Revisiting the Provider Relief Fund

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Today's Topics

1. Recap of the Provider Relief Fund
   - 3 General Distributions
   - Targeted Distributions
   - Uninsured Fund
2. Compliance with the Terms and Conditions
   - Use of Funds
   - Interaction with PPP and other funds
3. Reporting Requirements
   - Deadlines
   - Documents

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1. Recap of the Provider Relief Fund

Recap of the Provider Relief Fund

- Created by the CARES Act
  - Added $100 billion to the fund
  - Ultimately $175 billion was allocated to the PRF
- Distributions made to "eligible health care providers"
  - Medicare enrolled hospitals, physicians and suppliers
- Tied to provision of care for individuals with possible or actual cases of COVID-19
  - Defined very broadly
- Money could be used for "related expenses or lost revenues attributable to coronavirus:

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Recap of the Provider Relief Fund

- 3 Distributions
  - Phase 1
    - $50 billion to mostly based on Medicare payments
  - Phase 2
    - $18 billion with more money dedicate to Medicaid providers
  - Phase 3
    - $24.5 billion with money for new 2020 providers and behavioral health
- Numerous Targeted Distributions
  - Rural, high-impact areas, skilled nursing, tribal hospitals
- Testing and Treatment of the Uninsured
  - HHS created a "portal" to request reimbursement

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2. Compliance With the Terms and Conditions

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Eligibility and Application

- Eligibility
  - Most providers around the country were eligible by Phase 3
    - Hospitals, physicians, rural health clinics, dentists
    - Must have billed Medicaid, Medicare, assisted living facilities, behavioral health providers who billed insurers as of March 31, 2020
    - Must have filed a tax return
  - Must have provided patient care after January 31, 2020
  - Provide TIN
- Submit tax information and apply through portal

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Attestation: General Requirements

- Attestation
  - Must attest to meeting the terms and conditions of payment within 90 days of receiving the funds or return funds within 15 days
- Must have provided diagnosis, testing, or care for actual or possible COVID-19 patients after Jan. 31, 2020
  - HHS views every patient as a possible COVID-19 case for purposes of eligibility
- Payment must be used to prevent, prepare for, and respond to COVID-19
- Cannot be used for expenses or losses that have been or will be reimbursed from other sources

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Attestation: Terms and Conditions

- Only used to prevent, prepare for and respond to COVID-19
  - Subsequent HHS guidance shows this is interpreted broadly
- Must be health related expenses
  - Excludes things like marketing, landscaping, etc.
- Can't reimburse expenses or losses reimbursed from other sources
  - Think about how to use with PPP loans
- Must submit reports to ensure compliance
- Must agree to public disclosure of fund amounts

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Attestation: Use of Funds

- Prevent, prepare for and respond to COVID-19
  - Can fully expense equipment directly related to COVID-19
    - Masks, gowns, face shields, other PPE, cleaning equipment
    - Upgrading heating, ventilation, HVAC, etc.
- May include General and Administrative expenses
  - Mortgage or rent
  - Insurance- malpractice, property or other business expenses
  - Fringe benefits- health insurance
  - Personnel- staff, administrators, support personnel
  - IT- telehealth software and hardware, tech support, EMR modules
- Apply funds to expenses first

