



ARP Rural Payment

October 4, 2021

Last week HRSA opened application portal for the PRF Phase 4 distributions and the American Rescue Plan (ARP) Rural payments available to providers across the country. The biggest news is that the ARP Rural payment is not limited to only rural providers, but any provider who has provided services to a rural patient.

In other words, the payment will follow the Medicare, Medicaid and CHIP patients HRSA deems as rural and not whether your organization's physical location is in a rural tract. With this information we recommend that all providers opt into the ARP Rural payment calculation if they have seen any Medicare, Medicaid or CHIP patients from rural areas of their surrounding service areas.

Additionally, we learned that portions of the PRF Phase 4 distribution and all of the ARP Rural payment will be calculated based on historical claims data of Medicare, Medicaid and CHIP patients from January 1, 2019, through September 30, 2020. Your organization does not need to submit any claims information as HRSA will use data they already have access to.

This means that the information needed to complete your application is limited to annual and quarterly expenses and patient revenues. Next week we will dive deeper into the payment calculations to explain HRSA's methods and what you can anticipate later this year when payments are released.

QUESTIONS? Contact us.

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- One application is completed to apply for both the PRF Phase 4 payments and ARP rural payments. All your organization needs to do is check the box that they would like to be considered for the ARP rural payment.
- The application is 2 pages and asks for limited financial information. Total revenues, federal tax returns or audited financial statements and revenues from patient care are the only items requested for annual amounts. Additional patient revenue and operating expenses are requested by quarters from July 2020 through March 31, 2021, as well as Quarters 1, 3 and 4 from 2019 data. HRSA will use the 2019 information to compare to the 2020/2021 data.
- Unlike PRF reporting of COVID expenses and lost revenues, the application asks for total expenses and patient revenues in a quarterly and annual amount. They are also requesting copies of the source documents for these amounts such as tax returns or internal quarterly financial statements.
- ARP rural payments cannot be transferred between TINs within an organization. The payments must stay with the TIN that received the payment. Phase 4 PRF payments can be transferred between entities just like other PRF general distributions.
- Applications are open to providers who delivered care between January 1, 2019, through December 31, 2020 and were still delivering care after January 31, 2020.
- Check out all the resource HRSA has supplied to assist in completing the application [here](#).

Remember that while you may not have had much in the way of lost revenues for the application period, you are compared on a curve with all other providers across the country who had similar results as the country reopened and caught up on missed services from July 2020 – March 2021. Your amounts only matter in relation to how everyone else performed and it shouldn't stop you from filling out an application for Phase 4 and opting into the ARP Rural payment.