

HRSA Program Requirements

Examining Requirement 10: Contractual/Affiliation Agreements

By Amy Garwood, Director of Communications & Training, IPHCA

Community health centers, or Federally Qualified Health Centers (FQHCs), are non-profit private or public entities that serve designated medically underserved populations/areas or special medically underserved populations comprised of migrant and seasonal farmworkers, the homeless or residents of public housing. Awarded funding from the Health Resources and Services Administration (HRSA), these health centers must operate within 19 HRSA Program Requirements.

As the demand placed on FQHCs becomes more stringent, through Meaningful Use and Health Care Reform, a summary of these 19 health center program requirements will continued to be examined in *IPHCA HealthSource™*. The 19 program requirements fall into one of four categories: Need, Services, Management and Finance, and Governance.

Each article will provide an in-depth look at one requirement to assist health center leaders in understanding these program requirements and preparing for compliance in future HRSA site visits. HRSA Program Requirement 10 falls into the “Management and Finance” category.

Program Requirement 10: Contractual/Affiliation Agreements

According to the *HRSA Health Center Program Requirements*, Program Requirement 10 states, “Health center exercises appropriate oversight and authority over all contracted services, including assuring that any sub recipient(s) meets Health Center program requirements.” The two main points under this requirement is that the 1) health center exercises appropriate oversight and authority over all contracted services; and, 2) health center assures that any sub recipient(s), if applicable, meets the Health Center Program requirements.

When examining those contracted services, it is important to verify whether or not any of the grantee's contracts or affiliation agreements have the potential to:

- a. Threaten the grantee's integrity?
- b. Limit its autonomy?
- c. Compromise its compliance with Federal program requirements in terms of corporate structure, governance, management, finance, health services, and/or clinical operations?

Additionally, for those grantees with sub recipient arrangements, it is equally important to verify that the grantee has assurances in place that the sub recipient organization complies with all Health Center Program statutory and regulatory requirements.

Among the documents and resources that are important to review: 1) Contracts for core providers, including key management staff if applicable (e.g., CMO, CIO, CFO); 2) Contracts or MOAs/MOUs for other substantial portion(s) of the project; 3) Sub recipient Agreement(s), if applicable; 4) Any other key affiliation agreements if applicable; 5) Procurement policies and procedures; 6) HRSA/BPHC Affiliation Agreement Policy Information Notices (PINs 97-27 and 98-24); 7) Federal procurement grant regulations (45 CFR Part 74.41-74.48) applicable to all contractual arrangements in scope.

Performance Improvement

When considering performance improvement, it is important to review the HRSA/BPHC Health Center Collaboration Program Assistance Letter 2011-02. Additionally, consider the following prompting questions to aid in your health center performance improvement discussions:

1. Do the health center's contractual arrangements:
 - a. Contain appropriate provisions around the activities to be performed, time schedules, the policies and procedures to be followed in carrying out the agreement, and the maximum amount of money for which the grantee may become liable to the contractor under the agreement?
 - b. Require the contractor to maintain appropriate financial, program and property management systems and records and provide the health center, HHS and the U.S. Comptroller General with access to such records?
 - c. Require the submission of financial and programmatic reports to the health center?
 - d. Comply with any other applicable Federal procurement standards set forth in 45CFR Part 74 (including conflict of interest standards)?
 - e. Include a provision that such contract is subject to termination (with administrative, contractual, and legal remedies) in the event of breach by the contractor?
2. Does the Governing Board review, and if necessary approve all new affiliations so as to maintain appropriate oversight over all sites and services within the federally approved scope of project?
3. Is the health center able to address any specific legal or fiscal concerns related to new or renewed affiliation agreements, including contracts, with their own legal counsel and/or auditor?

Next Month, *IPHCA Health Source*TM will feature detailed information on Program Requirement #11: Collaborative Relationships.

References

"Program Requirements." Health Resources and Services Administration website. Retrieved January 29, 2013, from <http://bphc.hrsa.gov/about/requirements/index.html>.

Health Center Site Visit Guide. Health Resources and Services Administration website. Retrieved January 28, 2013, from <http://bphc.hrsa.gov/policiesregulations/centerguide.html>.