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HHS Updates Reporting Requirements & Deadlines for Provider Relief Funds

On June 11, 2021, HHS released an updated version of Frequently Asked Questions (FAQ) related to Provider Relief Funds (PRF) as well as an updated version of the Post-Payment Notice of Reporting Requirements (Reporting Requirements). Of key importance – **the updated deadlines for both using funds and reporting on the use of funds is now split into four periods, based on when PRF payments were received:**

Period	Payment Received Period	Deadline to Use Funds	Reporting Time Period
Period 1	April 10, 2020 to June 30, 2020	June 30, 2021	July 1, 2021 to September 30, 2021
Period 2	July 1, 2020 to December 31, 2020	December 31, 2021	January 1, 2022 to March 31, 2022
Period 3	January 1, 2021 to June 30, 2021	June 30, 2022	July 1, 2022 to September 30, 2022
Period 4	July 1, 2021 to December 31, 2021	December 31, 2022	January 1, 2023 to March 31, 2023

Entities are subject to the applicable reporting deadlines if they receive payments exceeding \$10,000 in aggregate during one or more periods. For purposes of determining the applicable period, the payment date is based on the deposit date for ACH payments or the date the check was cashed. PRF payments may be used for eligible expenses incurred prior to the date payments were received, but funds received within each period must be used by the applicable deadlines. This allows twelve to eighteen months for entities to utilize funds received in each period. Any funds that remain unused by the applicable deadline must be returned to HHS. **Recipients who fail to report within the prescribed timeline are deemed to be out of compliance with payment Terms and Conditions and may be subject to recoupment.**

The updated reporting requirements clarify that entities must report on their use of funds using their normal basis of accounting (e.g., cash basis or accrual basis). Further, reporting entities will submit consolidated reports for General and Targeted Distributions, including SNF and Nursing Home Infection Control Distributions (NHICD). However, the following programs are still excluded from the reporting requirements:

- Rural Health Clinic COVID-19 Testing Program;
- COVID-19 Uninsured Program; and
- COVID-19 Coverage Assistance Fund.



The updated FAQs reiterate that expenses “must be used to prevent, prepare for, and respond to coronavirus” to be allowable uses of PRF. PRF may also be used for “lost revenues attributed to coronavirus.” The reporting entity has the burden of proof to maintain documentation to substantiate appropriate use of funds, including that “those expenses or losses were not reimbursed from other sources and other sources were not obligated to reimburse them.”

The revised Reporting Requirements indicate that entities will submit consolidated reports, using their normal basis of accounting, and will report data in the following order:

1. **Interest Earned on PRF Payments** – Interest earned on NHIDC payments and interest earned on other PRF payments must be reported separately.
2. **Other Assistance Received** – This includes amounts received from other coronavirus-related relief programs through the government or other sources, including Department of Treasury, Small Business Association (including Paycheck Protection Program), FEMA, CARES Act Testing programs, business interruption insurance claims, or other local, state, and tribal assistance.
3. **Use of NHICD Payments, if applicable** – These funds must be used for specified infection control expenses, including:
 - a. Costs associated with COVID-19 testing;
 - b. Reporting COVID-19 test results to local, state, and/or federal governments;
 - c. Hiring staff to provide patient care or administrative support;
 - d. Providing additional services to residents; or
 - e. Other expenses incurred to improve infection control.

Only expenses that are not reimbursed, or obligated to be reimbursed, by other sources are eligible. If an entity received \$500,000 or more in NHIDC funds during a given period, detailed reporting is required; otherwise, entities may report just two categories: (1) general and administrative (G&A) expenses, and (2) healthcare-related expenses.

