



CARES Act Provider Relief Fund: Focus on Reporting and Audit Requirements

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CARES Act Provider Relief Fund ~\$180



\$100 B in *CARES Act* funds “to prevent, prepare for, and respond to coronavirus, domestically or internationally, for necessary expenses to reimburse, through grants or other mechanisms, eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus.”



Additional \$75 B provided as part of the *Paycheck Protection Program and Health Care Enhancement Act*



Additional \$3 B from the *Consolidated Appropriations Act, 2021*

Allocation Thus Far

~\$90 B General Allocation (includes Medicaid and CHIP, dentists, etc.)

~\$70 B Targeted distributions (including “hot spots”, rural providers, nursing homes, etc.)

TBD – Uninsured COVID Patients and Uninsured or Underinsured COVID vaccine recipients

TBD – Additional allocations (per the *Consolidated Appropriations Act*)



Terms and Conditions

- “Possible or actual” cases of COVID-19
- Bans balanced billing
 - for “all care for presumptive or actual” cases of COVID-19
- No other reimbursement
- Salary cap of \$197,300
- Not an exhaustive list
- Information publicly available
- *Use of Funds/Required reporting & auditing*

General Distribution: 3 Phases

- Medicare percentage (direct deposit), April 10-17, 2020
- 2% of patient revenue (application), Initial distribution began April 24, 2020
- Add-on payment, “up to 88% of reported losses”, Distribution announcement on December 15, 2020

HRSA Proposed Steps



Step 1: Register in the Provider Relief Fund Reporting Portal



Step 2: Read the Reporting Requirements Notice




Step 3: Watch the Reporting Technical Assistance Webinar



[Step 4: Complete your Reporting through the Reporting Portal]

Summary of Reporting Requirements

	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Period of Availability	Reporting Time Period
Period 1	From April 10, 2020 to June 30, 2020	January 1, 2020 to June 30, 2021	July 1 to September 30, 2021
Period 2	From July 1, 2020 to December 31, 2020	January 1, 2020 to December 31, 2021	January 1 to March 31, 2022
Period 3	From January 1, 2021 to June 30, 2021	January 1, 2020 to June 30, 2022	July 1 to September 30, 2022
Period 4	From July 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2022	January 1 to March 31, 2023



Key Updates to the Reporting Requirements

- The period of availability of funds is based on the date the payment is received (not all June 30, 2021).
- Recipients are required to report for each Payment Received Period in which they received one or more payments exceeding, in the aggregate, \$10,000.
- Recipients will have a 90-day (not 30-day) period to complete reporting.
- Reporting requirements are now applicable for more recipients (e.g., nursing homes).
- Must go through the Registration process before the Reporting process can begin.



Period of Availability

- Services must be utilized during the period of availability (i.e., no pre-payment).
- Tangible property does not need to be on hand by the end of the period of availability.
- Renovation and construction contracts must be fully executed (completed) during the period of availability.

- Expenses attributable to coronavirus **that are not reimbursed or obligated to be reimbursed from other sources**
- Lost revenues

- Paycheck Protection Program and other assistance from the Small Business Administration
- FEMA CARES Act
- CARES Act Testing
- Local/State/Tribal Government assistance
- Business insurance
- Other assistance (not patient care revenue)



Expenses Attributable to Coronavirus

- General and administrative (G&A) expenses – supplies, equipment, IT, facilities, and other
- Healthcare-related expenses
- For recipients of over \$500,000 in aggregate PRF payments, providers must provide a further expense breakdown that includes:
 - Mortgage/rent
 - Insurance
 - Personnel
 - Fringe benefits
 - Lease payments
 - Utilities
 - Operations
 - ...and other general and administrative (G&A) expenses
- Total expenses reported cannot exceed total PRF funds received.

G&A expenses

- Monthly payments related to mortgage or rent for facility for patient care services
 - Other monthly finance charges for real property or property taxes
 - Insurance premiums for property, employee health insurance, or malpractice insurance
 - **Overhead salaries -- \$197,300**
 - Healthcare and contractor salaries
 - Fringe benefits
 - Lease payments
- Lighting, cooling/ventilation, cleaning
 - Vendor services purchased from third party vendors
 - Consulting support
 - Legal fees
 - **Audit and accounting services**
 - Food preparation and supplies
 - Logistics and transport or
 - Other costs not captured above, such as debt financing

Lost Revenue Calculation

Quarters where lost revenues are demonstrated are totaled to determine an annual lost revenues amount. The annual lost revenues are added together to determine a total that can be applied to PRF payments.