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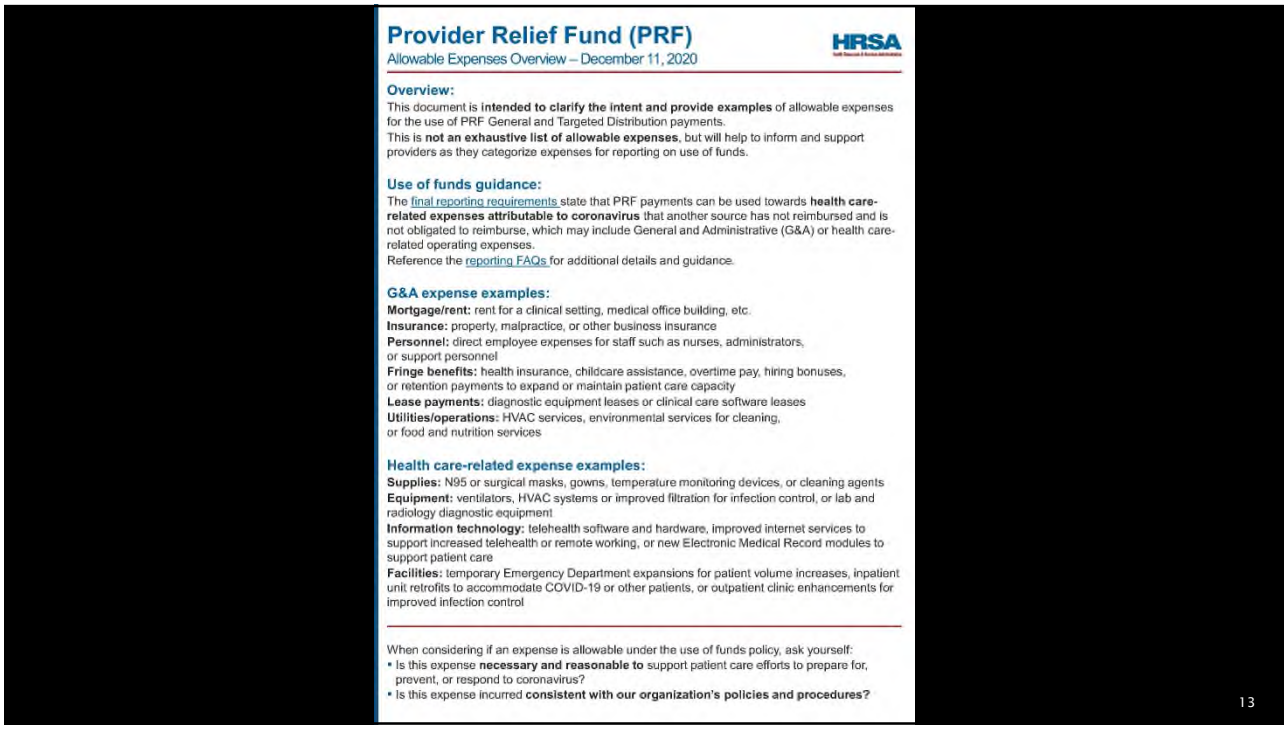

Provider Relief Fund (PRF)

Allowable Expenses Overview – December 11, 2020

HRSA

Overview:

This document is **intended to clarify the intent and provide examples** of allowable expenses for the use of PRF General and Targeted Distribution payments.
This is **not an exhaustive list of allowable expenses**, but will help to inform and support providers as they categorize expenses for reporting on use of funds.

Use of funds guidance:

The final reporting requirements state that PRF payments can be used towards **health care-related expenses attributable to coronavirus** that another source has not reimbursed and is not obligated to reimburse, which may include General and Administrative (G&A) or health care-related operating expenses.
Reference the reporting FAQs for additional details and guidance.

G&A expense examples:

Mortgage/rent: rent for a clinical setting, medical office building, etc.
Insurance: property, malpractice, or other business insurance
Personnel: direct employee expenses for staff such as nurses, administrators, or support personnel
Fringe benefits: health insurance, childcare assistance, overtime pay, hiring bonuses, or retention payments to expand or maintain patient care capacity
Lease payments: diagnostic equipment leases or clinical care software leases
Utilities/operations: HVAC services, environmental services for cleaning, or food and nutrition services

Health care-related expense examples:

Supplies: N95 or surgical masks, gowns, temperature monitoring devices, or cleaning agents
Equipment: ventilators, HVAC systems or improved filtration for infection control, or lab and radiology diagnostic equipment
Information technology: telehealth software and hardware, improved internet services to support increased telehealth or remote working, or new Electronic Medical Record modules to support patient care
Facilities: temporary Emergency Department expansions for patient volume increases, inpatient unit retrofits to accommodate COVID-19 or other patients, or outpatient clinic enhancements for improved infection control

When considering if an expense is allowable under the use of funds policy, ask yourself:
- Is this expense **necessary and reasonable to** support patient care efforts to prepare for, prevent, or respond to coronavirus?
- Is this expense incurred **consistent with our organization's policies and procedures?**

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Attestation: Use of Funds

- Lost Revenue- Recently changed guidance
  - Compare 2019 revenue to 2020 or 2021 revenue
  - Can also compare 2020 revenue to 2021 revenue
  - Can use difference between 2020 revenue and 2020 actual revenue
  - Alternative methodology
  - You can exclude payments not related to care provided in 2019 or 2020
- Reasonable and Necessary to support patient care efforts to prepare for, prevent or respond to COVID-19
- Is the expense consistent with your organization's policies and procedures?

