

Provider Relief Fund Update – Looming September 30, 2021 Reporting Deadline

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The CARES Act Provider Relief Fund (PRF) reporting portal has been officially opened and the reporting deadline for any combined PRF funds exceeding \$10,000 received within the first reporting period (see table below) is due by September 30, 2021. The Department of Health and Human Services (HHS) and U.S. Health Resources and Services Administration (HRSA) have put together some great resources that can be found at the [HRSA website](#) including a worksheet that can be used by providers to gather information that will be needed during the reporting process. HHS and HRSA also conducted a number of webinars which provided some great insight on the reporting requirements.

In this article we have summarized what we thought were some of the more significant updates.

Use of Funds – HHS has modified the use of funds deadline from the original June 30, 2021 to varying deadlines depending on the period the funds were received. The deadline to use funds for the first reporting period is June 30, 2021. PRF funds received from April 10, 2020 to June 30, 2020 can be used for COVID-19 expenses and lost revenues from January 1, 2020 to June 30, 2021 (Period of Availability). Any unused funds not spent during the period of availability must be returned within 30 days after the end of the reporting time period. For reporting period one, unused funds must be returned by October 30, 2021. The table below provides an illustration of this concept for all periods:

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

Eligible Expenses – Expenses for services incurred are eligible only if the services obtained are completed during the period of availability. Expenses relating to tangible property, the goods purchased do not need to be in hand by the end of the period of availability but the transactions must have been initiated in the period of availability. Expenses from renovation and construction contracts must be fully executed or completed during the period of availability. HHS and HRSA stated in one of the aforementioned webinars that providers will have the ability to enter zero values in the reporting portal for COVID-19 expenses if all PRF funds received are offset/earned using lost revenue calculations. It should be noted that COVID-19 expenses incurred in a period of availability cannot be carried forward to another period whereas lost revenues may be carried forward.

Patient Care Revenue – Only patient care revenues may be used to calculate lost revenues (excluding Nursing Home Infection Control Distribution payments). PRF amounts used for lost revenues generated from non-patient care should not be included. The following are examples provided by HRSA that should not be included:

- Insurance
- Retail, auxiliary, or parking services
- Non-Patient Care Dining Services
- Fundraising Events
- Real estate revenues (exception for nursing and assisted living facilities' real estate revenues where resident fees are allowable)
- Prescription sales revenues (exception when derived through the 340B program)
- Grants or tuition
- Amounts of contractual adjustments from all third party payers
- Amounts of charity care adjustments
- Bad debt
- Any gains and/or losses on investments

Lost Revenues – The three options to report lost revenues have remained consistent:

1. Difference between actual patient care revenues,
2. Difference between budgeted and actual patient care revenues, and
3. Any reasonable method of estimating revenues.

Lost revenues will not be calculated on a year-to-year basis, as was originally required. Providers will be required to report revenue on a quarterly basis for each quarter beginning with the first quarter of 2019. The 2019 quarterly revenues will always be the baseline for the lost revenue calculation. Lost revenue is calculated by using only the quarters that had a decrease in revenue. Quarters that resulted in an increase in revenue will be disregarded for purposes of calculating lost revenues. This change in calculating lost revenues is expected to give providers greater opportunities to offset PRF funds against lost revenues, although it may cause some challenges for providers that have already reported December 31, 2020 financial activity in accordance with the superseded year-to-year guidance, previously issued.

Documentation – The burden of proof is on the provider and, therefore, providers should maintain good records to support all information entered into the reporting portal. Support must be retained for three (3) years after submission of the report. There is no requirement for documentation to be uploaded or provided during the reporting process with the exception of supporting documentation required if a provider chooses option 2 or 3 for lost revenues.

Contact Us

If you require assistance in understanding any of the terms and conditions of the CARES Act Provider Relief Fund, please contact the partner in charge of your account or any of the following:

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