



PROGRAM ASSISTANCE LETTER

DOCUMENT NUMBER: 2011-07

DOCUMENT NAME: Sites, Scope of Project,
and Capital Projects

DATE: July 8, 2011

TO: Health Center Program Grantees
National Cooperative Agreements
Primary Care Associations
Primary Care Offices

I. PURPOSE

Recent Federal awards to support capital projects at health centers (i.e., Capital Improvement Program (CIP) and Facility Investment Program (FIP) grants under the American Recovery and Reinvestment Act and Capital Development (CD) grants under the Affordable Care Act) have resulted in new operational sites and changes to existing sites. The purpose of this Program Assistance Letter (PAL) is to highlight the existing policy and processes for documenting sites within a health center's approved scope of project, with an emphasis on sites at which Federal Health Resources and Services Administration (HRSA)-supported capital investments and improvements (e.g., construction, alterations/renovations funded by CIP, FIP, and CD grants) have occurred/are occurring.

This PAL supplements information in [Policy Information Notice \(PIN\) 2008-01: Defining Scope of Project and Policy for Requesting Changes](#) and [Program Assistance Letter \(PAL\) 2009-11: New Scope Verification Process](#), which detail the HRSA policy for an approved scope of project for health centers funded under section 330 of the Public Health Service (PHS) Act, the five components of an approved scope of project, and the policy and process for health centers seeking prior approval to make changes in the approved scope of project. All health centers are reminded to periodically review their scope information and contact their section 330 Project Officer if they notice any discrepancies/inconsistencies.

II. APPLICABILITY/DEFINITIONS

This PAL applies to health centers funded under the Health Center Program authorized in section 330 of the PHS Act, including the Community Health Center, Migrant Health Center, Health Care for the Homeless, and Public Housing Primary Care Programs. For the purpose of this PAL, the following terms are defined:

- A “capital project” is one supported under a HRSA capital improvement/investment grant (i.e., CIP, FIP, and/or CD).
- A “capital project site” is a site at which a Federal HRSA-supported capital project is occurring.
- “Capital-related requirements” or “reviews” refer to statutory requirements and policies related to Federal capital investments and include, but are not limited to, Federal interest in real property, the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), and architectural/engineering reasonableness of the project.
- The “section 330 PO” is the HRSA Project Officer (PO) that manages the Health Center Program operational grant and is responsible for reviewing change in scope (CIS) requests. The section 330 PO is listed in the “Contacts” section of the Electronic Handbooks (EHB) Grant Handbook with the Activity Code H80. The section 330 PO remains primary point of contact for approval of all sites within scope of project, whether the site was added through a CIS request or a HRSA-funded capital grant.
- The “capital grant PO” is the HRSA PO that manages the capital investment grant. For example, these POs include those that manage the CIP (Activity Code C81), FIP (Activity Code C80), and CD (Activity Code C8A) grants. The capital grant PO is listed in the “Contacts” section of the EHB Grant Handbook with the appropriate activity code.

This PAL does not address the additional communication, reviews and processing necessary to change the overall scope of work of a capital project. All grantees must consult with both their section 330 PO and capital grant PO to determine if a request for a change to a capital project (regardless of whether the site/address is changing) is reasonable prior to taking any steps outlined in this PAL. Any changes to the capital project overall must adhere to capital-related requirements and be separately reviewed and approved.

III. BACKGROUND

A. IMPORTANCE OF ACCURATE SCOPE INFORMATION

As stated in PIN 2008-01, site information must be properly documented, up to date, and approved in the Federal scope of project in order for health centers to be eligible to receive various benefits (e.g., Federal Tort Claims Act coverage, 340B Drug Pricing Program coverage, Medicaid and Medicare reimbursement). As noted in PIN 2008-01, significant changes to scope, including the addition, deletion or relocation of sites, require prior approval by HRSA. Further, the investment of Federal funds to support capital projects at health center sites requires assessment of compliance with other statutory capital-related requirements and

creates Federal interest¹ in real property; therefore, it is essential that sites be accurately recorded in a health center's approved scope of project.

Per PIN 2008-01, a fully-equipped mobile van that is staffed by health center clinicians providing direct primary care services at various locations on behalf of the grantee is considered a service site and must be properly recorded in scope. If a grantee utilized a capital grant to purchase a new mobile van, that new site and related information should have been proposed within the capital grant application. If a grantee utilized a capital grant to replace an existing in-scope mobile unit, it should ensure that the van's site information is accurate and up to date. Please note that vans that are not equipped or utilized for direct patient care do not meet the definition of a service site. If a grantee utilized a capital grant to purchase such a van to transport patients or staff or support outreach or other enabling services, the van should not be listed on Form 5—Part B: Service Sites. Rather, these vans may be listed on Form 5—Part C: Other Activities, as appropriate.

B. SCOPE VERIFICATION PROCESSES FOR CAPITAL PROJECT SITES

Per PIN 2009-11, grantees are required to verify implementation of site changes within EHB through the "Scope Verification process."

