

# Spring 2021 Finance Office Hours (FOH) for Health Centers:

*Strategies to Deploy ARP Funds*

Friday, April 23, 2021

# THE NACHC MISSION

## **America's Voice for Community Health Care**

The National Association of Community Health Centers (NACHC) was founded in 1971 to promote efficient, high quality, comprehensive health care that is accessible, culturally and linguistically competent, community directed, and patient centered for all.



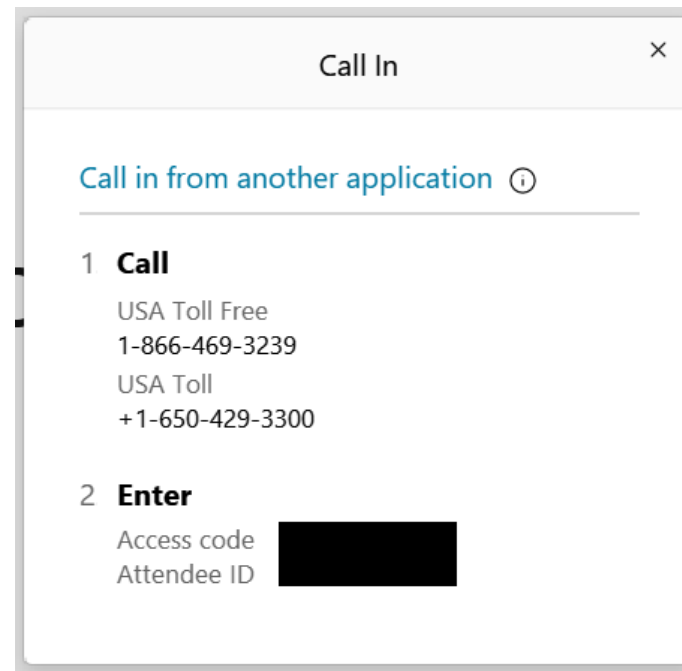
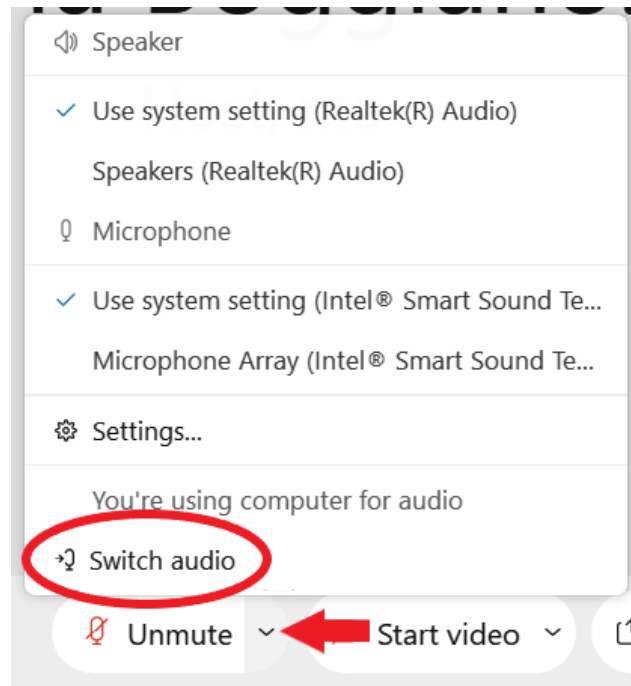
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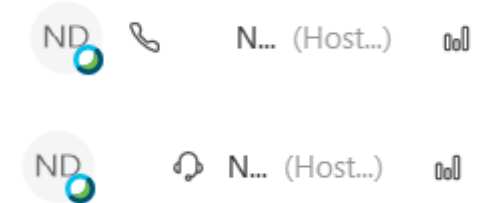
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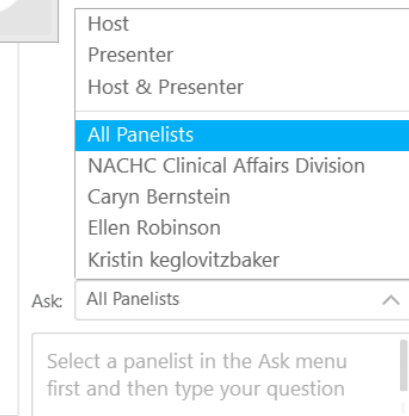
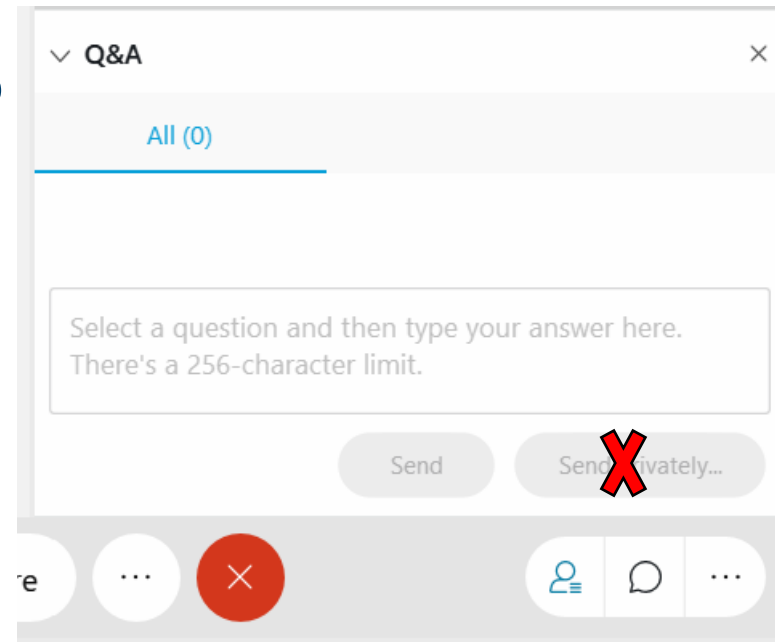


