

WHAT TO EXPECT FROM A MONITORING SITE VISIT

The purpose of this section is to communicate to subrecipients (VDH agencies) the guidelines pertaining to the programmatic and financial monitoring. A subrecipient is a third-party organization performing a portion of the Virginia Department of Health (VDH) Ryan White HIV/AIDS Program Part B. A subrecipient may also be a recipient of other Federal awards directly from a federal agency. The terms of the VDH's subrecipient relationships are documented in subaward agreements (also referred to as contracts).

In accordance with the requirements contained within the principles identified in the OMB Uniform Guidance 2 CFR 200/HHS Title 45 Subtitle A, Sub-chapter A, Part 75, hereinafter referred to as Uniform Guidance (UG), the VDH is required to perform a series of monitoring efforts to ensure proper stewardship of federal funds. Those efforts include subrecipient/subaward vs contractor/contract/Purchase Orders determinations, performing preaward subrecipient review and/or risk assessment and conducting annual programmatic and fiscal compliance monitoring visits to all Ryan White HIV/AIDS Program (RWHAP) Part B subrecipients.

These step by step procedures were developed to comply with the Uniform Guidance requirements and provide information to assist VDH's Ryan White HIV/AIDS Program (RWHAP) Part B agencies in understanding the federal requirements imposed on pass through entities and to assist in complying with such requirements, especially with the annual site visit. In summary, VDH RWHAP Part B will be responsible for:

- informing their subrecipients about information related to the federal awards made and about applicable federal and state requirements;
- conducting annual site visits;
- ensuring that subrecipients meet the Single Audit requirements (A-133); and
- Issuing management decisions about relevant subrecipient audit findings.

These procedures don't preclude additional monitoring efforts if there is any question about the subrecipient's ability to ensure proper use and financial management of federal funds during any stage of the award.

SITE VISIT OVERVIEW

Sub-recipient (monitored) versus Contractor Determination (not monitored)

The awarding agency must determine if the agency is to be considered a sub-recipient or a contractor/vendor. A subrecipient is an entity that receives federal

funds to carry out part of the Federal program and compliance with federal and programmatic requirements pass through to them. A contractor/vendor provides goods and services to many different purchasers, operates in a competitive environment and compliance requirements do not apply to them. In making the determination of whether a subrecipient or /contractor/vendor relationship exists, the substance of the relationship is more important than the form of the agreement. It is not expected that all of the characteristics will be present. Judgment should be used in determining whether an entity is a subrecipient or contractor/vendor.

Risk Assessment

The decision on when to conduct a site visit is mostly influenced *by the expected risk-based approach (45 CFR 75.205) that suggests an annual risk assessment for each program for which the recipient provides funding.* The risk assessment is affected by a number of factors including, but not limited to the importance of:

- (1) Financial stability;
- (2) Quality of management systems and ability to meet the management standards prescribed in the legislation;
- (3) History of performance;
- (4) Reports and findings from single audits performed; and
- (5) The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

Federal Single Audit [formerly A-133]

If subrecipient is subject to the Federal Single Audit:

- Go to the Federal Audit Clearinghouse (FAC) and download the subrecipient's most recent report (most recent report should be within nine months of the end of the subrecipient's most recent fiscal year.)
- Review the report to see if there are findings that related/potentially related to Ryan White Part B sub-awards. If there are findings request corrective action plan or if there is not a plan, sub-recipient will be subject for additional monitoring visits.

Determine Indirect Cost Rate (subrecipient administration capped at 10% aggregate)

If subrecipient has a current Federally-approved indirect cost rate (IDC) agreement:

- Review and upload current rate information to the subaward file and ensure the correct rate is used on the subaward budget;

If subrecipient does not have a current Federally-approved IDC rate agreement:

- The subrecipient can submit an IDC rate proposal package to the VDH Ryan White Office for analysis and negotiation. Ensure agreed rate is applied to Modified Total Direct Cost (MTDC);
- If the subrecipient elects not to negotiate an IDC rate, or agreement cannot be reached on a rate, use the de minimis rate of 10 percent applied to MTDC.

PLANNING

Monitoring Team: Compose of a program and a fiscal monitor.

Notification of site visit: Subrecipient will be notified of the conference call and site visit dates by email, letter or fax at least four weeks prior to the visit.

Tools/Documents: A copy of the tools, and a list of the documents will be provided for review.

