

93.224

HEALTH CENTER PROGRAM (COMMUNITY HEALTH CENTERS, MIGRANT HEALTH CENTERS, HEALTH CARE FOR THE HOMELESS, AND PUBLIC HOUSING PRIMARY CARE)

State Project/Program: NC FARMWORKER HEALTH PROGRAM / FARMWORKER MEDICAL OUTREACH SERVICE

US DEPARTMENT OF HEALTH AND HUMAN SERVICES

Federal Authorization: Public Health Service Act, (42 U.S.C. 254b), Section 330(e), (g), (h), and (i), as amended by sec. 5601 of P.L. 111-148. Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 [P.L. 116123]. Coronavirus Aid, Relief and Economic Security (CARES) Act. FY 2020 Expanding Capacity for Coronavirus Testing (ECT)

**Department of Health and Human Services
Central Administration/ Office of Rural Health**

Agency Contact Person – Program

Elizabeth Freeman Lambar
(919) 527-6455
Elizabeth.Freeman@dhhs.nc.gov

Agency Contact Person – Financial

Allison Owen
(919) 527-6447
Allison.Owen@dhhs.nc.gov

Address Confirmation Letters To:

SFY 2021 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Managed Care Organizations (MCOs), Boards of Education, Councils of Government, District Health Departments and DHHS Grant Subrecipients will be available by mid-October at the following web address:

<https://www.ncdhhs.gov/about/administrative-offices/office-controller/audit-confirmation-reports>

At this site, click on the link entitled “Audit Confirmation Reports (State Fiscal Year 2020-2021). Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from DHHS are found at the same website except select “[Non-Governmental Audit Confirmation Reports \(State Fiscal Years 2019-2021\)](#)”

The auditor should **not** consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor **can** consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

Auditors may request documentation of monitoring visits by the State Agencies.

This compliance supplement must be used in conjunction with the OMB 2021 Compliance Supplement which will be issued in the summer. This includes "Part 3 - Compliance Requirements," for the types that apply, "Part 6 - Internal Control," and "Part 4 - Agency Program" requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

To increase access to comprehensive primary and preventive health care and improve the health status of underserved and vulnerable populations in the area to be served.

II. PROGRAM PROCEDURES

The NC Farmworker Health Program is administered by the N. C. Department of Health and Human Services, Office of Rural Health (ORH), 2009 Mail Service Center, Raleigh, North Carolina 27699-2009, (919) 527-6440. Funds are received from the U. S. Department of Health and Human Services, Health Resources and Services Administration (HRSA).

The ORH, based upon requests submitted by local agencies and approved by ORH, provides grants. An objective review committee consisting of board members of the North Carolina Farmworker Health Program reviews applications for merit and recommends approval or disapproval of full or partial funding. The Director of the ORH makes final decisions. Among the criteria for selection of projects is the relative merit of proposals in light of the Bureau of Primary Health Care's criteria and specific program guidelines, reasonableness and appropriateness of costs, and past performance by an applicant.

Once an applicant is selected, a formal contract is prepared by the ORH. The contract details contractor obligations, the funding schedule, reporting requirements, and audit requirements. The formal contract serves as the grant award notification.

During the contract year (typically April 1 - March 31), NC Farmworker Health Program staff provide on-going technical assistance to the contractors. Technical assistance includes on-site visitation, workshops, and other contacts with the contractors during which program goals are reviewed and evaluation of contractors undertaken. The primary goal of the assistance is to ensure that the most comprehensive services are available for migrant and seasonal farmworkers and their families.

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the federal agency, noted as "Y," on the "Matrix of Compliance Requirements" located in Part 2 of the OMB 2021 Compliance Supplement; however, the State Agency may have added the Type and this is noted by "Y." If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by "N."

If the Matrix indicates "Y," the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2021 Compliance Supplement, Part 3 (which includes generic details about each compliance

requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	Y	N	N	Y	Y	N	Y	Y	Y

A. Activities Allowed or Unallowed

Funds may be allowed to improve the availability, accessibility, and provision of primary, specialty, dental, behavioral health, and enabling health care services. ORH abides by the Legislative Mandates in Grants Management for FY 2020 listed in HRSA’s External Grants Policy Bulletin, Bulletin Number 2020-04E, released on February 7, 2020 that outlines the limitations of the use of funds for HRSA grants.

