) are required to submit certain reports which are described in the ARRA statute. These reporting requirements apply regardless of the agency from which the recipient receives its funding.

**Do I have to meet all government-wide reporting requirements or is there any room for deviation?**

Receipt of ARRA funds is contingent on meeting all reporting requirements, including government-wide requirements. Health centers are just one of the many organizations receiving ARRA funds – while the reporting requirements may appear considerable, it is important to remember that all recipients are under the same parameters, limitations, and deadlines.

**What information do I report?**

ARRA requires recipients to submit a report for each ARRA award it receives that includes the following information:

- Total amount of ARRA funds received under the award.
- Amount of ARRA funds received under the award that were expended or obligated at the time of the report.
- Detailed list of all projects or activities for which ARRA funds under the award were expended or obligated, including: (1) the name and description of the project or activity; (2) an evaluation of the completion status of the project or activity; (3) an estimate of the number of jobs created and/or retained by the project or activity; and (4) additional information for infrastructure investments made by State and local governments. (NOTE: if you have implemented an approved revision to your scope of work/budget, progress should be reported based on the approved modification).
- Detailed information on any subcontracts or sub-grants awarded by the recipient, consistent with and including data elements required by the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282). The specific requirements of the Transparency Act can be found under the “Program Terms” on your NGA. Separate information is required for each contract/subgrant equal to or more than \$25,000; however, you can aggregate information for contracts/subgrants less than \$25,000.

**When do I submit the reports?**

All ARRA recipients, including health centers, must submit government-wide reports on a quarterly basis, due 10 days after the end of each quarter. The first reports from health centers are due July 10, 2009.

**How will I submit the reports?**

We anticipate that submissions of government-wide quarterly reports will be made on-line to the main ARRA website – [www.recovery.gov](http://www.recovery.gov). The Office of Management and Budget (OMB) is proposing to establish a uniform government-wide reporting system which may impact the submission process. Health centers are encouraged to contact their project officers prior to submitting the government-wide quarterly reports to ensure accurate submission.

### **Where can I find the definitions of required data elements?**

OMB is currently developing standard data elements for all ARRA recipients to use in their government-wide reports. Health centers can access the OMB website at <http://www.whitehouse.gov/omb>. Until the standard data elements are finalized, however, health centers are advised to use the same definitions as the program-specific reports (see below), as applicable.

### **Health Center Program-Specific Reporting Requirements**

#### **What are “health center program-specific” reports?**

In addition to the government-wide reports, each awarding agency is charged with developing its own program-specific ARRA-related reporting requirements. HRSA has developed certain data requirements specific to each type of ARRA funding awarded, which can be found in both the funding application as well as the NGA for each ARRA award. These reports are separate and apart from the annual Uniform Data System (UDS) reports, although some of the information required may be similar. (See below regarding whether UDS reports will apply to ARRA awards).

#### **Do I have to meet all program-specific reporting requirements or is there any room for deviation?**

Similar to government-wide reporting requirements, receipt of ARRA funds is contingent on meeting all reporting requirements, including program-specific requirements.

#### **What information do I report to HRSA?**

The program-specific reports require information addressing the health center’s program performance elements, consistent with the federal purposes and objectives of the specific ARRA award(s). IDS and NAP reports must include information on:

- Number of new jobs created (measured in FTE).
- Number of jobs retained (measured in FTE).
- Number of new patients who receive services as a result of the ARRA award.
- Number of new visits.
- Number of new uninsured patients who receive services as a result of the ARRA award.
- Actual versus projected budget information.

- Updated progress report (narrative). (NOTE: if you have implemented an approved revision to your scope of work/budget, progress should be reported based on the approved modification).

