



Reporting for Provider Relief Fund (PRF)

Last week HHS updated their FAQ's for the first time in almost a month. Most of the updates were modifications to past questions and we did not learn anything more about when reporting would start.

We did learn that the period to incur COVID-19 expenses and lost revenues is still set to end on 6/30/21 and there was no mention of an extended time period.

For now, HHS is moving ahead with having a total of two reporting periods: one for calendar year 2020 and one for the first six months of 2021.

Weekly Insights

While the FAQs were primarily modified answers to past questions, there were several important updates and themes that presented in this recent update.

We recommend you continue to look at your COVID-19 expenses that you've accumulated for reporting and consider all aspects of payments or grants that may relate to those expenses prior to using PRF funds.

KEY TAKEAWAYS:

New FAQs were released on March 31st.

Please continue to accumulate your PRF expenses and lost revenues while we await the reporting portal to open.

Remember, if you've received over \$10,000 from the PRF you will be required to login and report on your Healthcare expenses and lost revenues.

QUESTIONS? Contact us.

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CPAS / ADVISORS



While the FAQs were primarily modified answers to past questions, there were several important updates and themes that were presented in this recent update.

1. No extension of the reporting period past 6/30/21 was granted. HHS will continue with the current standard that the opportunity to incur lost revenues and COVID-19 expenses ends on 6/30/21. We will be coming up to the end of the current Public Health Emergency period soon and changes to that may later impact reporting on PRF, but for now the end date for PRF is still 6/30/21.
2. For Hospitals that receive Medicaid DSH, a previous FAQ indicating Medicaid DSH needs to be applied to COVID-19 expenses related to uncompensated care was removed and no longer appears in the FAQs.
3. A variation on the phrase "...provided that those expenses or losses have not been reimbursed from other sources and other sources were not obligated to reimburse them" was added to the end of numerous FAQs adding further explanation as to how PRF funds can be used.

This last point is another example of HHS continuing to emphasize that PRF funds are considered the payer of last resort and that all reimbursement, payments, grants and federal programs need to be used to reduce COVID-19 expenses when that revenue is tied to the expenses your organization is accumulating.

We recommend you continue to look at your COVID-19 expenses that you've accumulated for reporting and consider all aspects of payments or grants that may relate to those expenses prior to using PRF funds.

These types of revenue are also frequently referred to as "Other Assistance" and several examples from HHS include:

- Payments made on COVID-19 patients accounts from commercial insurance, Medicare, Medicaid, CHIP, etc
- Funds received from FEMA
- Provider Relief COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured
- SBA and Treasury's Paycheck Protection Program (PPP) loans
- State and local grants and assistance for healthcare related expenses
- Business interruption insurance proceeds
- Interest earned from holding PRF payments

Please continue to accumulate your PRF expenses and lost revenues while we wait for the reporting portal to open. Remember, if you've received more than \$10,000 from the PRF you will be required to login and report on your healthcare expenses and lost revenues.

Even if you haven't started yet, it's not too late. Please contact your local Blue & Co. representative for more information and we can help you get ready for the reporting period.

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Provider Relief Funds FAQ Updates 3.31.2021

TERMS AND CONDITIONS

Does HHS intend to recoup any payments made to providers not tied to specific claims for reimbursement, such as the General or Targeted Distribution payments? (Modified 3/31/2021)

The Provider Relief Fund Terms and Conditions require that recipients be able to demonstrate that lost revenues and expenses attributable to COVID-19, excluding expenses and losses that have been reimbursed from other sources or that other sources are obligated to reimburse, meet or exceed total payments from the Provider Relief Fund. Provider Relief Fund payment amounts that have not been fully expended on health care expenses or lost revenues attributable to coronavirus by the end of the final reporting period must be returned to HHS. The Provider Relief Fund Terms and Conditions and applicable legal requirements authorize HHS to audit Provider Relief Fund recipients now or in the future to ensure that program requirements are met. Provider Relief Fund payments that were made in error, or exceed lost revenue or expenses due to COVID-19, or do not otherwise meet applicable legal and program requirements must be returned to HHS, and HHS is authorized to recoup these funds.