FY 2020 Coronavirus Supplemental Funding for Health Centers

Funds may be allowed to support the flexibility for preventing, preparing for, and responding to COVID19, as needs evolve within your community.

Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding

Funds may be allowed to support the detection of coronavirus and/or the prevention, diagnosis, and treatment of COVID including maintaining or increasing health center capacity and staffing levels during coronavirus related public health emergency. Funding may support a wide range of activities, including : Ensuring patient and health center personnel safety and otherwise minimize COVID19 exposure within the health center and in other locations where the health center personnel are delivering in scope services on behalf of the health center; addressing emergent COVID 19 issues to meet the health needs of the population served by the health center, the use of telehealth to support virtual assessment and monitoring of COVID19, symptoms and testing and laboratory services, restoring, sustaining and strengthening health center capacity and staffing levels including hiring new, reemploying and contracting personnel, as well as supporting the reassignment of personnel resources.

FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Funding:

Funding may be used to support activities to purchase, administer, and expand capacity for testing for COVID19.

B. Allowable Costs/Cost Principles

Services provided by and costs allowable under an NC Farmworker Health Program grant through the ORH are limited to those activities which were budgeted by the contractor and approved by the ORH.

Compliance Requirement – No line-item may be increased by more than fifteen (15) percent without the written approval of the ORH (NC Farmworker Health Program). This requirement relates to the contractor’s expenditures as of the date of the balance sheet compared to the budget approved by the ORH.

Suggested Audit Procedure – Review the contractor’s budget as approved by the ORH, including any subsequent amendments. Determine that any revisions exceeding fifteen (15) percent of the budget line-item have been approved in writing.

FY 2020 Coronavirus Supplemental Funding for Health Centers

Services provided and costs allowable under funding may support a wide range of in scope activities including, but not limited to: patient and community education, screening, testing (including temporary drive or walkup testing) and laboratory services, adding providers and other personnel, training, purchase of vehicles to transport patients or health center personnel, supplies (PPE, infection control supplies), equipment and health information technology (to support tracking, sharing and reporting capacity).

Compliance Requirement- Prior approval required for changes in scope of work and funds cannot be used to purchase or update an electronic health record.

Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding

Services provided by and costs allowable under funding may support a wide range of in scope activities including but not limited to maintaining or increasing health center capacity and staffing levels during coronavirus related public health emergency, patient and community education; minor alteration and renovation; equipment purchase including health information technology and telehealth information technology and telehealth equipment, vehicles and mobile, medical unit and supplies.

Compliance Requirement- Re-budgets that exceed 25% of the total federal budget or \$250,000 (whichever is less) require prior approval from HRSA. Funds may not be used to: purchase or upgrade an electronic health record that is not certified by the Office of the National Coordinator for Health Information Technology; new construction activities, including additions or expansions; major alteration and renovation (A/R) projects valued at \$500,000 or greater in total federal and nonfederal costs (excluding the cost of allowable moveable equipment); installation of a permanently affixed modular or prefabricated building; facility or land purchases; or significant exterior site work such as new parking lots or storm water structures. Additionally, these funds may not be used for costs already supported by Health Center Program operational grant (H80) or COVID19 (H8C) funding.

FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Funding:

Services provided by and costs allowable under funding may support a wide range of in scope activities including but not limited to purchasing of testing equipment and supplies, temporary drive or walk-up testing, laboratory services, patient and community education related to testing, assessment of symptoms, delivering test results, and appropriate follow up assessment including by telephone, text, monitoring systems, or videoconference.

Compliance Requirement- Re-budgets that exceed 25% of the total federal budget or \$250,000 (whichever is less) require prior approval from HRSA.

C. Cash Management

Funds are paid on a contractual basis. Generally, payments are made monthly to reimburse for expenses included in the contract's approved budget. Contractors submit monthly expenditure reports after the close of each month. However, some contracts have payments in advance based on a signed DHHS Certification of Cash Needs.

