

Oklahoma Rural Health Transformation Program (RHTP)

Allowable and Unallowable Cost Summary

»» The Basic Rule: Confirm that the cost is: ««

- ✓ Necessary to achieve program objectives
- ✓ Consistently treated under standard accounting practices
- ✓ Not paid for by another funding source
- ✓ Reasonable in amount
- ✓ Properly documented
- ✓ Allocable to the RHTP award
- ✓ Directly supports an approved RHTP initiative
- ✓ Within program spending limits
- ✓ Makes sense to an external auditor
- ✓ Is for a new service, expansion, or enhancement **NOT** replacing existing funding?

If a cost does not meet these conditions, it should not be charged to the program. If you are unsure, please ask.

Allowable Costs: Workforce and Operations

| Workforce and Personnel | Equipment and Facilities | Program Operations | Provider Support (15% Limit) |
|--|--|--|--|
| ✓ Salaries and wages for employees working on RHTP initiatives | ✓ Minor building alterations or renovations to rural health facilities or other structures (subject to 20% cap and prior approval for items over \$10,000) | ✓ Travel costs for employees in official business status at reasonable rates (i.e., GSA rates) | ✓ Payments to providers for performance in alternative payment models tied to outcomes |
| ✓ Fringe benefits including health insurance, retirement contributions, paid leave, etc. | ✓ Medical equipment upgrades for rural hospitals and clinics | ✓ Conference costs related to program objectives, including rental of facilities and participant support | ✓ Payments for uncompensated care tied to specific RHTP initiatives (not billable by insurers) |
| ✓ Relocation costs for new clinical workforce moving to rural areas for minimum 5 years | ✓ Supplies and materials necessary for program performance | ✓ Training and education costs for rural clinical workforce development | ✓ Clinical services supporting RHTP strategic goals as part of comprehensive initiatives |
| | ✓ Computing devices essential and allocable to program activities | ✓ Professional service costs from consultants possessing special skills | |
| | ✓ Upgrades and enhancements to existing EMR/EHR systems (not subject to 5% limitation) | ✓ Audit services required under Single Audit Act | |
| | | ✓ Telecommunication costs for program-related communications | |

Disclaimer: This document provides a summary of allowable and unallowable costs under the Rural Health Transformation Program (RHTP) and is not intended to be a comprehensive list of all cost allowability determinations. Refer to 2 CFR Part 200, Subpart E, award terms and conditions, related RHTP program documents. In the event of any conflict between this summary and applicable federal regulations, the federal regulations and award terms govern.

Prohibited Costs

Federal Restrictions

- ⊘ Alcoholic beverages
- ⊘ Bad debt and collection costs
- ⊘ Entertainment costs, amusement and social activities
- ⊘ Goods and services for personal use of employees
- ⊘ Fundraising and investment management costs
- ⊘ Lobbying activities
- ⊘ Fines, penalties, damages, and settlement resulting from violations of law
- ⊘ Costs of county club or social organization memberships

RHTP Specific Restrictions

- ⊘ Pre-award costs incurred before award date
- ⊘ New construction or major building expansions
- ⊘ Broadband infrastructure
- ⊘ Land acquisition and depreciation of land
- ⊘ Construction activities including demolition
- ⊘ Direct student loans and student loan repayment programs
- ⊘ Endowments, capital funds or investment vehicles to generate income
- ⊘ Food costs, including medically tailored meals and community meeting meals
- ⊘ International visa sponsorship for clinical workers from other countries
- ⊘ Clinician salaries at facilities with non-compete agreements (for workforce development initiatives)
- ⊘ Fund management fees for Rural Tech Catalyst Fund
- ⊘ Costs that supplant or duplicate existing State, federal, or other funding sources
- ⊘ Enhanced payment rates for currently billable services without outcome ties
- ⊘ Uncompensated care not tied to specific RHTP initiatives
- ⊘ Expenses that are the legal responsibility of another federal, State, or tribal program

Avoid These Common Compliance Risks

Reduce risk and audit findings by paying close attention to:

- ⚠ Exceeding spending caps
- ⚠ Purchasing equipment without approval
- ⚠ Replacing existing funding with RHTP dollars
- ⚠ Charging costs outside approved initiatives
- ⚠ Missing documentation

NOTE: If it's not documented, it may be disallowed during an audit review.

When questions arise, early consultation prevents costly corrections and potential loss of fundings.

For questions: Contact the RHTP Program Office at RHTPadmin@health.ok.gov. Proactive communication protects both your organization and the program.