Option 1: Difference between actual patient care revenues

Option 2: Difference between budgeted (prior to March 27, 2020) and actual patient care revenues

Option 3: Calculated by any reasonable method of estimating revenues (likely audit, HRSA may examine re: “reasonableness”, and allow for resubmission within 30 days)

Enter the total loss revenue amount, even if it more than PRF funds received.

Comparison of Lost Revenue Options

	Option 1	Option 2	Option 3
Option description (per the Reporting Requirements)	Difference between actual patient care revenues	Difference between budgeted and actual patient care revenues	Any reasonable method of estimating revenues
PRF Reporting Portal Option	2019 Actual Revenue	2020 Budgeted Revenue	Alternate Reasonable Methodology
Base period for calculation	2019	2019	Not prescribed
Calculation method	Actuals vs. Actuals	Budget vs. Actuals	Not prescribed
Frequency of calculation	Quarterly	Quarterly	Quarterly
Duration of lost revenues period	Each quarter during the period of availability	Each quarter during the period of availability	Each quarter during the period of availability
Service lines	All patient care services	All patient care services	Not prescribed
Budget approval date	n/a	Before March 27, 2020	Not prescribed



Lost Revenues

- Lost revenues can be “carried forward” to future reporting periods so long as they are not duplicated.
- Lost revenues should be considered and added to the Schedule of Expenditures for Federal Awards (SEFA) for Single Audit purposes.
- Can only include revenues related to patient care lost revenue.
 - Cannot include retail revenue, prescription sales revenues (except for 340B), grants/tuition, bad debt, etc.
- If all lost revenues occurred in a single quarter, then Option 3 is likely most appropriate.

Best Practices for Option 3

Maintain supporting documentation.

Maintain consistent treatment.

Measure the baseline and lost revenue consistently (apples to apples).

Be consistent with policies and procedures.

No double-counting of lost revenues.

Not be reimbursed from other sources.

Non-Financial Information

Employees (e.g., total, re-hires)

Patients (e.g., visits, admissions)

Facility (e.g., staffed beds)

Changes in ownership

Unused PRF Payments

	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Deadline to Use Funds	Deadline to Return Funds
Period 1	From April 10, 2020 to June 30, 2020	June 30, 2021	October 30, 2021
Period 2	From July 1, 2020 to December 31, 2020	December 31, 2021	April 30, 2022
Period 3	From January 1, 2021 to June 30, 2021	June 30, 2022	October 30, 2022
Period 4	From July 1, 2021 to December 31, 2021	December 31, 2022	April 30, 2023

- Any unused funds from the period of availability ***must be returned within 30 days after the end of the Reporting Time Period.***
- The form link is located in the reporting portal FAQs.
- If no report is submitted by the deadline, then all funds are considered unused.

Other items



No early reporting allowed.



No late reporting. Can result in recoupment of funds.



Examine TOTAL payments provided during EACH reporting period.



Must maintain supporting documentation for 3 years.



Burden of proof is on the provider.

PRF Auditing Requirements





General application

- All recipients are subject to audit.
- **Expending** \$750k or more in aggregate Federal assistance
 - PPP
 - PRF
 - Uninsured

Non-Profit Vs. For-Profit

Non-profit

- Deadline per OMB
- Submitted electronically to the [Federal Audit Clearinghouse](#)
- Single Audit

For-profit

- Deadline per HRSA Division of Financial Integrity
- Submitted directly to the HHS Audit Resolution Division at AuditResolution@hhs.gov.
- Two options – Single Audit or Program-specific audit “conducted in accordance with Government Auditing Standards”



Useful Resources

- Provider Relief Fund Reporting and Auditing Requirements -- <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/reporting-auditing/index.html>
 - Reporting Portal
 - HRSA Webinars
 - PRF FAQs
 - Reporting Tool User Guide
 - Portal Worksheets
 - Portal Tutorials



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Questions?