

What Health Centers Need to Know about Executive Order #38: Limits on Administrative Expenses and Executive Compensation



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October 2, 2013

OVERVIEW

- NYS Department of Health Final Regulations
 - Overview of the Final Regulations
 - Preliminary Guidance and Website
 - Determining Covered Provider Status
 - Compliance with Administrative Expense Limit
 - Compliance with Executive Compensation Limits
 - “Draft” EO #38 Disclosure Form
 - Waivers
 - Plans of Corrective Action and Penalties
- U.S. Department of Health and Human Services
 - Caps on Compensation

NYS FINAL REGULATIONS – ADMIN EXPENSES & EXECUTIVE COMP

- Governor Cuomo's Executive Order #38 set forth requirements for administrative expenses paid to, and executive compensation paid by, Covered Providers receiving State Funds and State-Authorized Payments (SF/SAP)
- Final regulations have been issued, effective July 1, 2013
- 13 State agencies have issued regulations implementing the Executive Order
- *The balance of this presentation represents the final regulations issued by the NYS Department of Health*
 - *The regulations by other agencies may differ*

NYS DOH FINAL REGULATIONS – ADMIN EXPENSES & EXECUTIVE COMP

Administrative Expense Limits:

- For Covered Reporting Periods (CRPs) commencing between July 1, 2013 and June 30, 2014 – Unless a waiver is granted, no less than 75% of program service expenses (no more than 25% of administrative expenses) as a proportion of covered operating expenses can be paid with SF/SAP
- For CRPs commencing between July 1, 2014 and June 30, 2015 – The administrative expense limit reduces to 20%
- For CRPs commencing between July 1, 2015 and thereafter – The administrative expense limit reduces to 15%

NYSDOH FINAL REGULATIONS – ADMIN EXPENSES & EXECUTIVE COMP

Executive Compensation Limits:

- Unless a waiver is granted, a Covered Provider may not use more than \$199,000 in SF/SAP to provide Executive Compensation to any Covered Employee during the CRP
- Unless a waiver is granted, a Covered Provider may not provide Executive Compensation in excess of \$199,000 during the CRP using any sources of revenue IF either of two (2) situations apply:
 - The Executive Compensation exceeds the 75th percentile of compensation provided to comparable executives; or
 - The Executive Compensation was not reviewed and approved by the Covered Provider's governing body, with certain conditions met
- The limit on Executive Compensation will be reviewed annually to determine whether adjustment is necessary

NYSDOH FINAL REGULATIONS – ADMIN EXPENSES & EXECUTIVE COMP

Covered Reporting Periods:

- The CRP is the Covered Provider's most recently completed annual Reporting Period commencing on or after July 1, 2013
- Flexibility in determining CRPs:
 - If the Covered Provider is required to submit an annual Cost Report (e.g., AHCF), then the CRP must be concurrent with the period covered by the Cost Report*
 - If the Covered Provider does not file a Cost Report, then the Covered Provider may choose either the calendar year or its fiscal year
- The limits on Administrative Expenses and Executive Compensation will be effective the first day of the Covered Provider's CRP

* If the Covered Provider files multiple cost reports (e.g., AHCF & CFR), the Covered Provider can choose between the 2 reporting periods

NYSDOH FINAL REGULATIONS – ADMIN EXPENSES & EXECUTIVE COMP

Reporting:

- A Covered Provider must submit an *EO #38 Disclosure Form* no later than 180 days after the close of the Covered Provider's CRP
 - Still under development; to be available prior to June 30, 2014
- If, after a review period of not more than 60 days, a determination is made that the Covered Provider violated any of the limitations, or failed to submit the required or requested information, the Covered Provider may be considered non-compliant

NYSDOH FINAL REGULATIONS – ADMIN EXPENSES & EXECUTIVE COMP

Waivers:

- Waivers must be submitted no later than concurrently with the submission of the Covered Provider's *EO #38 Disclosure Form*
- Covered Providers that anticipate exceeding the Executive Compensation and/or the Administrative Expenses limits may apply for a waiver in advance of submission of the *EO #38 Disclosure Form*

Plans of Corrective Action/Penalties:

- If a Covered Provider is found to be out of compliance with the requirements of the regulations, the Covered Provider enters the Plan of Corrective Action/Penalties period
- During this period, the Covered Provider and NYSDOH exchange information with the intent of bringing the Covered Provider into compliance
- If the end result of this period is that the Covered Provider remains out of compliance, sanctions will be imposed on the Covered Provider