4. **Use of General and Other Targeted Distribution Payments** – This includes all expenses, unreimbursed or unreimbursable from other sources, that are paid for with General and Targeted PRF (other than NHICD funds). Similar to the reporting requirements for NHICD expenses, detailed reporting is required if \$500,000 or more was received in the applicable period; otherwise, only the two categories are required (G&A and healthcare-related expenses).
5. **Net Unreimbursed Expenses Attributable to Coronavirus** – The unreimbursed healthcare expenses attributable to coronavirus, net of other reimbursed sources, will be reported in the two required categories (G&A and healthcare-related expenses).
6. **Lost Revenues Reimbursement** – Documentation and reported data elements for this section will depend on which of the three options the reporting entity chooses to utilize:
 - a. **Option 1: Difference between actual patient care revenues** – Requires revenues/net charges to be reported by payer (Medicare Part A or B, Medicare Part C, Medicaid/CHIP, Commercial, Self-Pay, and other), by quarter.
 - b. **Option 2: Difference between actual and budgeted patient care revenues** (only an option if the budget was approved prior to March 27, 2020) – Requires the same data stipulated for Option 1, as well as corresponding budgeted amounts. Further, a copy of the approved budget and an attestation from the CEO, CFO, or similar responsible individual attesting that “the exact budget being submitted was established and approved prior to March 27, 2020” must be submitted.
 - c. **Option 3: “Any reasonable method of estimating revenues”** – Requires the same data stipulated for Option 1, as well as:



- i. A narrative description of the methodology used, why it is reasonable, and how the lost revenues are attributed to coronavirus rather than other factors, and
- ii. A calculation using the methodology described.

Similar to previously issued guidance, the updated Reporting Requirements note that “all recipients seeking to use an alternate methodology face an increased likelihood of an audit by HRSA.” If HRSA does not accept the alternate methodology, the entity will have 30 days to resubmit a report using Option 1 or Option 2 to calculate Lost Revenues.

In addition to the data elements described above, reporting entities will be required to provide general information about the entity and submit a subsidiary questionnaire. If there were any changes in ownership impacting a reporting entity (i.e., acquisition or divestiture of subsidiaries), information must be provided with regard to those transactions. *If the reporting entity itself was acquired or divested, it should self-report the change in ownership to HRSA.* Tax and Single Audit information also must be reported. Consistent with previously issued guidance, PRF recipients that expend \$750,000 or more, in aggregate, in federal funds during their fiscal year are subject to Single Audit requirements.

Non-financial data regarding personnel, patients, and facility are also required to be reported. The specific metrics to be submitted, by quarter, for calendar year 2019 through the applicable period, have been updated slightly to include a few additional categories. Finally, reporting entities must complete a survey regarding the impacts of PRF payments during the applicable period. The survey addresses the following categories:

- Overall operations
- Maintenance of solvency / prevention of bankruptcy
- Retention of staff / prevention of furlough
- Re-hire or re-activation of staff from furlough
- Facilitation of changes needed to operate during the pandemic
- Ability to care for and/or treat patients with COVID-19 (if applicable)
- Impact on business or patient services (optional)

Next Steps

As soon as possible, entities should determine the dates and amounts of all PRF payments received (for the parent entity and any subsidiaries) in order to determine (1) the deadline for utilizing the funds, and (2) the applicable reporting period. Gather all documentation required to substantiate that the funds were utilized for eligible expenses, including support for the amounts as well as the reasons the expenses were necessary to prevent, prepare for, or respond to coronavirus. Additionally, it will be important to have supporting calculations documenting consideration of amounts reimbursed or obligated to be reimbursed by other sources. Calculate Lost Revenues using Option 1 and, if applicable, Options 2 and/or 3 to determine which method is most advantageous. If Option 3 is selected, it is recommended that calculations and supporting documentation for either Option 1 or Option 2 be prepared as well so the report can be resubmitted quickly during the 30-day “second chance” window if necessary.

We will continue to watch for additional guidance released by HHS in the coming days and weeks as the initial reporting period opens.

Additional Resources:

- [Provider Relief Fund General and Targeted Distribution Post-Payment Notice of Reporting Requirements – June 11, 2021](#)
- [CARES Act Provider Relief Fund Frequently Asked Questions](#) (Last Updated 6/11/2021)