Conference Call: Thirty-minute conference calls will be used to inform the recipient of the date, purpose and agenda for the visit. Issues to be discussed:

1. Confirm site visit dates.
2. Explain the purpose of the site visit.
3. Explain the roles of the review team members.
4. Verify receipt of sub-recipient Review Packet. Packet to include letter announcing the visit, monitoring staff contact information, tools, evaluation (attachment B), site visit agenda format (attachment C), documents list (attachment D).
5. Discuss the tentative agenda.
6. Determine if there are multiple sites to be visited (i.e. Administration offices and case manager services in different facilities). Discuss transportation logistics between sites.
7. Confirm the beginning and ending times for each day.
8. Identify major issues based on prior year annual monitoring review and during the Request for Proposal process.
9. Discuss who should attend the entrance and exit conference.
10. Confirm meeting with HIV positive consumers.
11. Discuss medical and/or dental chart review if applicable.

HOW TO PREPARE FOR THE SITE VISIT

In the months preceding the site visit, the program and fiscal staff should review the Service Standards for funded service categories, any previous findings that were issued by VDH, and service utilization reported to VDH in the last 6 months. The sub-recipient should be prepared to present during the entrance conference *a brief synopsis of the program's history, current service delivery model, patient demographics, other HIV federal and local funding, challenges, and arrange lunch with clients in a setting that provides an environment of confidentiality.*

Subrecipients should prepare their staff within their own agency by informing them about the document and charts to be reviewed during the visit. If client records are in an electronic health record format, the program may need to provide a staff person to support VDH staff during the chart review. Due to HIPAA contractual agreements, VDH may review all records that it requests; the program may wish to review this with their compliance officer ahead of the visit. All client records should be periodically reviewed to determine that they have an acknowledgment signed by the client. "Shadow" files must be presented in cases where the client declines to share personal information.

VDH does not intend to disrupt service delivery, but program staff may be called upon to present documentation or to participate in document review discussion. The Ryan White HIV/AIDS Program (RWHAP) Part B-funded staff should be familiar with previous findings, especially areas where corrective action was required. For example, if the program was once cited for incomplete data reports or invoices, it should be prepared to demonstrate progress in this area and documentation of staff efforts to meet reporting goals.

As the date of the visit approaches, program managers are welcome to discuss any program concerns with the VDH. Prior to contact by the VDH monitoring team, program managers should contact their site visit lead to address any questions or concerns about the logistics of the visit or overall expectations.

POST SITE VISIT

- Report to be received within 30 days of visit ;
- Corrective action plan to be completed 30 days after receipt of report.

MONITORING

Federal regulations require recipients to monitor their service providers' compliance with program requirements. Recipients or service providers found to be in violation of program or federal grants management requirements are to receive technical assistance (TA) or other corrective actions designed to bring them into compliance. **Compliance testing** is a determination that the subrecipient's processes meet or do not meet the following federal legislative and programmatic requirements.

Source Documents for compliance testing

- Title XXVI of the Public Health Service Act, 42 USC. Section 300ff-11s as amended by the Ryan White HIV/AIDS Treatment Extension Act of 2009 (P.L.111-87);
- The OMB Uniform Guidance 2 CFR 200/HHS Title 45 Subtitle A, Sub-chapter A, Part 75;
- Department of Health and Human Services (HHS) Grants Policy Statement;
- HRSA/HAB policy clarification notices, letters, and guidelines;
- Office of Inspector General (OIG) reports and recommendations;
- Manuals and Guidelines issued by HRSA/HAB including the National Monitoring Standards;
- National priority (formerly known as the National HIV/AIDS Strategy).

Fiscal Compliance Requirements

- a) **Limitation on Uses of Part B Funding**— Adherence to a 10 percent cap in the aggregate for administration cost for sub-recipients (2617 b (3) (B)); 45CFR75.302, 352, 361, and Subpart E; HAB Policy Notice 15-01 and FAQ.
- b) **Use of Grant funds**—Must be used only for the purposes of the grant (core, support administration) 2612 (a-c); Policy Clarification Notice (PCN) 16-02.
- c) **Unallowable costs**— There is no inclusion of any unallowable costs under Ryan White HIV/AIDS Program (RWHAP) Part B 2612 (f); 2612 (f)); 2615 (b); 2684, *DHHS Grants Policy Manual, The Part B Manual in sub-recipient budgets or expenditures.*

