



Reporting for Provider Relief Fund (PRF)

Blue & Co., LLC understands that the information surrounding the use of payments and subsequent reporting changes daily. Much like you, we have questions on the implementation and are working to advise you on how to best approach these changes.

WEEKLY INSIGHTS

The U.S. Department of Health and Human Services (HHS) has focused answers in recent FAQs on only reporting incremental costs that were not incurred in 2019.

1. We believe this is too narrow of a scope and recommend that while accumulating costs that your organization focuses on costs that you would not have incurred otherwise because of COVID-19.
2. Amounts received from other funding sources for treating and caring for COVID patients will currently be used to reduce any COVID expenses. However, HHS currently has those same dollars included in the lost revenues calculation when comparing 2019 to 2020 patient revenues.
3. As November begins to wind down, start looking at your revenues for calendar year 2020 and compare to revenues for 2019. A new FAQ was released on 11/18 and allows recipients to exclude payments related to care that did not occur in 2019 and 2020.
4. For recipients who may be subject to income tax on the PRF payments, talk to your tax advisor and understand your options. Planning may help determine how to record the PRF payments and to maximize the amount of payments you may be able to keep.

Updated on November, 20, 2020

CPAs / ADVISORS



KEY TAKEAWAYS:

Start with a wide view of costs incurred to prepare for, plan, and prevent COVID-19 even in if they were costs you had in 2019 (i.e. staffing, equipment). Costs such as nursing expense in COVID units may not be incremental under current definitions but appear to meet the original intent of the payments.

Amounts received from other funding sources for treating and caring for COVID patients is an area to watch for changes as those revenues are being double dipped in lowering PRF payments that can be kept.

Did you receive any historical Medicaid payments or settlements? Any Medicare appeals? Those dollars can be removed from your lost revenues calculation. Use the time remaining in calendar year 2020 to review and update your contractual allowance reserves to ensure you can appropriately maximize your lost revenue calculation.

Consider recording as a loan from HHS rather than income until you can determine exactly how much of the funds you are able to keep.

QUESTIONS? Contact us.

Michael Alessandrini

Director, Reimbursement

malessandrini@blueandco.com

317-713-7959

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