Some pertinent definitions include:

- “Jobs created” are defined as new or previously existing unfilled positions that are filled as a result of the ARRA award (*i.e.*, costs are covered in whole or in part by ARRA funds or income generated from ARRA funds).
- “Jobs retained” are defined as previously existing filled positions that were scheduled for termination or that would have been cut in whole or in part (but have not yet been terminated or cut) if not for the ARRA funds. (NOTE: if a health center retains an individual scheduled for layoff but moves him/her to a different unfilled position within the center, the new position would be counted as a job created. On the other hand, if a health center reduced the % of FTE for a particular position and is able to restore that position to the original FTE amount, the restored portion would be counted as a job retained).
- “New patient” is defined as an individual who was never treated by the health center organization prior to the ARRA award and subsequently has had at least one visit as a result of the funding. (NOTE: this definition differs from the one that was informally discussed prior to the publication of the manual, which included as a new patient an individual who is an existing health center patient and who utilizes a new or expanded service funded by ARRA. HRSA has indicated that it will review this discrepancy and if this (or any) definition is modified, HRSA will issue a revised manual as well as an FAQ. If the definition is not modified and a health center based its application projections on the original definition, HRSA also indicated that the center will not be held to its projections as long as it explains the discrepancy in the report).
- “Uninsured patient” is an individual who is uninsured for some or all of the 2-year ARRA project period and includes: (1) a new patient without medical insurance when he/she first receives ARRA-supported services; (2) a new patient who is insured when he/she first receives services but subsequently becomes uninsured and receives ARRA-supported services; and (3) an existing patient who was insured when he/she received services prior to ARRA but subsequently becomes uninsured and receives ARRA-supported services. (NOTE: Uninsured patients do not include individuals with medical insurance who receive services that are not covered under their insurance plan and individuals who self-pay for services because their deductibles have not been met).
- Additional definitions/clarifications, including clarifications regarding how to define and count patients and staff positions, are included in the new Health Center Quarterly Report (HCQR) Manual, which can be accessed at <http://www.bphc.hrsa.gov/recovery> (see information on Program Assistance Letter (PAL) 2009-08 below).

HRSA has indicated that CIP reports should include information on:

- Number of new/improved sites
- Projected numbers of overall jobs created and retained
- Projected numbers of construction-related jobs created
- Percentage of project completion
- Actual versus projected budget information

Final reporting requirements for the CIP grants will be included in the NGAs issued at the time of award as well as in a revised HCQR Manual.

### **When do I submit the reports to HRSA?**

Similar to the government-wide reports, health centers must submit program-specific reports on a quarterly basis, due 10 days after the end of each quarter. The first reports, which will pertain to the NAP and IDS grants, are due July 10, 2009. While the reports are submitted quarterly, they are cumulative in nature – each report will include information on ARRA-supported activities starting from the initial date of the award up to the end date of the most recent quarter.

### **How will I submit reports to HRSA?**

PAL 2009-08 (June 8, 2009) outlines the process for submitting the quarterly program-specific reports to HRSA. The program-specific reports will be submitted through the HCQR system within the current HRSA Electronic Handbook (EHB) system.

Health centers will submit one HCQR report per quarter, which will be comprised of separate sections for each ARRA award. The health center does not have to aggregate the information pertaining to each award; rather, the EHB system will “roll-up” each report section to generate a Universal Report for each health center summarizing that center’s total ARRA-supported activities.

### **Will I be able to make changes to the reports after I submit them?**

The HCQR reports are final when submitted and cannot be modified thereafter. However, since the reports are cumulative, health centers may submit corrected cumulative data in subsequent reports.

### **Where can I find the definitions of required data elements?**

Reporting instructions and data elements for the NAP and IDS funding is explained in the HCQR Manual which is posted at <http://www.bphc.hrsa.gov/recovery>. HRSA has indicated that it will update the Manual with additional data elements and instructions for the CIP and FIP funding once those are finalized. If you have any questions regarding the new HCQR system, HRSA contact information can be found in PAL 2009-08.

### **Existing Health Center Reporting and Accountability Requirements**

### **Do the standard grant-related requirements apply to ARRA funds?**

All standard terms and conditions and program terms related to Section 330 grants apply to ARRA funds, unless they conflict with or are superseded by specific ARRA reporting requirements. These standard requirements include, but are not limited to, compliance with administrative standards that apply to all HHS grants (such as procurement and property standards, and federal cost principles) and will be noted on the NGA.

### **Will current HRSA reporting requirements applicable to other Section 330 funds also apply to ARRA funds?**

The ARRA-related quarterly reporting requirements discussed above apply solely to ARRA funds and not to the health center's other funding. Any current reporting requirements that are applied to ARRA funds will be in addition to the quarterly reports and will be submitted based on existing deadlines (and not the ARRA-related deadlines noted above).