PRELIMINARY GUIDANCE AND WEBSITE

- New York State has established a website containing preliminary guidance relative to the implementation of EO #38

<http://executiveorder38.ny.gov/>

- The website includes the following information:
 - Preliminary Guidance
 - Frequently Asked Questions
 - Recommended Worksheets
 - Waiver Application

PRELIMINARY GUIDANCE AND WEBSITE

<http://executiveorder38.ny.gov/>

http://executiveorder38.ny.gov/

New York State State Agencies Search all of NY.gov

Executive Order #38

HOME | FAQ | GUIDANCE | WAIVER APPLICATION | CONTACT

Apply for a Waiver

Video Recording: Introduction and Overview of EO #38

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PRELIMINARY GUIDANCE AND WEBSITE

- Contents of Preliminary Guidance document
 - Introduction and Overview
 - Section A: Covered Provider Status Determination
 - Section B: State Funds/State-Authorized Payments Calculation
 - Section C: Administrative Expenses and Program Services Expenses Calculation
 - Section D: Covered Executive Determination, Executive Compensation Calculation, and Compliance with Executive Compensation Limitations
 - Section E: Waivers
 - Section F: Plans of Corrective Action and Penalties
 - Appendices:
 - Appendix A: Definitions
 - Appendix B: Government Programs
 - Appendix C: Recognized Cost Reports
 - Appendix D: Draft EO 38 Disclosure Form Elements

DETERMINING COVERED PROVIDER STATUS

- Steps to determining Covered Provider status (see Covered Provider Determination Worksheet)
 1. Determine whether the governmental entity exemption applies
 2. Determine the Covered Provider's CRP
 3. Determine whether Program Services were provided.
 4. Determine whether any of the other exemptions apply
 5. Determine the amount of SF/SAP received for the CRP and the one-year period immediately preceding
 6. Determine whether the SF/SAP received during the CRP and the one-year period immediately preceding satisfies the average annual amount of \$500,000
 - If the average annual amount for the CRP and the one-year period immediately preceding is less than \$500,000, the provider is not a Covered Provider for the CRP
 7. Calculate the SF/SAP as a % of total in-state revenues received in the CRP and the one-year period immediately preceding and determine whether it meets the 30% of total in-state revenue requirement
 - If the provider does not meet the 30% requirement in both the CRP and the one-year period immediately preceding, it is not a Covered Provider

DETERMINING COVERED PROVIDER STATUS

- Program Services - Are those services rendered by a Covered Provider or its agent directly to and for the benefit of members of the public (and not for the benefit or on behalf of the State or awarding agency) that are paid for in whole or in part by SF/SAP. Program services shall not include:
 - Policy development and research, or
 - Staffing or other assistance to a State agency or local unit of government in such agency's or government's provision of services to members of the public
- Other Additional Exemptions –
 - 75% of Program Services were provided by an individual(s), owner(s) or partner(s) rather than employees of contractors
 - The individual/entity provides primarily products rather than services
 - The SF/SAP is received primarily from certain child care subsidies
 - The individual/entity received SF/SAP exclusively from/through a State agency that has promulgated a specific exemption for the organization

DETERMINING COVERED PROVIDER STATUS

- Steps to determining the amount of SF/SAP received (see State Funds/State-Authorized Payments Worksheet)
 1. Develop a list of Government Programs funded through SF/SAP (see Appendix B for a list of Government Programs funded with SF/SAP)
 2. Identify SF/SAP payments received for the CRP and the one-year period immediately preceding and calculate the gross totals for both periods for each Government Program
 3. Calculate the amount of funds that should be excluded from the calculation of SF/SAP
 4. Calculate the total amount of SF/SAP received from all appropriate agencies/programs

DETERMINING COVERED PROVIDER STATUS

- State-authorized payments: Payments of funds that are not State funds but which are distributed or disbursed upon a NYS agency's or governmental unit's approval including, but not limited to, the federal and county portions of Medicaid program payments approved by the State agency, with certain exceptions
- State funds: Funds appropriated by law in the annual State budget, with certain exceptions
- DOH will publish a list of State authorized-payment funds and State funds (Appendix B to Preliminary Guidance)