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# Today's Presenters



**Ted Waters**

Managing Partner  
Feldesman Tucker Leifer Fidell LLP



**David Fields, CPA**

Partner  
BKD



**Gervean Williams**

Director Health Center Financial  
Training  
Training and Technical Assistance  
NACHC

## **NACHC Office Hours – ARPA and H8F**

Edward “Ted” Waters  
Managing Partner

April 23, 2021



# EDWARD “TED” WATERS



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- Well known for his expertise in federal grants, Medicaid and other government reimbursement systems, cost accounting and administrative issues, and his strategic handling of organizations facing crises, Ted has been selected again as a “Super Lawyer” for Health Care in Washington, D.C. in 2020.
- Ted has been counsel to numerous health centers as well as PCAs, MCOs and many others in the past 25+ years. During his time at the Firm, he has represented clients in front of federal and State courts, legislative bodies, administrative tribunals, Offices of Inspector General and federal agencies.
- He leads trainings for an equally diverse array of organizations including NACHC and other national associations, PCAs and individual health centers.
- Ted has been Managing Partner of Feldesman Tucker since 2003 and has taught the first law school class in the country on federal grant programs at the George Washington University School of Law for the past several years.
- He is a member of the National Grants Management Association (NGMA) where he served on the Board for many years and as Chair for two terms.



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# COVID-19 Legislation

# MAIN COVID-19 FUNDING LEGISLATION

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1. **March 6, 2020:** Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, which provides \$8.3 billion in emergency funding for federal agencies to respond to the COVID-19 outbreak
2. **March 18, 2020:** Families First Coronavirus Response Act
3. **March 27, 2020:** Coronavirus Aid, Relief, and Economic Security (CARES) Act provided over \$2 trillion in a wide array of programs including PPP, direct federal assistance and significant grant funding
4. **April 24, 2020:** Paycheck Protection Program and Health Care Enhancement Act provided \$484 billion in additional funding to replenish and supplement key programs under the CARES Act
5. **December 27, 2020:** FY 2021 Omnibus Appropriations Bill included an additional \$900 billion for COVID response and included tweaks to CRF and PRF
6. **March 11, 2021:** American Rescue Plan Act of 2021 - \$1.9T with a wide range of grants to States, localities, IHE's, non-profits, more PRF, PPP and other direct assistance

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# The Financial Assistance “Deal” and ARPA

# FIRST RULE OF FEDERAL GRANTS

## THE “DEAL”

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If you (grantee) engage in *certain activities* during a *certain period of time*, we (the U.S. government) will “reimburse” you for *certain costs* incurred in engaging in that activity.

### The Three Certains:

1. Certain Activities = Scope of Project (Narrative + Budget)  
2 C.F.R. § 200.308 and extent of flexibility permitted  
What you say in your grant application really matters
2. Certain Period of Time = Project/Budget Period  
2 C.F.R. § 200.309 and concept of “obligation”
3. Certain Costs = Necessary & Reasonable + Selected Items of Cost  
2 C.F.R. Part 200, Subpart E