Is there a set period of time in which providers must use the funds to cover allowable expense or lost revenues attributable to COVID-19? (Modified 3/31/2021)

Yes. As explained in the notice of reporting requirements on the [Provider Relief Fund website](#), funds must be expended no later than June 30, 2021. HHS will provide directions in the future about how to return unused funds. HHS reserves the right to audit Provider Relief Fund recipients now or in the future, and is authorized to collect any Provider Relief Fund amounts that were overpaid or not used in a manner consistent with program requirements or applicable law. All payment recipients must attest to the Terms and Conditions, which require the submission of documentation to substantiate that these funds were used for health care-related expenses or lost revenue attributable to coronavirus.

What oversight and enforcement mechanisms will HHS use to ensure providers meet the Terms and Conditions of the Provider Relief Fund? (Modified 3/31/2021)

Providers receiving payments from the Provider Relief Fund must comply with the Terms and Conditions and applicable legal requirements. Failure by a provider that received a payment to comply with any term or condition can result in action by HHS to recoup some or all of the payment. Per the Terms and Conditions, all recipients will be required to submit documents to substantiate that these funds were used for health care-related expenses or lost revenue attributable to coronavirus, and that those expenses or losses were not reimbursed from other sources and other sources were not obligated to reimburse them. HHS monitors the funds distributed, and oversees payments to ensure that Federal dollars are used in accordance with applicable legal and program requirements. In addition, the HHS Office of the Inspector General fights fraud, waste and abuse in HHS programs, and may review these payments.

In order to accept a payment, must the provider have already incurred eligible expenses and losses higher than the Provider Relief Fund payment received? (Modified 3/31/2021)

No. Providers do not need to be able to prove, at the time they accept a Provider Relief Fund payment that prior and/or future lost revenues and expenses attributable to COVID-19 (excluding those covered by other sources of reimbursement) meet or exceed their Provider Relief Fund payment. HHS expects that providers will only use Provider Relief Fund payments in accordance with legal and program requirements. These requirements specify that if, on June 30, 2021, providers have remaining Provider Relief Fund money that they cannot expend on permissible expenses or losses, then providers will return this money to HHS. HHS will provide directions in the future about how to return unused funds. The Provider Relief Fund Terms and Conditions and legal requirements authorize HHS to audit Provider Relief Fund recipients now or in the future to ensure that program requirements are met. HHS is authorized to recoup any Provider Relief Fund amounts that were made in error or exceed lost revenue or expenses due to COVID-19, or in cases of noncompliance with the Terms and Conditions.

Provider Relief Funds FAQ Updates 3.31.2021

OWNERSHIP STRUCTURES AND FINANCIAL RELATIONSHIPS

Can an organization that received a Provider Relief Fund payment and provided care on or after January 31, 2020 that sold, terminated, transferred, or otherwise disposed of a provider accept the payment (received via ACH or check) associated with the sold provider? (Modified 3/31/2021)

If an organization that sold, terminated, transferred, or otherwise disposed of a provider that was included in its most recent tax return gross receipts or sales (or program services revenue) figure can attest to meeting the Terms and Conditions, it may accept the funds. The Terms and Conditions place restrictions on how the funds can be used. In particular, all recipients will be required to substantiate that these funds were used for health care-related expenses or lost revenue attributable to coronavirus, and that those expenses or losses were not reimbursed from other sources and other sources were not obligated to reimburse them.