DETERMINING COVERED PROVIDER STATUS

- Exclusions from SF/SAP calculations: Amount was received solely –
 - From a procurement contract awarded on a “lowest price” basis
 - For capital expenses
 - For a direct payment of SF/SAP, or provision of vouchers or other monetary value that may be used to secure specific services for Individual members of the public (e.g., WIC food instruments)
 - For wage or salary subsidies paid to support the hiring and retention of employees
 - For an award to entities exclusively in commercial and manufacturing activities and not in the provision of Program Services
 - For policy development or research
 - For and expressly intended to pay exclusively administrative expenses
 - For providing child care services pursuant to Title 5-C and Section 410 of Social Services Law

DETERMINING COMPLIANCE WITH ADMINISTRATIVE EXPENSES LIMITS

- Steps to determining compliance with Administrative Expenses limits (see Program Services Expenses and Administrative Services Expenses Worksheet)
 1. Refer to regulations for definitions
 2. Allocate expenses between SF/SAP-supported Government Programs and all other programs
 3. Categorize SF/SAP-supported expenses between –
 - Program Services Expenses
 - Administrative Expenses
 - Other-than-Covered Operating Expenses
 4. Further categorize SF/SAP-supported expenses between salaries and benefits versus other expenses
 5. Determine whether Administrative Expenses exceed 25% of Covered Operating Expenses =

Administrative Expenses

Covered Operating Expenses (Administrative + Program Services)

DETERMINING COMPLIANCE WITH ADMINISTRATIVE EXPENSES LIMITS

Expense Allocation – SF/SAP versus non-SF/SAP programs:

	Total SF/SAP	Other Than SF/SAP	TOTALS
Salaries & Benefits	\$ 7,000,000	\$ 3,000,000	\$ 10,000,000
Other Than Personnel Services	4,000,000	1,000,000	5,000,000
TOTALS	\$ 11,000,000	\$ 4,000,000	\$ 15,000,000

SF/SAP Expense Allocation – Program Services versus Administrative:

	Program Services	Administrative	Other Than Covered Svcs	TOTAL SF/SAP
Salaries & Benefits	\$ 5,000,000	\$ 2,000,000	\$ 0	\$ 7,000,000
Other Than Personnel Services	2,700,000	300,000	1,000,000	4,000,000
TOTALS	\$ 7,700,000	\$ 2,300,000	\$ 1,000,000	\$ 11,000,000
Covered Operating Expenses		10,000,000		
Administrative Percentage		23%		

DETERMINING COMPLIANCE WITH ADMINISTRATIVE EXPENSES LIMITS

- Administrative Expenses : Those expenses authorized and allowable pursuant to applicable agency regulations, contracts or other rules that are incurred in connection with the overall management and necessary overhead that cannot be attributed directly to the provision of program services. Such expenses include but are not limited to –
 - That portion of salaries and benefits of staff performing administrative and coordination functions that cannot be attributed to particular program services (e.g., CEOs, CFOs, finance staff, human resource staff, public relations personnel, administrative office support personnel, and IT staff that cannot be attributed directly to the provision of program services)
 - Legal expenses that cannot be attributed directly to the provision of program services
 - Office operations expenses that cannot be attributed directly to the provision of program services

DETERMINING COMPLIANCE WITH ADMINISTRATIVE EXPENSES LIMITS

- Program Services Expenses: Those expenses authorized and allowable pursuant to applicable agency regulations, contracts or other rules that are incurred in “direct connection” with the provision of program services. Such expenses include but are not limited to –
 - Salaries and benefits of staff providing particular program services, and supervisory personnel and support personnel whose work is attributable to a specific program in whole or in part and contributes directly to the quality or scope of the program services provided;
 - Quality assurance and supervisory personnel whose work is attributable to a specific program in whole or in part and contributes directly to the quality or scope of the program services provided; and
 - Expenses incurred in connection with and attributable to the provision of particular program services.
 - » Includes information technology and computer systems (e.g., EHRs) to facilitate improved patient care and used in program services delivery or documentation of services provided

DETERMINING COMPLIANCE WITH ADMINISTRATIVE EXPENSES LIMITS

- Covered Operating Expenses: Shall mean the sum of Administrative and Program Services Expenses, as defined by regulation
- Other-than-Covered Operating Expenses: The following expense items are excluded from the definitions of administrative and program services expenses
 - Capital expenses related to real estate
 - Property rental, mortgage or maintenance expenses*
 - Taxes or assessments paid to any government unit
 - Equipment rental, depreciation and interest expenses
 - Expenses of an amount greater than \$10,000 that would otherwise be administrative, except that they are either non-recurring (no more frequent than once every 5 years) or not anticipated by a Covered Provider
 - That portion of salaries and benefits of staff performing policy development or research