HRSA has indicated that more than likely it will require separate annual Financial Status Reports (FSRs) and separate quarterly PMS financial reports for each ARRA award. It is unclear at this time whether HRSA will require separate UDS reports (or whether existing UDS requirements will include the ARRA-related information), but HRSA has assured health centers that if it decides to do so, it will provide specific preparation guidelines with sufficient time in which to produce the reports.

### **Do I have to conduct a separate annual audit?**

Existing requirements to conduct an annual audit consistent with OMB Circular A-133 apply equally to ARRA funds as they do to other federal funds. However, because ARRA funds are awarded as separate grants, health centers must maintain records that identify adequately the source and application of ARRA funds, and must separately identify the expenditures of each ARRA award on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC).

OMB recently issued the March 2009 Supplement, which was not updated for ARRA requirements; however, OMB indicated that, as necessary, it will issue addenda to the Supplement to provide additional guidance (including compliance with government-wide reporting requirements). OMB is advising auditors to review specific award documents (*e.g.*, NGAs) for ARRA-specific terms and conditions, check the OMB website for the additional addenda, and use the framework of the 2009 Supplement as guidance to identify ARRA compliance requirements that are material to the federal program being audited.

### **Public Access to Reports**

#### **Will the public have access to the information I report?**

All information from the ARRA-related reports (focusing on the use of the ARRA funds) will be available for public examination through posting on the internet. OMB has created a special website to post this information (<http://www.recovery.gov>). HRSA has also created a special website to post information from the program-specific reports, as well as other information regarding ARRA grants awarded by HRSA (<http://www.hhs.gov/recovery/index.html>). All reports will be available on-line within thirty (30) days of submission.

**Will I be able to edit the reports before they are posted to delete any “sensitive” information?**

To the best of our knowledge, there is no process in place to edit or “redact” sensitive information after it has been reported (other than the corrected cumulative data discussed above). Health centers should consider this fact and report only the required information. If you believe that some of the information you are reporting is proprietary/confidential, please contact both HRSA and NACHC for further guidance.

**Additional Federal Oversight and Monitoring for Fraud, Waste and Abuse**

**In addition to reporting requirements, are there legal requirements to report fraud, waste and abuse?**

ARRA recipients are required to report instances of fraud, waste and/or abuse. In particular, recipients are required to disclose to the Office of Inspector General (OIG) any credible evidence that a principal, employee, agent, contractor, sub-recipient, subcontractor or other person has (with respect to ARRA funds): (1) submitted a false claim under the False Claims Act; or (2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct.

To encourage both voluntary and required disclosures, ARRA includes specific protections for “whistleblowers.” ARRA expressly prohibits any non-federal employer (such as health centers) that receives ARRA funds from discharging, demoting, or otherwise discriminating against any employee as reprisal for that individual’s disclosure of information that he/she reasonably believes is evidence of:

- Gross mismanagement of an agency contract or grant relating to, or gross waste of, ARRA funds.
- Substantial and specific danger to public health or safety, or abuse of authority, related to the implementation or use of ARRA funds.
- Violation of law, rule, or regulation related to an agency contract or grant awarded or issued relating to ARRA funds.

At this time, the enhanced disclosure requirements and whistleblower protections apply solely to ARRA funds; however, Congress is considering applying similar provisions to all federal funds.

**Are there federal agencies other than HRSA with oversight and monitoring responsibilities?**

ARRA established “The Recovery Accountability and Transparency Board,” charged with coordinating and conducting oversight of all ARRA programs. The Board has extensive audit and program review powers and will submit reports directly to President Obama and Congress. Further, in addition to their current investigatory authorities, agency-specific OIGs will review concerns raised by the public regarding the use of ARRA funds and will retain independent authority to determine whether to conduct audits or investigations related to such concerns. The HHS OIG has established a new “hot line” so that anyone can anonymously report fraud, waste, or abuse in the use of ARRA funds. ARRA also directs the Government Accountability Office (GAO) to report to Congress every two months on the use of ARRA funds. Similar to the OIG, GAO has urged the public to report (anonymously) on waste, fraud, and mismanagement of ARRA funds.

If you have any questions regarding these FAQs, please contact [Betsy Vieth](#) at NACHC at (301) 347-0400. NACHC will post updated FAQs as additional information becomes available.