- d) Incomes from fees for services performed**—The provider/sub-recipient track and report funds collected from Part B billable services as program income and use it for core, support and administrative services (10% limitation does not apply). RW Part B 2617 (b) (C) (iii); PCN 15-03; HHS Grants Policy Statement; 45 CFR 75.307. There is no program income if recipients pay sub-recipients on a unit cost basis.
- e) Imposition and Assessment of Client Charges**—The sub-recipient has implemented a policy for discounting charges (sliding fee scale) or applying a nominal fee on the uninsured based upon the Federal Poverty Level (FPL). There will be no charges or nominal fee for individuals with an income less than or equal to 100 percent of the official poverty line, (RW Part B 2617 (c) (1) (A)). For individuals with an income greater than 100 percent of the official poverty line, the provider will impose a charge or nominal fee on each such individual for the provision of such services under RW Part B 2617 (c)(3) and will impose the charge according to a schedule of charges that is made available to the public (RW Part B 2617 (c)(1)(B); 2617 c (2)(A). In addition, a policy must be implemented that limits the charges that can be imposed on a client in a given year for Ryan White services based on the client's income level in relation to the Federal Poverty Level (income less than or equal to 100% FPL, no charge, 101-200% FPL, 5%; 201-300% FPL, 7%; and above 300% of FPL, 10%) (RW Part B 2617 (c)(1)(C-E)).
- f) Financial Management**—The sub-recipient Financial Management System is compliant with all regulations set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR 75). Requirements include: standards for Financial and Program Management; including standards for financial (grants) management systems; payment; program income; revision of budget and program plans; and property standards, including insurance coverage; equipment, supplies, and other expendable property. HAB PCN 15-03 -HHS Grants Policy Statement-45 CFR 75.307.
- g) Property Standards**—Tangible nonexpendable personal property with a useful life of more than 1 year and acquisition cost of \$5,000 or more per unit purchased directly with Ryan White HIV/AIDS Program (RWHAP) Part B funds follows the Federal property standards. (DHHS Grants Policy Manual). Equipment acquired with RWHAP Part B funds must be held in trust by recipient and sub-recipients (reversionary interest), used for authorized purposes only, and disposed only after HRSA approval. (45 CFR 75.319).
- h) Cost Principles**—Sub-recipient budgets and expenditures reports to determine whether the use of funds is consistent with Code of Federal Regulations (45 CFR 75, Sub Part E). If the recipient pays for services by unit, verify that the payment meets cost principles.

- i) **Auditing Requirements**—Sub-recipient’s Single Audit (previously known as an A-133 audit) required of sub-recipients receiving more than \$750,000 per year in Federal funds. (45 CFR 75, Sub Part F).
- j) **Fiscal Procedures**—Sub-recipient has fiscal policies, procedures, and systems to handle revenue and expenses according to Federal regulations as stated in Code of Federal Regulations, Ryan White HIV/AIDS Program (RWHAP) legislation, HRSA/HAB policies notices, letters, guidance and manuals. **Salary Limitation**—Verify that the salary charged to a federal grant does not exceed Executive Level II. This limitation is the result of the 2014 Appropriations Act and applies to recipients as well as sub-recipients. The amount reflects an individual’s base salary, exclusive of fringe benefits and income earned outside the applicant organization.

Administrative/Programmatic Compliance Requirement

- a. **Allowable Uses of Ryan White HIV/AIDS Program (RWHAP) Part B Service Funds:** Use of RWHAP Part B funds only to support Core medical services and Support services that are needed by individuals with HIV/AIDS. PHS ACT 2604 (a)(2); HAB PCN 16-02; HAB PCN 16-02 Frequently Asked Questions
- b. **Core Medical Services**
 - 1. Outpatient and Ambulatory Health Services
 - 2. AIDS Drug Assistance Program Treatments
 - 3. AIDS Pharmaceutical Assistance
 - 4. Oral Health
 - 5. Early Intervention Services (EIS)
 - 6. Health Insurance Premium and Cost Sharing Assistance for Low-Income Individuals
 - 7. Home and Community-Based Health Services
 - 8. Home Health Care
 - 9. Hospice Services
 - 10. Medical Case Management, including Treatment Adherence Services
 - 11. Medical Nutrition Therapy
 - 12. Mental Health
 - 13. Substance Abuse Outpatient Care _____
- c. **Support Services**
 - 1. Child Care Services
 - 2. Emergency Financial Assistance
 - 3. Food Bank/Home Delivered Meals
 - 4. Health Education/Risk Reduction
 - 5. Housing
 - 6. Other Professional Services
 - 7. Linguistic