An organization that sold part of a practice in 2019 or January 2020 received a payment under the General Distribution that reflected the 2019 Medicare fee-for-service billing of the part of the practice that was sold. Can the parent entity return a portion of the payment for the part of the practice it no longer owns? (Modified 3/31/2021)

No. A provider may not return a portion of a Provider Relief Fund payment. If a provider that sold a practice that was included in its most recent tax return gross receipts or sales (or program services revenue) figure can attest to meeting the Terms and Conditions, it may accept the funds. The Terms and Conditions place restrictions on how the funds can be used. In particular, all recipients will be required to substantiate that these funds were used for health care-related expenses or lost revenue attributable to coronavirus, and that those expenses or losses were not reimbursed from other sources and other sources were not obligated to reimburse them.

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Can a parent organization transfer General Distribution Provider Relief Fund payments to its subsidiaries? (Modified 3/31/2021)

Yes, a parent organization can accept and allocate General Distribution funds at its discretion to its subsidiaries, as long as the Terms and Conditions are met. Eligible health care entities, including those that are parent organizations must substantiate that these funds were used for health care-related expenses or lost revenue attributable to COVID-19, and that those expenses or losses were not reimbursed from other sources and other sources were not obligated to reimburse them.

Can a parent organization allocate Provider Relief Fund General Distribution to subsidiaries that do not report income under their parent's employee identification number (EIN)? (Modified 3/31/2021)

Yes, as long as the Terms and Conditions are met. The parent organization (an eligible health care entity) must substantiate that these funds were used for health care-related expenses or lost revenue attributable to COVID-19, and that those expenses or losses were not reimbursed from other sources and other sources were not obligated to reimburse them.

USE OF FUNDS

How does cost-based reimbursement relate to my Provider Relief Fund payment? (Modified 3/31/2021)

Recipient must follow CMS instructions for completion of cost reports available [here](#). Under cost-based reimbursement, the payer agrees to reimburse the provider for the costs incurred in providing services to the insured population. In these instances, if the full cost was reimbursed based upon this method, there is nothing eligible to report as an expense attributable to coronavirus because the expense was fully reimbursed by another source. Provider Relief Fund payments cannot be used to cover costs that are reimbursed from other sources or that other sources are obligated to reimburse. Therefore, if Medicare or Medicaid makes a payment to a provider based on the provider's Medicare or Medicaid cost, such payment generally is considered to fully reimburse the provider for the costs associated with providing care to Medicare or Medicaid patients and no money from the PRF would be available for those identified Medicare and Medicaid costs. However, in cases where a ceiling is applied to the cost reimbursement or the costs are not reimbursed under cost-based reimbursement (such as costs for care to commercial payer patients) since the reimbursed amount by Medicare or Medicaid does not fully cover the actual cost, those non-reimbursed costs are eligible for reimbursement under the Provider Relief Fund.

Provider Relief Funds FAQ Updates 3.31.2021

USE OF FUNDS

When reporting my organization's healthcare expenses attributable to coronavirus, how do I calculate the "expenses attributable to coronavirus not reimbursed by other sources?" (Modified 3/31/2021)

Healthcare related expenses attributable to coronavirus may include items such as supplies, equipment, information technology, facilities, employees, and other healthcare related costs/expenses for the calendar year. The classification of items into categories should align with how Provider Relief Fund recipients maintain their records. Providers can identify their healthcare related expenses, and then apply any amounts received through other sources, such as direct patient billing, commercial insurance, Medicare/Medicaid/Children's Health Insurance Program (CHIP), or other funds received from the Federal Emergency Management Agency (FEMA), the Provider Relief Fund COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured, and the Small Business Administration (SBA) and Department of Treasury's Paycheck Protection Program (PPP) that offset the healthcare related expenses. Provider Relief Fund payments may be applied to the remaining expenses or costs, after netting the other funds received or obligated to be received which offset those expenses. The Provider Relief Fund permits reimbursement of marginal increased expenses related to coronavirus provided those expenses have not been reimbursed from other sources or that other sources are not obligated to reimburse.

PHASE 3 OVERVIEW AND ELIGIBILITY

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