FY 2020 Coronavirus Supplemental Funding for Health Centers; Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Funding

Same as above

E. Eligibility

- Applicant eligibility

Any public or nonprofit private entity. Priority will be given to applications submitted by community-based organizations which are representative of the populations served. Profit-making organizations are ineligible.

- Beneficiary eligibility

Migratory agricultural workers, seasonal agricultural workers and members of their families

FY 2020 Coronavirus Supplemental Funding for Health Centers; Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Funding

Same as above

H. Period of Performance

All funds must be expended within the contract period specified in the formal notice of grant award.

FY 2020 Coronavirus Supplemental Funding for Health Centers; Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Funding

Same as above

I. Procurement and Suspension and Debarment

Contractor cannot be suspended or debarred, nor can it make subawards under covered transactions to parties that are suspended or debarred. This program procures contracts for items needed to fulfil the requirements of funding such as the FHASES software utilized to track clients who receive contracts with contractors of program. This rule applies any time the non-Federal entity procures goods or services with funds that have been approved in the budget. Suspension and debarment apply to both procurements and subawards.

FY 2020 Coronavirus Supplemental Funding for Health Centers; Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Funding

Same as above

L. Reporting

Recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award. Therefore, contractors are required to submit a series of reports to the NC Farmworker Health Program Coordinator in the ORH. These reports are specified in the contract agreement. Report formats are provided by the ORH and are designed to gather the data for reports required by the federal DHHS. The reports, reporting frequency, and due dates are as follows:

- Weekly data entry into Family Health Administration System Electronic Services (FHASES) database in order for ORH to submit the annual Unified Data System (UDS) report in February. This report provides essential data for reporting directly by the ORH to the Federal DHHS as required by the State's grant agreement with the Federal DHHS.
- Expenditure report by budget line-item is due monthly during the contract period by the 10th day following the month being reported in order to monitor expenditures per the budget of the contract.

FY 2020 Coronavirus Supplemental Funding for Health Centers; Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Funding

Same as above

M. Subrecipient Monitoring

Grantees that pass funding through to other entities must perform monitoring activities on each subrecipient to include: reviewing reports submitted by the subrecipient, performing site visits to the subrecipient to review financial and programmatic records and observe operations, reviewing eligibility determinations for enrollees, and reviewing each subrecipient's single audit or program-specific audit results to ensure the subrecipient is in compliance.

Suggested Audit Procedure - Obtain a list of all subrecipients with which the grantee has agreements. Select a sample and verify that all monitoring activities are documented.

FY 2020 Coronavirus Supplemental Funding for Health Centers; Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Funding

Same as above

N. Special Tests and Provisions

Conflict of Interest and Certification Regarding No Overdue Tax Debt

All non-State entities (except those entities subject to the audit and other reporting requirements of the Local Government Commission) that receive, use or expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are subject to the financial reporting requirements of Uniform Guidance Appendix XI to Part 200. These requirements include the submission of a Notarized Conflict of Interest Policy and a written statement (if applicable) that the entity does not have any overdue tax debts as defined at the federal, State or local level. All non-State entities that provide State funding to a non-State entity (except any non-State entity subject to the audit and other reporting requirements of the Local Government Commission) must hold the sub-grantee accountable for the legal and appropriate expenditure of those State grant funds.

Audit Objective – Before receiving and disbursing State funds, determine whether the grantee (1) has adopted a conflict of interest policy and has it on file and (2) whether the grantee has any overdue tax debts at the federal, State or local level.

Suggested Audit Procedures -

1. Ascertain that the grantee has a conflict of interest policy as described above
2. Check the policy and verify through board minutes that the policy was adopted before the grantee received and disbursed State funds
3. Verify as to whether or not the grantee has any overdue tax debts at the federal, State or local level by reviewing tax reports filed with the appropriate government agencies and confirming via an inspection of the accounting records that all taxes were paid timely

FY 2020 Coronavirus Supplemental Funding for Health Centers; Health Center Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding; FY 2020 Expanding Capacity for Coronavirus Testing (ECT) Funding

Same as above