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Attestation: Interaction With Other Funds

- Apply the other funds first
  - PPP, SBA, insurance payments, patient payments, other state or local funds
  - Remember Provider Relief Funds can only be used to reimburse salaries up to $197,300
  - Be strategic and remember some other loan eligibility is based on lost revenue
- Then apply Provider Relief Funds to expenses
- Then apply Provider Relief Funds to lost revenue

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3. Reporting Requirements

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Reporting Obligations

- Applies to recipients of $10,000 or more
- Good News!
  - Originally reporting for funds spent in 2020 was required between January 15th and February 15th
  - No new dates
  - Likely to be July
- Can register at the Provider Relief Fund Reporting Portal
  - Will be notified when you can complete the second step
  - Earlier guidance indicates providers will submit a report via form online

Reporting Obligations

- Report use of payments using your normal method of accounting (cash or accrual)
- Save documentation
  - Based on guidance it does not appear that providers will be required to attach or include documentation when they submit their initial report
  - Are required to document use of funds
- Don't forget about audits!
  - Recipients who spent more than $750,000 during their fiscal calendar year are subject to Single Audit requirements
  - Other recipients may be audited as well

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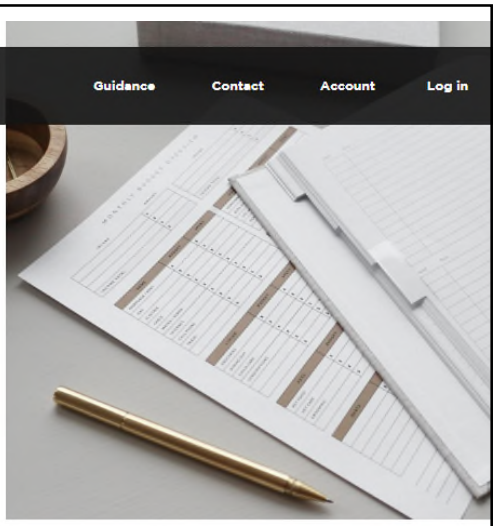

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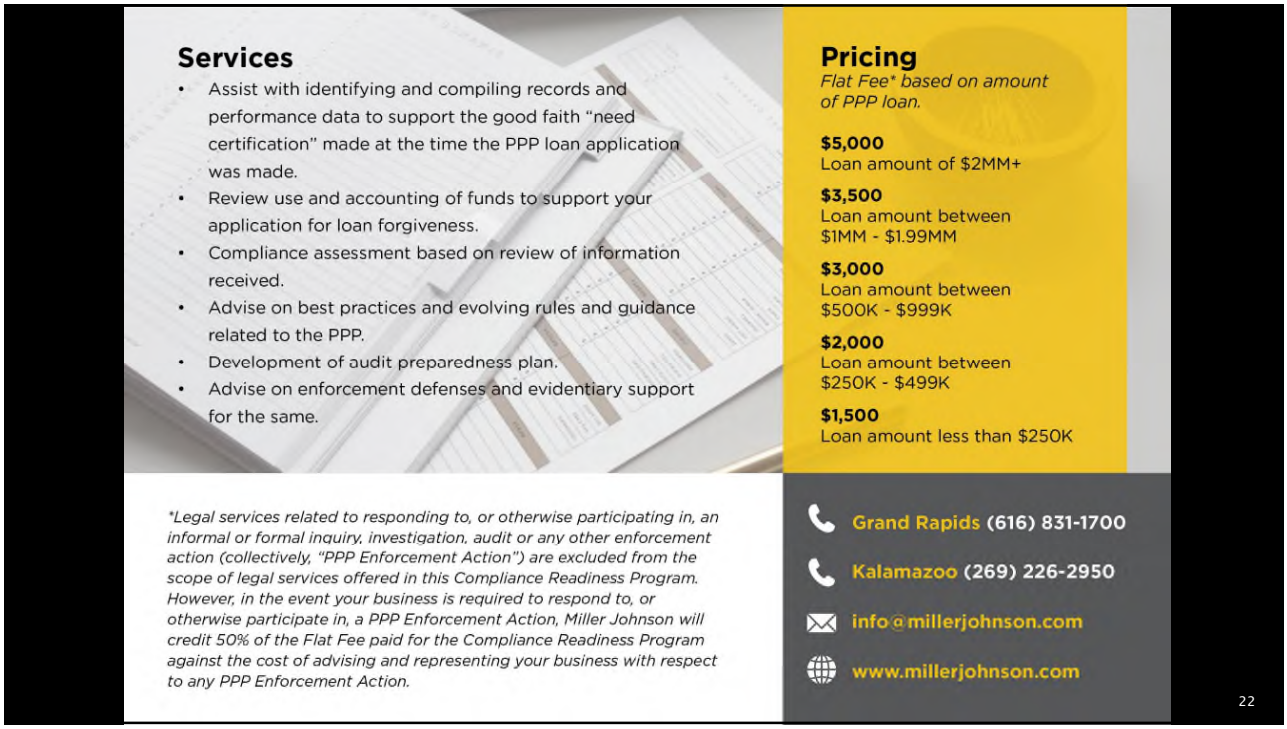

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