8. Medical Transportation
9. Non-medical Case Management Services
10. Outreach Services
11. Psychosocial Support Services
12. Referral for Health Care and Support Services
13. Rehabilitation Services
14. Respite Care
15. Substance Abuse Services (residential)

d. Quality Management

Implementation of a **Clinical Quality Management (CQM) Program** to: includes three main components: (PCN 15-02):

- Infrastructure
- Performance Measurement
- Quality Improvement

e. Other Service Requirements

Women, Infants, Children, and Youth (WICY): Amounts set aside for women, infants, children, and youth to be determined based on each of these population's relative percentage of the total number of PLWHA in the state (PHS ACT 2612 (e)).

Referral relationships with key points of entry: Requirement that Part B sub-recipients maintain appropriate referral relationships with entities that constitute key points of entry into HIV care and services. Key points of entry defined in legislation: PHS ACT 2612 d (1); 2651 (e).

- Emergency rooms
- Substance abuse and mental health treatment programs
- Detoxification centers
- Detention facilities
- Clinics regarding sexually transmitted disease
- Homeless shelters
- HIV disease counseling and testing sites

Additional points of entry include:

- Public health departments
- Health care points of entry specified by eligible areas
- Federally Qualified Health Centers
- Entities such as Ryan White Part B, C, D, and F grant recipients

f. Prohibitions and Additional Requirements

Drug Use and Sexual Activity: RWHAP funds cannot be used to support AIDS programs or materials designed to promote or encourage, directly, intravenous

drug use or sexual activity, whether homosexual or heterosexual (PHS ACT 2684).

Purchase of Vehicles without Approval: No use of RWHAP funds by sub-recipients for the purchase of equipment more than \$5,000, to include vehicles without written approval of HRSA Grants Management Officer (GMO).

Employment and Employment-Readiness Services: Prohibition on the use of Ryan White Program funds to support employment, vocational, or employment-readiness services (PCN 10-02).

Syringe Services: Ryan White HIV/AIDS Program (RWHAP) Part B funds may be used to support some aspect of syringe service programs with prior approval and in compliance with HHS and HRSA policy (Consolidated Appropriations Act, 2016, Public Law 114-113)

Ryan White HIV/AIDS Program (RWHAP) funds may not be used for the following activities or to purchase these items: (PCN 10-02):

- Clothing
- Funeral, burial, cremation or related expenses
- Local or State personal property taxes (for residential property, private automobiles, or any other personal property against which taxes may be levied)
- Household appliances
- Pet foods or other non-essential products
- Off-premise social/recreational activities or payments for a client's gym membership
- Land purchase or improvement, or to purchase, construct, or permanently improve (other than minor remodeling) any building or other facility
- Pre-exposure prophylaxis and Non-Occupational Post-Exposure Prophylaxis
- International travel

g. Access to Care

- Structured and ongoing efforts to obtain input from clients in the design and delivery of services PHS Act 2616 (c)(4); PHS Act 2617(b)(7)(A).
- Provision of services regardless of an individual's ability to pay for the service PHS Act 2617(b)(7)(B)(i).
- Provision of services regardless of the current or past health condition of the individual to be served 2617(b)(7)(B)(i).
- Provision of services in a setting accessible to People Living with HIV who are low-income and that comply with the Americans with Disabilities Act (ADA) Barrier-Free Healthcare Initiative 42 USC 12101 Americans with Disabilities Act of 1990 PHS Act 2617(b) (7)(B)(ii) PHS Act 2616(c)(4).

- Outreach to inform low-income individuals of the availability of HIV-related services and how to access them PHS Act 2617 (b)(7)(B)(iii); PHS Act 2616(c)(5).

h. Eligibility Determination

Eligibility determination and reassessment of clients to determine eligibility as specified by the jurisdiction for services or ADAP: PHS ACT 2616 (b) (1-2); PHS ACT 2617 (b) (7) (B).

Ensure military veterans with Department of Veterans Affairs (VA) benefits are deemed eligible for Ryan White HIV/AIDS Program (RWHAP) Part B services

i. Section C: Anti-Kickback Statute

Demonstrated structured and ongoing efforts to avoid fraud, waste and abuse (mismanagement) in any federally funded program OIG Hotline <https://forms.oig.hhs.gov/hotlineoperations/>

Sub-recipients should feel free to contact the site visit lead for their agency's site visit at any time during the process if questions arise.