



Reporting for Provider Relief Fund (PRF)

There has been a flurry of information coming from Washington in the last week surrounding the Provider Relief Fund (PRF).

In addition to the COVID relief bills and other spending bills, HHS continues to release FAQs on the PRF and the Office of Management and Budget (OMB) released their compliance supplement for auditing COVID relief programs.

WEEKLY INSIGHTS

The 2020 OMB Compliance Supplement (the Supplement addendum) was released on December 22. This file gives guidance to those auditing COVID relief programs, including the PRF and Coronavirus Relief Funds (CRF).

The guidance does provide a direct link to the FAQs from HHS on how the funds are to be utilized and continues to promote that “these funds may not be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.”

While the compliance supplement doesn’t provide additional specifics on reimbursable costs, it does offer a consistent message as to how PRF reporting will occur.

KEY TAKEAWAYS:

All COVID-related costs may be used in the calculation of COVID expenses. Earlier FAQs frequently mentioned “incremental” costs only were to be included but this language has been dropped from HHS and OMB literature in the past month

COVID costs need to be reduced by all other reimbursed sources. Recurring examples from HHS include other grants, Paycheck Protection Program loans, reimbursement from Commercial Insurance, Medicare, Medicaid, CHIP and FEMA.

More detail is still needed from HHS and OMB but we are consistently seeing language that indicates providers need to accumulate all costs related to preventing, preparing for and responding to COVID-19.

QUESTIONS? Contact us.

Michael Alessandrini

Director, Reimbursement

malessandrini@blueandco.com

317-713-7959

500 N. Meridian Street, Suite 200
Indianapolis, IN, 46204, US

CPAs / ADVISORS



Below are informative FAQs released by HHS that you may have missed. We've provided the question and answer as supplied by HHS for your review. You can find all PRF FAQs at this [link](#) and HHS does make regular updates.

If a provider returns a Provider Relief Fund payment to HHS, must it also return any accrued interest on the payment? (Modified 12/11/2020)

Yes, for Provider Relief Fund payments that were held in an interest-bearing account, the provider must return the accrued interest associated with the amount being returned to HHS. However, if the funds were not held in an interest-bearing account, there is no obligation for the provider to return any additional amount other than the Provider Relief fund payment being returned to HHS. HHS reserves the right to audit Provider Relief Fund recipients in the future to ensure that payments that were held in an interest-bearing account were subsequently returned with accrued interest.

Are expenses related to securing and maintaining adequate personnel reimbursable expenses under the Provider Relief Fund? (Added 12/11/2020)

Yes, expenses incurred by providers to secure and maintain adequate personnel, such as offering hiring bonuses and retention payments, child care, transportation, and temporary housing, are deemed to be COVID-19-related expenses if the activity generating the expense was newly incurred after the declaration of the Public Health Emergency and the expenses were necessary to secure and maintain adequate personnel.

Are outsourced or third-party vendor services that enable access to health care services reimbursable expenses under the Provider Relief Fund? (Added 12/11/2020)

Yes, outsourced or third-party vendor services that enable sustained access to health care services and daily operations, such as food/patient nutrition services, facilities management, laundering, and disinfection/anti-contamination services, are considered reimbursable expenses if they are attributable to coronavirus.

Can providers use Provider Relief Fund payment to pay taxes? (Added 12/11/2020)

Yes. HHS considers taxes imposed on Provider Relief Fund payments to be "healthcare related expenses attributable to coronavirus" that are reimbursable with Provider Relief Fund money, except for Nursing Home Infection Control Distribution payments.

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Funds from the Federal Emergency Management Administration (FEMA) are generally intended to be the last source of reimbursement, however, the Post-Payment Notice of Reporting Requirements indicates that FEMA funds would be applied prior to the Provider Relief Fund distributions. In which order should governmental funding sources be applied and reported? (Modified 12/11/2020)

As it relates to expenses, providers identify their health care-related expenses, and then apply any amounts received through other sources (e.g., direct patient billing, commercial insurance, Medicare/Medicaid, reimbursement from the Provider Relief Fund COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured, or funds received from FEMA or SBA/Department of Treasury's Paycheck Protection Program) that offset the health care-related expenses. Provider Relief Fund payments may be applied to the remaining expenses or cost, after netting the other funds received or obligated to be received which offset those expenses.

Can Provider Relief Fund payments be used to support COVID-19 vaccine distribution? (Modified 12/11/2020)

Provider Relief Fund payments may be used to support expenses associated with distribution of a COVID-19 vaccine licensed or approved by the Food and Drug Administration (FDA) that have not been reimbursed from other sources or that other sources are not obligated to reimburse. Funds may also be used ahead of an FDA-licensed or approved vaccine becoming available. This may include using funds to purchase additional refrigerators, personnel costs to provide vaccinations, and transportation costs not otherwise reimbursed.

Can Provider Relief Funds be used to cover the cost of vaccination, including doses and administration fees, for Medicare, Medicaid, or CHIP beneficiaries? (Modified 12/11/2020)

In line with the Terms and Conditions, funds may not be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse, which include, but is not limited to, Medicare, Medicaid, and CHIP. If reimbursement does not cover the full expense of administering vaccines, Provider Relief Funds may be used to cover the remaining associated costs.

Will I receive a Form 1099? (Added 12/18/2020)

Yes, you will receive a Form 1099 if you received and retained within the calendar year 2020 a total net payment from either or both of the Provider Relief Fund and COVID-19 Claims 6 Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured that is in excess of \$600.

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**CARES Act Provider Relief
Fund: FAQs**
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