During the CIP, FIP, and CD application process, applicants were instructed to document within the application any new site(s) proposed in a construction or alteration/renovation project that was not already in its approved scope of project. HRSA reviewed this proposed site information as part of the overall capital grant application following the criteria outlined in PIN 2008-01 and approval of the sites within a grantee's scope of project was communicated to applicants via the NGA that also approved their CIP, FIP, or CD project. A term on the NGA informed grantees that they were expected to verify that the new site was implemented once it became operational.

Because the implementation of capital projects is long-term in nature, these sites are frequently not able to be operational within the expected 120 days of site approval for a CIS request. Therefore, in approving new sites as part of a federally-funded capital grant (i.e., CIP, FIP, and/or CD), HRSA provided a scope verification process that allowed for additional time beyond the 120-day verification deadline for CIS requests. Grantees were given a two-year deadline within EHB to verify that these sites were operational. The technical process for verifying the open/operational date in EHB for these sites is the same as for CIS requests; once verified, an NGA confirming the operational date of the site will be issued.

¹ The CIP, FIP, and CD grant awards authorize activities such as alteration and renovation, construction, and acquisition of equipment and supplies. When these types of actions are undertaken with Federal grant funds, there is Federal Interest. HRSA is responsible for ensuring that grantees utilize these items for the intended public benefit under the law and when no longer needed, items are disposed of under the following requirements: Real property 45 CFR 74.32 and Equipment/Supplies 45 CFR 74.34 & 74.35.

IV. COMMON SCENARIOS FOR CAPITAL PROJECT SITES AND HOW TO ADDRESS THEM

In order to assist grantees with assuring that their scope of project is accurately and appropriately reflected within EHB, this section contains descriptions of scenarios a grantee may experience and provides guidance on how to address those scenarios. If a grantee encounters a scenario (related to scope) with a capital project site that is not described in this PAL, it should consult with its section 330 PO.

A. CORRECTIONS AND UPDATES TO ADDRESSES WITH NO PHYSICAL LOCATION CHANGE

In some cases, grantees were unable to provide a complete address on Form 5-B at the time the capital grant application(s) was submitted (e.g., official street names had not been assigned for a new construction project). Once the additional information about a new site is available (e.g., street names have now been assigned and a formal street address established), the street address needs to be formally entered on Form 5-B to correctly document the grantee's approved scope of project.

If a grantee has an update to an address that it believes meets this scenario, the following steps should be taken:

- Grantee contacts its section 330 PO and capital project PO to discuss the potential options, timing, and impact of the change.
- Grantee accesses the pending Scope Verification for the originally proposed site in its section 330 Grant Handbook in EHB; verifies the site as "Not Implemented;" and provides the correct "alternate address."
- Grantee provides to the section 330 PO in writing (electronically, if possible):
 - The correct complete address (including specific suite or building numbers if applicable);
 - Official documentation from the assigning authority (e.g., local government, Post Office) confirming that the physical site location is the same as the assigned address;
 - Confirmation that all other original information provided in Form 5-B/Add Site Checklist of the capital application is still accurate; and
 - Date that this site was/will be operational.

After the PO compares this address information to the approved application and previous site and capital project reviews to assure it meets the criteria to be approved under this scenario, an NGA with the corrected site information will be issued.

B. PROPOSING A CHANGE TO THE PHYSICAL LOCATION OF AN APPROVED CAPITAL PROJECT

HRSA acknowledges that, due to unforeseen circumstances, a grantee may need to propose a different site (i.e., a physical location change) at which to implement its capital project. In these cases, a grantee must take necessary actions to ensure that the site information is

properly updated, reviewed, and approved in its Federal scope of project. Prior to taking any of the following actions, the grantee must first consult with its section 330 PO per PIN 2008-01.

All grantees are reminded that a change in site location for a HRSA-funded capital project will require additional capital-related reviews (e.g., NEPA, NHPA, architectural/engineering) prior to final approval. HRSA will not indicate approval of a site change until all necessary reviews have been satisfactorily completed. All such changes will require both section 330 PO and capital grant PO approval.

For the purposes of the following scenarios, a “new site” is one that is not yet approved within a grantee’s scope on Form 5-B and/or is not yet operational. An “existing site” is one that is already approved within a grantee’s scope on Form 5-B and is operational.