** Limited exception for providers who provide housing to the public*

DETERMINING COMPLIANCE WITH EXECUTIVE COMPENSATION LIMITS

- Steps to determining compliance with Executive Compensation limits (see Executive Compensation Calculation Worksheet)
 1. Determine which executives are likely to be considered Covered Executives
 - Identify compensated directors, trustees, managing partners, officers and key employees whose overall compensation exceeded \$199,000 during the CRP
 - Identify clinical and program personnel fulfilling administrative functions that are directly attributable to and comprise Program Services, and are therefore excluded
 - Identify individuals employed by related organizations that must be considered Covered Executives for the Covered Provider
 2. Given the executives identified likely to be considered Covered Executives -
 - Determine the executive's gross compensation
 - Determine the amount of compensation to render program services to be excluded from the Executive Compensation calculation
 - Determine whether any of the executives have contracts that would be excluded from the Executive Compensation limitation
 3. Evaluate whether the Executive Compensation paid to a Covered Executive complies with the Executive Compensation limits

DETERMINING COMPLIANCE WITH EXECUTIVE COMPENSATION LIMITS

- Covered Executive:

- A director, trustee, managing partner, or officer whose salary and/or benefits, in whole or in part, are administrative expenses, and any key employee whose salary and/or benefits, in whole or in part, are administrative expenses and whose executive compensation during the reporting period equaled or exceeded \$199,000.
 - » The terms “director”, “trustee”, “officer” and “key employee” shall have the same meaning as such terms in the IRS Form 990
 - » If there are more than 10 “key employees” with executive compensation in excess of \$199,000, only the 10 highest compensated “key employees” are reported
- If a Covered Provider pays a related organization to perform administrative or program services, the Covered Executives of the related organization shall also be considered “Covered Executives” of the Covered Provider if more than 30% of such a Covered Executive’s compensation is derived from SF/SAP received from the Covered Provider

DETERMINING COMPLIANCE WITH EXECUTIVE COMPENSATION LIMITS

- Covered Executive (continued):
 - Clinical and program personnel in a hospital or other entity providing program services, including chairs of departments, heads of service, chief medical officers, directors of nursing, or similar types of personnel fulfilling administrative functions that are nevertheless directly attributable to and comprise program services shall not be considered Covered Executives for purposes of limiting the use of SF/SAPs to compensate them*
 - Compensation that is provided pursuant to a contract entered into between a Covered Provider and a Covered Executive prior to July 1, 2012 will not be subject to the limitations contained within the regulations until the end of the term of the contract or April 1, 2015, whichever comes first
- * The Preliminary Guidance indicates that clinical and program personnel are excluded from both Executive Compensation limits

DETERMINING COMPLIANCE WITH EXECUTIVE COMPENSATION LIMITS

- Executive Compensation: Shall include all forms of cash and noncash payments or benefits given directly or indirectly to a Covered Executive, including but not limited to –
 - Salaries, wages and bonuses
 - Dividends and distributions
 - Other financial arrangements such as personal vehicles, housing, below market loans, payment of personal or family travel, entertainment, and personal use of the organization's property reportable on a Covered Executive's W-2 or 1099
 - Exclude mandated benefits, and health insurance and pension contributions consistent with those provided to a Covered Provider's non-Covered Executive employees
 - With respect to non-qualified deferred compensation plans, executive compensation includes the amount contributed or accrued during the CRP

DETERMINING COMPLIANCE WITH EXECUTIVE COMPENSATION LIMITS

- Evaluating compliance with Executive Compensation limits
 - The Executive Compensation Calculation Worksheet recommended by the Preliminary Guidance addresses the total Executive Compensation paid to Covered Executives from all sources of revenue
 - Covered Providers will need to maintain supporting documentation supporting the allocation of Executive Compensation between SF/SAP and non-SF/SAP revenue sources
 - The allocation of Executive Compensation to SF/SAP should be consistent with the allocation of Administrative Expenses included in the Administrative Expenses limitation test
 - Executive Compensation from all sources of revenue may exceed \$199,000 so long as –
 - It remains below the 75th percentile of comparables AND
 - It was approved by the Covered Provider's governing body, with certain requirements met

