

January 26, 2012

## CLARIFICATION ON INFRASTRUCTURE INVESTMENT FUNDING ADJUSTMENTS

In recognition of changing financial circumstances for some providers due to the availability of additional funding opportunities, revised expenditure projections, and/or other unanticipated events, DHH will allow modification of approved infrastructure investment budgets in the 2011 application cycle (October 1, 2010 through June 30, 2012), subject to the following limitations:

- Providers will be allowed to reallocate funding, up to **5%** of their **total** infrastructure investment award, between **previously identified and approved** infrastructure investment projects. This reallocation may be made **without** prior DHH approval, but all reallocations **must** be clearly identified in quarterly infrastructure investment expenditure reports.
  - Example #1: DHH approved your 2011 infrastructure investment application for \$50,000, including \$40,000 for the acquisition of practice management software and \$10,000 for staff training on the new software. Actual costs for software acquisition are less than previously anticipated, and a newly-hired staff member would benefit from the planned software training.

***Up to \$2,500 (5% of \$50K) may be reallocated from acquisitions to staff training without prior DHH approval to cover the costs of training the new employee.***

- Reallocations that are **within the 5% threshold** but **were not** previously identified and approved in your original application **can only be made with prior DHH approval**. DHH **may** consider such reallocations **if** the new expenditures are within the scope of the approved application **and** the expenditures qualify for reimbursement under the original application guidelines.
  - Example #2: DHH approved your 2011 infrastructure funding application for \$100,000, including \$80,000 for upgrades to your current encounter data collection and reporting system and \$20,000 for technical assistance toward NQCA PCMH recognition. Upon completion of your system upgrades, you have unexpended funding remaining, and you now wish to purchase new, more capable PCs for your front office at a cost of \$3,500. The purchase of these PCs was not, however, requested in your original application.

***Though acquisition of PCs would be within the cost threshold (i.e. up to \$5K), this funding may NOT be reallocated without prior DHH approval, as it was not part of your agency's original request.*** You may submit a request for consideration of this new acquisition **if** this expenditure is within the scope of your approved infrastructure application.

- A reallocation *greater than 5%* may be submitted to DHH for consideration *if* the goals are within the scope of the approved application *and* if the expenditures qualify for reimbursement under the original application guidelines. **Any reallocation greater than 5% of the total infrastructure investment award must be submitted to DHH for approval prior to the expenditure of funding. Failure to secure prior approval may result in the disallowance of expenditures.**

- Example #3: DHH approved your 2011 infrastructure funding application for \$60,000, including \$50,000 for software acquisition and \$10,000 for software training. Subsequently, funding becomes available from another source and can be used to cover the full cost of training. You wish to reallocate the training funding for additional software acquisitions.

***You must submit a request to DHH to reallocate the \$10,000 from training to software acquisition, and you must do so before any software acquisitions in excess of the approved \$50,000 budget are made.***

- Requests for allocations should be submitted via email to [GNOCHC@la.gov](mailto:GNOCHC@la.gov). Be sure to include the original approved budget, the requested change, and a brief explanation of the circumstances by which funding is available for reallocation *and* the benefit of the proposed expenditure.
- All other guidelines for infrastructure investment expenditures, as described in the infrastructure investment application and/or in the GNOCHC Provider Manual, will remain in place. If you have any concerns about what is or is not allowable, please feel free to contact us with questions.

Updates to the Provider Manual to include this clarification are forthcoming.