

## Provider Relief Funds for Rural Health Clinics May 13, 2020

To stabilize the financial health of our healthcare system, Congress has appropriated \$100 billion to reimburse providers for lost revenues and increased expenses due to the coronavirus pandemic from a Provider Relief Fund. Because funding can come from various tranches which have different terms and conditions, Attestation Portals, uses of funds, it is extremely confusing for RHCs. We have attempted to summarize information related to these distributions in Table format. While the format simplifies the presentation of the information and makes it more understandable in its brevity it tends to lose nuance and you should seek counsel of those familiar with these programs. Most of the information is derived from the Provider Relief Fund website which can be found [here](#) and in the NARHC Newsletter - Spring Edition, Nathan Baugh provides a great summary of the various funding programs which can be found [here](#)

### Provider Relief Funds Summary Table

Tranche	1	2	3
<b>Description</b>	General Allocation	General Allocation	Rural Provider Allocation
<b>Amount</b>	\$30 Billion	\$20 Billion	\$10 Billion
<b>Qualification</b>	Bills Medicare Part A or B in 2018	Bills Medicare Part A or B in 2018	Certified as an RHC on 12/17/20 or earlier
<b>Payment Dates</b>	4/10 & 4/17	4/24	5/6
<b>Type of Distribution</b>	Grant	Grant	Grant
<b>How computed</b>	6.2% of Medicare revenues	2% of net patient revenues minus amounts received in Tranche 1	For Freestanding RHCs: \$103,253 per RHC plus 3.7% of operating expenses
<b>What are the funds for?</b>	Lost revenues and increase expenses due to COVID-19	Lost revenues and increase expenses due to COVID-19	There is a listing of what you can <b>not</b> use the money for.
<b>Terms &amp; Conditions</b>	<a href="#">Here</a>	<a href="#">Here</a>	<a href="#">Here</a>
<b>Attestation Portal</b>	<a href="#">Here</a>	<a href="#">To Report Net Revenues</a>	<a href="#">Here</a>
<b>FAQS</b>	<a href="#">Here</a>	<a href="#">Here</a>	None as of 5/13/20

We have prepared a couple of Excel Spreadsheets to help you track the funds and disbursements for reporting to HHS at a latter date.

- [Economic Relief Tracking Tool for RHCs](#)
- [Template of Form to Report Quarterly Expenses if you received more than \\$150,000 in payments from the General Allocation Pool \(\\$50 billion\)](#)

## Terms and Conditions of the General Allocation Funds (Tranche 1 & 2)

The General and Rural Provider Allocation Terms and Conditions requires the following reporting requirements for providers receiving more than \$150,000 (in funds from the CARES Act). Here is the exact wording of the type of information that should be maintained by RHCs to satisfy reporting requirement for the use of these funds.

"Not later than 10 days after the end of each calendar quarter, any Recipient that is an entity receiving more than \$150,000 total in funds under the Coronavirus Aid, Relief, and Economics Security Act (P.L. 116-136), the Coronavirus Preparedness and Response Supplemental Appropriations Act (P.L. 116-123), the Families First Coronavirus Response Act (P.L. 116-127), or any other Act primarily making appropriations for the coronavirus response and related activities, shall submit to the Secretary and the Pandemic Response Accountability Committee a report. This report shall contain:

1. the total amount of funds received from HHS under one of the foregoing enumerated Acts;
2. the amount of funds received that were expended or obligated for each project or activity;
3. a detailed list of all projects or activities for which large covered funds were expended or obligated, including: the name and description of the project or activity,
4. and the estimated number of jobs created or retained by the project or activity, where applicable;
5. and detailed information on any level of sub-contracts or subgrants awarded by the covered recipient or its subcontractors or subgrantees, to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 allowing aggregate reporting on awards below \$50,000 or to individuals, as prescribed by the Director of the Office of Management and Budget."

## What should you do once you receive your Provider Relief Funds

- Put the money from the different tranches (General Allocation, Rural Allocation, or PPP) in separate bank accounts.
- Keep auditable records & receipts on how you spend the money.
- Use your PPP money first to pay payroll if you are in your 8-week forgiveness spending period.
- Begin documenting your "lost revenue" from the previous year for the Provider Relief funds. Compare monthly net revenues in 2019 to 2020 to determine how much lost revenue you have and compare that to the amount of provider relief funds.
- Attest within 45 days of receiving the monies.
- Use the money to pay payroll (after the 8 weeks of PPP) and other expenses to keep the clinic financially viable.

## What can you spend the Rural Provider Allocation on?

We have been getting that question a lot since the distribution of the funds on May 6<sup>th</sup> and we have a better answer for what you can not spend the money on as the Terms and Conditions spell this out very clearly. We have little guidance on what expenses are allowable for this distribution or if there will be reporting requirements. We do know what you can not spend it on. (see slide)

## What can you **not** do with the Rural Provider Allocation funds?

- SEC. 202. **Executive Pay. None of the funds appropriated in this title shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II: (Currently \$197,300 for 2020)**
- SEC. 210. Funding Prohibition for Gun Control Advocacy. None of the funds made available in this title may be used, in whole or in part, to advocate or promote gun control.
- SEC. 503. Lobbying
- SEC. 506. Prohibits Use of Federal Funds for Abortions.
- SEC. 507 Limitations on Abortion Funding Prohibition
- SEC. 508. Prohibits Use of Funds for Embryo Research
- Sec. 509. Prohibits Promotion of Legalization of Controlled Substances
- SEC. 520. Pornography.
- SEC. 521. Prohibits Funding ACORN or Its Affiliates or Subsidiaries.
- SEC. 527. Prohibits Federal Funding for Needle Exchange Except in Limited Circumstances.

## What if your RHC did not receive your Rural Provider Allocation funds?

For additional information, please visit [hhs.gov/providerrelief](https://hhs.gov/providerrelief) or call the provider support line at (866) 569-3522; for TTY dial 711. Thank you for all you are doing to support and protect the American people during this difficult time.

We hope this information is helpful to you. It is very confusing and difficult to understand. We have done our best to summarize the information as we know it on May 13, 2020. Stay tuned for updates as we learn more. Thank you for what you do and stay safe.

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