DETERMINING COMPLIANCE WITH EXECUTIVE COMPENSATION LIMITS

- Determining Compensation Comparability and the 75th Percentile
 - The Covered Provider must be able to demonstrate that it reviewed appropriate comparable executives within comparable providers
 - “Comparable providers” are those that are of approximately the same size, provide approximately the same type of Program Services, and are in a comparable geographic region
 - A Covered Provider may utilize a compensation survey that includes the Covered Provider’s sector of Program Service
 - Alternatively, a Covered Provider may conduct its own compensation survey
 - If a Covered Provider conducts its own compensation survey, the regulations provide 17 factors of comparability, evidence of which may be requested when submitting an *EO #38 Disclosure Form* or requesting a waiver

DETERMINING COMPLIANCE WITH EXECUTIVE COMPENSATION LIMITS

- Factors of Comparability – may include but may not be limited to:
 1. Similarity to other organizations in type(s) of services rendered;
 2. Similarity to other organizations in scope of services rendered (i.e., number of individuals served);
 3. Similarity to other organizations in size of annual budget;
 4. Similarity to other organizations in number of employees;
 5. Similarity to other organizations in geographic location of physical locations (e.g., offices, service locations);
 6. Similarity to other organizations in geographic location of services rendered;
 7. Availability of similar services within the geographic region;
 8. Similarity to other executives in education levels;

DETERMINING COMPLIANCE WITH EXECUTIVE COMPENSATION LIMITS

9. Similarity to other executives in credentials/skills;
10. Similarity to other executives in tenure of experience;
11. Similarity to other executives in depth of experience in the field;
12. Similarity to other executives in length of time in similar positions;
13. Similarity to other executives in work schedule and level of FTE;
14. Similarity to other executives in experience in the position;
15. Similarity to other executives in performance on the job;
16. Similarity to other executives in functional comparability; and,
17. Economic climate at the time the compensation was agreed to.

DETERMINING COMPLIANCE WITH EXECUTIVE COMPENSATION LIMITS

- Governing Body Review of Compensation
 - The review and approval must be conducted by the Covered Provider's board of directors or equivalent governing body
 - The board of directors or equivalent governing body must include at least two independent directors or voting members
 - A compensation committee, duly authorized by the board of directors, may conduct this review on behalf of the board of directors; however, the committee's review and approval of the Executive Compensation provided to a Covered Executive must be reviewed and ratified by the board of directors
 - Such review must include an assessment of appropriate comparability data including the factors of comparability previously discussed

DRAFT EO #38 DISCLOSURE FORM ELEMENTS

- Draft elements are included in Appendix D of the Preliminary Guidance; further refinements and guidance on the submission of the *EO #38 Disclosure Form* will be provided at a later date
- Draft elements include:
 - Covered Provider organizational information
 - Covered Provider's CRP
 - Agencies from which the Covered Provider receives SF/SAPs
 - Executive Compensation –
 - Waivers – indicate whether the Covered Provider has been granted a waiver OR has not been granted a waiver OR is submitting a waiver application concurrently
 - List names and titles of all Covered Executives
 - List name of Covered Executives and amount of Executive Compensation paid for by SF/SAPs
 - List names and titles of Covered Executives requiring a waiver (exceed the 75th percentile and/or not approved by the governing board)
 - List names and titles of Covered Executives exempt from the limitations consistent with the contract exception provision

DRAFT EO #38 DISCLOSURE FORM ELEMENTS

- Draft elements (continued):
 - Administrative Expenses
 - Waivers – Indicate whether the Covered Provider has been granted a waiver OR is submitting a waiver application concurrently OR has an application pending OR has not received a waiver
 - Report the total Covered Operating Expenses covered by SF/SAP along with the breakdown between Program Services Expenses and Administrative Expenses (amount and percentages)
 - Request for non-disclosure of the *EO #38 Disclosure Form* to the public
 - Affirmation and authorization

W A I V E R S

- Waivers for the limits on Executive Compensation and Administrative Expenses may be granted by DOH, its designee, and the Director of the Department of Budget upon the showing of good cause
- Waivers must be submitted no later than concurrent with the timely submission of the *EO #38 Disclosure Form*.
- Covered Providers that anticipate exceeding the Administrative Expenses and/or Executive Compensation limits may apply for a waiver in advance of the submission of the *EO #38 Disclosure Form*. If approved, the approval would be considered conditional until the actual data is available at the end of the CRP
- In general, a decision on a timely filed waiver application shall be provided no later than 60 days after submission of the application

