



## Reporting for Provider Relief Fund (PRF)

### WEEKLY INSIGHTS

#### Patient payments received from treating COVID patients

There is not much guidance on #1 but one FAQ in particular addresses this with a very simplistic example of an office visit. This example has providers calculate the incremental cost for an office visit and then only reduce the expense by any “supplemental coronavirus-related reimbursement” received on the claim.

- We don't believe that this method is practical for most modern complex healthcare organizations. While we don't yet have the actual reporting forms, our recommendation is to continue to accumulate all costs associated with preparing, planning for, and treating COVID patients.

Then, accumulate all patient revenues related to COVID patients (base payments and COVID Supplemental) in anticipation of treating this portion of costs as “other reimbursed sources.” This falls more in line with the 2nd FAQ we've included regarding PPE.

- This is especially problematic for Critical Access Hospitals (CAHs) and any other cost-based reimbursement provider as HHS has indicated in FAQs that any amounts received from cost-based reimbursement on COVID expenses needs to be applied against those expenses in determining how much of the PRF payments are kept.

#### Federal, State and Local Assistance

Regarding non-patient payments from Federal, State and local assistance, PRF recipients need to go back to March 2020 and begin to accumulate any funding received as this will also be used to net your COVID expenses. While the majority of these payments came from legislation in the CARES Act, there may be other awards made to PRF recipients outside of the legislation.

Here's our growing list of payments you may have received and need to report on:

- SBA and Treasury's Paycheck Protection Program (PPP) payments
- FEMA
- Interest earned on holding PRF payments
- State Hospital Associations passthrough grants from CARES Act
- State and Local payments received through CARES Act grants specific to COVID
- treatment
- HRSA rural health and telecommunications grants

*Updated on December 3, 2020*

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### KEY TAKEAWAYS:

Any amounts received from cost-based reimbursement on COVID expenses needs to be applied against those expenses in determining how much of the PRF payments are kept.

While the list of growing payments is not exhaustive, we strongly encourage you to do a retroactive review of non-patient payments received during 2020 to determine if they should be treated as an “other reimbursed source” for treating, planning and preparing for COVID patients.

Finally, we do want to point out that the HHS/HRSA-administered Testing, Treatment, and Vaccine Administration for the Uninsured payment program is referenced to be reported as Federal assistance from HHS FAQs. It's likely your organization would have this reported in patient revenue and have a specific payer set up so please ensure you don't report the revenue from this program twice when compiling other reimbursed sources

### QUESTIONS? Contact us.

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## OVERVIEW

### Who is eligible to receive payments from the Provider Relief Fund? (Modified 12/4/2020)

Provider Relief Fund payments are being disbursed via both “General” and “Targeted” Distributions. To be eligible for the General Distribution, a provider must have billed Medicare fee-for-service in 2019, be a known Medicaid and CHIP or dental provider and provide or provided after January 31, 2020 diagnoses, testing, or care for individuals with possible or actual cases of COVID-19. HHS broadly views every patient as a possible case of COVID-19.

A description of the eligibility for the announced Targeted Distributions can be found here. U.S. health care providers may be eligible for payments from future Targeted Distributions. Information on future distributions will be shared when publicly available. All providers retaining funds must sign an attestation and accept the Terms and Conditions associated with payment.

### Is this a loan or a grant that I will need to pay back?

Retention and use of these funds are subject to certain terms and conditions. If these terms and conditions are met, payments do not need to be repaid at a later date. These Terms and Conditions can be found here.

## TERMS & CONDITIONS

### What if my payment is greater than expected or received in error? (Modified 12/4/2020)

If HHS identifies a payment made in error, HHS will recoup the erroneous amount. If a provider receives a payment that is greater than expected and believes the payment was made in error, the provider should contact the Provider Support Line at (866) 569-3522 (for TYY, dial 711) and seek clarification.

## AUDITING & REPORTING REQUIREMENTS

### Will HHS provide guidance to certified public accountants and those organizations that providers will rely on to perform audits? (Added 12/4/2020)

Yes. Providers who received \$10,000 or more in aggregate Provider Relief Fund payments will need to submit a report on how they used the PRF payment, and for more information on how to accurately fill out these reports, please refer to this [Payment Notice of Reporting Requirements November 2020 PDF](#) and [Provider Relief Fund general Distribution FAQs](#). Some providers will also be subject to Single Audit requirements. Additional relevant guidance will be posted as an Addendum to the 2020 Compliance Supplement, which is available at this PDF, [Office Federal Financial Management](#).

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## AUDITING & REPORTING REQUIREMENTS

Can my organization get an extension to the submission due date for audits conducted under 45 CFR Part 75? (Modified 12/4/2020)

Yes. The Office of Management and Budget (OMB) in OMB M-20-26, Extension of Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations, dated June 18, 2020, provided non-Federal entities extensions beyond the normal due date to submit 2019 audit year reports. Please see the [OMB website](#) for more details. Commercial organizations with questions about their ability to obtain extensions should email HRSA's Division of Financial Integrity at [SARFollowup@hrsa.gov](mailto:SARFollowup@hrsa.gov).

## AUDITING & REPORTING - USE OF FUNDS

At the bottom of page 1 of the reporting requirements announcement in PDF, Step 2 states "PRF payment amounts not fully expended on healthcare related expenses attributable to coronavirus are then applied to patient care lost revenues, net of the healthcare related expenses attributable to coronavirus calculated under step 1." Is the underlined language still applicable under the reporting requirements notice that HHS posted on October 22, 2020? (Modified 12/4/2020)

No, healthcare related expenses are no longer netted against the patient care lost revenue amount in Step 2. A revised notice was posted to remove this language.