# THE AMERICAN RESCUE PLAN AND HEALTH CENTERS

Sect. 2601 (a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary of Health and Human Services (in this subtitle referred to as the “Secretary”) for fiscal year 2021, out of any money in the Treasury not otherwise appropriated, \$7,600,000,000, to remain available until expended, for necessary expenses for awarding grants and cooperative agreements under section 330 of the Public Health Service Act (42 U.S.C. 254b) to be awarded without regard to the time limitation in subsection (e)(3) and subsections (e)(6)(A)(iii), (e)(6)(B)(iii), and (r)(2)(B) of such section 330, and for necessary expenses for awarding grants to Federally qualified health centers, as described in section 1861(aa)(4)(B) of the Social Security Act (42 U.S.C. 1395x(aa)(4)(B)), and for awarding grants or contracts to Papa Ola Lokahi and to qualified entities under sections 4 and 6 of the Native Hawaiian Health Care Improvement Act (42 U.S.C. 11703, 11705). Of the total amount appropriated by the preceding sentence, not less than \$20,000,000 shall be for grants or contracts to Papa Ola Lokahi and to qualified entities under sections 4 and 6 of the Native Hawaiian Health Care Improvement Act (42 U.S.C. 11703, 11705).



## SECTION 2601 CONT.

(b) USE OF FUNDS.—Amounts made available to an awardee pursuant to subsection (a) shall be used—

- (1) to plan, prepare for, promote, distribute, administer, and track COVID-19 vaccines, and to carry out other vaccine related activities;
- (2) to detect, diagnose, trace, and monitor COVID-19 infections and related activities necessary to mitigate the spread of COVID-19, including activities related to, and equipment or supplies purchased for, testing, contact tracing, surveillance, mitigation, and treatment of COVID-19;
- (3) to purchase equipment and supplies to conduct mobile testing or vaccinations for COVID-19, to purchase and maintain mobile vehicles and equipment to conduct such testing or vaccinations, and to hire and train laboratory personnel and other staff to conduct such mobile testing or vaccinations, particularly in medically underserved areas;
- (4) to establish, expand, and sustain the health care workforce to prevent, prepare for, and respond to COVID- 19, and to carry out other health workforce-related activities;
- (5) to modify, enhance, and expand health care services and infrastructure; and
- (6) to conduct community outreach and education activities related to COVID-19.

# FINALLY, SECT. 2601 ENDS WITH PREAWARD COSTS...

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(c) PAST EXPENDITURES.—An awardee **may use** amounts awarded pursuant to subsection (a) to cover the costs of the awardee carrying out any of the activities described in subsection (b) during the period **beginning on the date of the declaration of a public health emergency** by the Secretary under section 319 of the Public Health Service Act (42 U.S.C. 247d) on **January 31, 2020**, with respect to COVID-19 and **ending on the date of such award**.

# KEY TAKE-AWAYS FROM ARRA

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- A. Policies and Procedures – essential to consistency
- B. Applications and Budgets – Advance agreement on what comes next
- C. Reporting Protocols – keeping track of where you got numbers and why
- D. Allowable Costs – T&E and Fair Allocations are Highest Risk
- E. Grant Administration – Inventory, Drawdowns

# QUESTIONS?

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# **PRF and American Rescue Plan Act – H8F**



# Introductions



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**BKD**  
CPAs & Advisors



# American Rescue Plan Act – H8F FAQ & Summary



**BKD**  
CPAs & Advisors





# Disclaimer

- Information in this presentation is as of April 23
- HRSA – see resources slide, Uniform Grant Guidance, 330 grant law (CHC authorizing grant) and other source materials



# Resources

- Your notice of award
- [FY 2021 American Rescue Plan Act \(H8F\) Funding for Health Centers | Bureau of Primary Health Care \(hrsa.gov\)](#)
- [American Rescue Plan Act Funding for Health Centers \(H8F\) Activities and Allowable Uses of Funds | Bureau of Primary Health Care \(hrsa.gov\)](#)
- [COVID-19 Frequently Asked Questions \(FAQs\) | Bureau of Primary Health Care \(hrsa.gov\)](#)



# CHC H8F Guidance Key Dates

- Approximately 6 billion in funding to CHC's
- Issued approximately March 26, 2021
- Expected budget period April 1, 2021 to March 31, 2023
- Funding may support costs dating back to January 31, 2020
  - Reminder cannot use expenses charged to other grants - so no double dipping



# CHC H8F Terms & Conditions

- This is a federal grant and federal grant rules apply
  - This has a 93.224 CFDA number so more specifically follows the CHC grant terms and conditions
- We will hit the broad categories of allowable expenses
- Scope of project – must be within your sites and services
  - File a change in scope if it is not
- 330(e)(5)(D) –CHC grant program income rules apply here too



# Activities & Allowable Uses

- COVID-19 vaccination capacity
- COVID-19 response and treatment capacity
- Maintaining and increasing capacity
- Recovery and stabilization
- Minor alteration/renovation, mobile units and vehicles – maximum of \$500,000
- List is not exhaustive, but is instructive





# COVID-19 vaccination capacity

- All things vaccine?
- Administration, outreach, enabling
- Supplies, software, digital tools, reporting
- Workflows, clinical support, management, distribution...
- Personnel, increased hours, training



# COVID-19 response and treatment capacity

- Some overlap with previous
- Laboratory
- Treatment
- Care coordination
- Contact training





# Maintaining and increasing capacity

- “Support to establish, modify, enhance, expand, and sustain accessibility and availability of comprehensive primary care services to meet the ongoing and evolving needs of the service area and its vulnerable patient populations.
- Immunization (non-COVID), enabling services (access), broadband capacity, telehealth, etc.