1. New site to new site

A grantee may determine that due to unforeseen circumstances, the new site proposed in its original capital grant application is not viable; therefore, the grantee may propose to implement the capital grant at a different site. For example, a grantee proposed a capital project at a new site at 123 Main Street but, due to environmental concerns at this site, it is requesting to transfer its capital project to 456 First Street. In such a case, the following steps must be taken by the grantee:

- Grantee contacts its section 330 PO and capital project PO to discuss the potential options, timing and impact of the change.
- Grantee accesses the pending Scope Verification for the originally proposed site in its section 330 Grant Handbook in EHB; verifies the site as “Not Implemented;” and provides the “alternate address.”
- Grantee adds the new site at the “alternate address” through a full, formal CIS request within the EHB scope module, which includes submission of all required forms and documentation.
- The section 330 PO reviews the new site proposed via the CIS request at the “alternate address” according to PIN 2008-01; if approved, an NGA approving the site will be issued through the section 330 grant. The site will also be marked as having a capital project and a two-year scope verification deliverable (based on the original capital grant program end date) will be created in EHB.
- If the site cannot be approved, the grantee will receive an email through EHB indicating disapproval and should consult with its capital grant PO concerning next steps relative to the capital project.
- Grantee must verify the approved site at the “alternate address” as implemented once the grantee is operational at the site.

2. New site to existing site

A grantee may determine that due to unforeseen circumstances, the new site proposed in its original capital grant application is not viable; therefore, the grantee may propose to implement the capital grant at an existing site in its approved scope of project. For example, a

grantee proposed a capital project at a new site at 123 Main Street but, due to environmental concerns at this site, proposes to instead construct a new floor at its existing clinic at 789 Second Avenue. In such a case, the following steps must be taken by the grantee:

- Grantee contacts its section 330 PO and capital project PO to discuss the potential options, timing and impact of the change.
- Grantee accesses the pending Scope Verification for the originally proposed site in its section 330 Grant Handbook in EHB; verifies the site as “Not Implemented;” and provides the “alternate address” (the address of the site currently in the approved scope of project).
- Note that a new CIS request is not required and a revised NGA will not be issued. No further scope verification will be required.

3. Existing site to new site

A grantee may determine that due to unforeseen circumstances, it is unable to implement its capital project at its existing site proposed in the capital grant application; therefore, the grantee may propose to implement the capital grant at a new site. For example, due to zoning limitations, a grantee determines that instead of constructing a new wing on its existing clinic at 789 Second Avenue, it wishes to construct a new building at 123 Main Street. In these cases, the grantee should:

- Contact its section 330 PO and capital project PO to discuss the potential options, timing and impact of the change.
- Add the new site through a full, formal CIS request within the EHB scope module, which includes submission of all required forms and documentation.
- The section 330 PO reviews the new site proposed via the CIS at the “alternate address” according to PIN 2008-01; if approved, an NGA approving the site will be issued through the section 330 grant.
- If the site cannot be approved, the grantee will receive an email through EHB indicating disapproval and should consult with its capital grant PO concerning the next steps relevant to the capital project.
- The approved site will also be marked as having a capital project and a two-year scope verification deliverable (based on the original capital grant program end date) will be created in EHB.

4. Existing site to existing site

A grantee may determine that due to unforeseen circumstances, it is unable to implement its capital project at the existing site proposed in the capital grant application; therefore, the grantee may propose to implement the capital grant at another site in its approved scope of project. For example, due to zoning limitations, a grantee determines that instead of constructing a new wing on its existing clinic at 789 Second Avenue, it wishes to construct a new wing at its existing approved site at 100 Third Avenue. Because this type of change involves existing sites only, a CIS request is not required. However, in these cases, the grantee should contact its section 330 PO and capital project PO to discuss the potential options, timing

and impact of the change and to ensure that proper capital project reviews and documentation occur in EHB.

5. Other additions (such as the creation of a new suite, office, or building number)

As a result of the capital project, a grantee may determine that a new building address or suite number has been created (i.e., two or more sites now exist with separate and distinct addresses where there was only one address previously), requiring a new site to be added to the approved scope of project (refer to PIN 2008-01 for a definition of what constitutes a service site). A grantee must complete a CIS for prior approval to add a new site(s) if the capital project results in a new/different suite number, office number, or building number. For example, a CIS request to add a site is required if a grantee operates a site at 345 Main Street, Suite #4, and will be adding a new site at 345 Main Street, Suite #12, which was created as part of the capital project. As with all CIS requests, the grantee should consult with its section 330 PO. If approved for a new site at the new suite, building, office, etc., the grantee will also be required to complete a scope verification when the site is operational.

V. VERIFYING OPERATIONAL DATES

A Health Center Program grantee should verify any new site approved through a HRSA-funded capital grant as operational by accessing the Scope Verification deliverable in its “Grant Portfolio” in EHB as soon as it begins to provide services at the site.

As necessary, after consultation with its section 330 PO and capital grant PO, a grantee may request an extension of the verification deadline if it is continuing to implement the capital project and is not yet operational at the site at the end of the two-year period. To do so, a grantee must access the Scope Verification deliverable prior to the original verification deadline and request an extension of the deliverable deadline, which must be reviewed and approved by HRSA. Prior to requesting an extension to the site verification deadline, the grantee must consult with its capital grant PO to submit a separate Prior Approval request for an Extension Without Funds to the capital grant’s project period; this request must also be reviewed and approved by HRSA.

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