## AUDITING & REPORTING MISCELLANEOUS

Should providers include fundraising revenues, grants or donations when determining patient care revenue? (Added 12/4/2020)

To calculate lost revenues attributable to coronavirus, providers are required to report revenues received from Medicare, Medicaid, commercial insurance, and other sources for patient care services. Other sources include fundraising revenues, grants or donations if they contribute to funding patient care services.

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## PHASE 2 - OVERVIEW & ELIGIBILITY

Will practices or facilities that experienced a change in ownership that prevented them from receiving a Targeted Distribution payment, such as a Skilled Nursing Facility payment or Safety Net Hospital payment, be eligible for more than 2% of revenue from patient care? (Modified 12/4/2020)

At this time, HHS is only expanding eligibility to the Phase 2 - General Distribution to those health care providers that experienced a change in ownership that prevented them from receiving a Phase 1 - General Distribution payment. Providers that experienced a change in ownership may be eligible for future Targeted Distributions.

## PHASE 3 - APPLICATION PROCESS

If an applicant health care provider bills for care under a single TIN that provides care across multiple different facilities, can the parent organization report patient revenue for every facility that bills underneath the TIN? (Modified 12/4/2020)

If an applicant health care provider bills for care under a single TIN that provides care across multiple different facilities, the parent organization must report patient revenue and the provider's change in operating revenues from patient care, minus their operating expenses from patient care for every facility that bills underneath the TIN.

Are there different permissible uses of funds received as quality incentive payments compared to those for the funds distributed previously under the \$2.5 billion Nursing Home Infection Control Distribution? (Modified 12/4/2020)

No. The same Terms and Conditions and restrictions on use of funds apply to the quality incentive payments received by nursing homes as under the Nursing Home Infection Control Distribution. Quality incentive payments may only be used for the infection control expenses, as that term is defined in the Terms and Conditions. These include costs associated with administering COVID-19 testing for both staff and residents; reporting COVID-19 test results to local, state, or federal governments; hiring staff to provide patient care or administrative support; incurring expenses to improve infection control, including activities such as implementing infection control "mentorship" programs with subject matter experts, or changes made to physical facilities; and providing additional services to residents, such as technology that permits residents to connect with their families if the families are not able to visit in person.

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# Reporting for Provider Relief Fund (PRF) FAQs We Think You Should Know

When reporting my organization's healthcare expenses attributable to coronavirus, how do I calculate the "expenses attributable to coronavirus not reimbursed by other sources?"

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 cost, after netting the other funds received or anticipated to offset those expenses.

The Provider Relief Fund permits reimbursement of marginal increased expenses related to coronavirus. For example, assume the following: A \$5 increase in expense or cost to provide an office visit is calculated by pre-pandemic cost vs. post-pandemic cost, regardless of reimbursement source:

- Pre-pandemic average expense or cost to provide an office visit = \$80
- Post-pandemic average expense or cost to provide an office visit = \$85

Examples of reimbursed amounts may include, but not be limited to:

**Example 1:**

- Medicaid reimbursement: \$70 (Report  $\$85 - \$80 = \$5$  as expense attributable to coronavirus but unreimbursed by other sources)

**Example 2:**

- Medicare reimbursement: \$80 (Report  $\$85 - \$80 = \$5$  as expense attributable to coronavirus but unreimbursed by other sources)

**Example 3:**

- Commercial Insurance reimbursement: \$85 (Report \$5, commercial insurer did not reimburse for \$5 increased cost of post-pandemic office visit)

**Example 4:**

- Commercial Insurance reimbursement:  $\$85 + \$5$  insurer supplemental coronavirus-related reimbursement (Report zero since insurer reimbursed for \$5 increased cost of post-pandemic office visit)

**Example 5:**

- COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured: \$80 (Report \$5 as expense attributable to coronavirus but unreimbursed by other sources)

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Provider Relief Fund General Information (FAQs)

[hhs.gov](https://www.hhs.gov)



CARES Act Provider Relief Fund: FAQs

[hhs.gov](https://www.hhs.gov)



# Reporting for Provider Relief Fund (PRF) FAQs We Think You Should Know

When reporting my organization's **other** healthcare related expenses attributable to coronavirus, how do I calculate the "expenses attributable to coronavirus not reimbursed by other sources"?

Providers first calculate their expenses for supplies, equipment, IT, facilities, employees, and other healthcare related costs/expenses for calendar years 2019 and 2020, calculate the change in year over year expenses and identify the portion that is attributable to coronavirus. Provider will then apply reasonable assumptions to determine the amount of their "Total Revenue /Net Charges from Patient Care Related Sources" and "Other Assistance Received" that applies to each type of healthcare expense attributable to coronavirus.

**For example:**

PPE Supplies in 2019 = \$1,000

PPE supplies in 2020 = \$4,000

$\$4,000 - \$1,000 = \$3,000$  in expenses over and above normal operations attributable to coronavirus. Of that \$3,000, approximately \$2,500 was attributable to coronavirus, and of that \$2,500 approximately \$1,000 was reimbursed, leaving a balance of \$1,500 in unreimbursed healthcare related expenses attributable to coronavirus.

## How does cost reimbursement relate to my Provider Relief Fund payment?

Recipient must follow CMS instructions for completion of cost reports. Under cost 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. In cases where a ceiling is applied to the cost reimbursement and the reimbursed amount does not fully cover the actual cost due to unanticipated increases in providing care attributable to coronavirus, those incremental costs that were not reimbursed are eligible for reimbursement under the Provider Relief Fund.

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