# Maintaining and increasing capacity

- Electronic Health Record (EHR) – purchase/upgrade
- Equipment and supplies to support primary care
- Behavioral Health – enhance or expand – mental health and substance use disorders
- Cybersecurity
- Other



# Recovery and stabilization

- Support for ongoing recovery and stabilization, including enhancing and expanding the health care work force and services to meet pent up demand due to delays in patients seeking preventive and routine care; address the behavioral health, chronic conditions, and other needs of those who have been out of care; and support the well-being of personnel who have been on the front lines of the pandemic.



# Recovery and stabilization

- **Pent Up Demand:** Bring sites, services, and staff to an operational capacity sufficient to meet pent up demand for services, including addressing the needs of patients and other vulnerable populations who have been without care and whose conditions and needs may have been exacerbated by the social and financial impacts of COVID-19.



# Recovery and stabilization

- Patient registries
- Virtual care
- Care transitions and coordination
- Outreach and access
- Workforce well-being and training
- Strategic planning, community needs assessments, and population health and social determinants initiatives



# Capital Costs

- Minor alteration/renovation, mobile units and vehicles
- Telehealth
- Team based integration
- HVAC
- Maximum of \$500,000
- What about program income for capital costs?
- What about CHC's in a future infrastructure bill?



# DOCUMENTATION!

- Tracking, general ledger and source documents
- Double dipping
- 2008 American Reinvestment and Recovery Act
  - Lessons learned
- Tell the story – do the records corroborate the story
- Single audit is applicable





# Reminders

- Cash management
- Reporting – Federal Financial Report (FFR)
- Budgeting
  - Consider place holders/re-budgeting
- Procurement
- Property plant and equipment
- Program income - considerations

# Questions?

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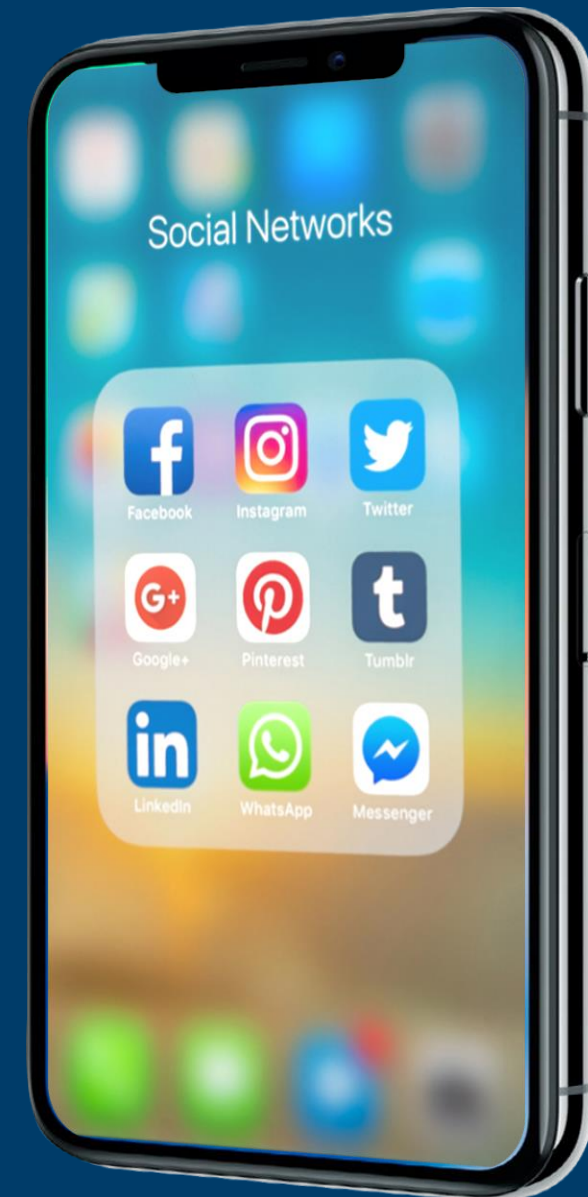
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