WAIVERS

- If DOH proposes to deny a waiver request, the denial shall be effective 30 days from the date of the notice, unless reconsideration is requested
- The Covered Provider may submit a written request for reconsideration within 30 days from the date of the notice
 - Such submission shall stay any action to deny the waiver and stay any action to enter into a contract or agreement
 - Vouchers submitted by the applicant for payment during such reconsideration is pending may be considered incomplete at DOH's discretion
- A written determination after reconsideration shall be a final decision

W A I V E R S

- Waivers for Limit on Executive Compensation – waiver application requirements:
 - Covered Executive's Name
 - Position/Title
 - Executive Compensation provided to the Covered Executive
 - Executive Compensation derived from SF/SAP
 - A description of compensation provided to comparable executives
 - A description of how essential the executive is to the Covered Provider
 - A description of the compensation review process
 - Disclosure of whether the compensation exceeds the 75th percentile of comparable executives, and if so by how much and a description of the rationale for providing such compensation
 - A description of the qualifications of the executive
 - A description of any recruiting alternatives pursued

W A I V E R S

- Waivers for Limit on Reimbursement for Administrative Expenses – waiver application requirements:
 - Covered Operating Expenses
 - Administrative Expenses and percentage
 - Program Services Expenses and percentage
 - Rationale for exceeding the limits
 - A description of the unavailability of such expenses
 - Provide evidence of the impact not paying such expenses would have on the Covered Provider
 - A description of the control processes utilized
 - A description of any alternative funding sought

PLANS OF CORRECTIVE ACTION AND PENALTIES

- Whenever a Covered Provider is determined to be not compliant with the regulations, DOH will issue a “Notice of Determination of Non-Compliance”
 - Covered providers have 30 days from receipt of this Notice to demonstrate compliance
- If after reconsideration, DOH determines that the provider is not in compliance with the regulations, the “Notice of Determination of Non-Compliance” is deemed final and a “Notice to Cure” will be sent to the Covered Provider
- The “Notice to Cure” will give the Covered Provider no less than 6 months to correct the violations and require the submission of a “Corrective Action Plan” within 30 days
- Once received, DOH has 30 days to review, revise and approve the “Corrective Action Plan”
 - DOH can approve an alternative time period

PLANS OF CORRECTIVE ACTION AND PENALTIES

- If DOH or its designees determines that the “Corrective Action Plan” was not properly implemented, DOH will issue a “Notice of Failure to Cure” which will either include modifications to the “Corrective Action Plan” or the issuance of a “Notice of Sanctions Due to Non-Compliance” and the Covered Provider’s opportunity to appeal
- The “Notice of Sanctions Due to Non-Compliance” may include:
 - Redirection of SF/SAPs;
 - Suspension, modification, limitation or revocation of the provider’s license;
 - Suspension, modification or termination of contracts or other agreements; and
 - Any other lawful actions or penalties deemed appropriate by DOH or its designee.
- Covered Providers may file a written “Request for Appeal” within 30 days of receipt of the “Notice of Sanctions Due to Non-Compliance”

HRSA SALARY CAP

Legislation

- The Consolidated Appropriations Act, 2012, Title II, Department of Health and Human Services, includes the following language under General Provisions:

SEC. 203. None of the funds appropriated in this title shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II.

- For Fiscal Year 2013, Executive Level II is \$179,700. This represents a reduction from the prior cap (Executive Level I ~ \$199,000) and a new application of the cap to HRSA-funded programs.
 - Does not include fringe or other non-salary compensation.
 - Does not apply to contractors.

NOW WHAT?

- Analyze your expected Covered Reporting Period and the one-year immediately preceding to determine –
 - Whether your Center is a Covered Provider
 - The State Funds and State-Authorized Payments received by your Center
 - The possible Covered Executives
- Review your accounting system to ensure it is structured to report on Program Services and Administrative Expenses consistent with EO #38 requirements
 - Also consider the implications of the new Policy Information Notice (PIN) on budgeting and accounting for the Federal Section 330 grant
- Review the process for approval of Executive Compensation and evaluate its compliance with EO #38 requirements
- Determine whether waivers may be necessary and consider filing waivers prior to the submission of the *EO #38 Disclosure Form*

QUESTIONS



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