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# HBS

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## *Update*

October 5, 2020

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## Introduction

President Trump's bout with COVID-19 has brought the pandemic back to the forefront of the news cycle and on the minds of everyone. Fatigue from being socially distanced from loved ones and the trappings of the "new normal" including wearing masks, washing hands per CDC guidelines, and all those Zoom meetings have led us to let our guard down somewhat. Some areas of the country are doing well, while others see the virus spreading at an alarming rate. A New York Times article on the spread of COVID-19 is linked [here](#).

For us, now that RHC cost reports have finally been filed with Medicare, it is time to turn our attention back to Provider Relief Funds and the rather onerous reporting requirements that HHS announced recently for General and Targeted Distributions, RHC COVID-19 Testing Reporting Requirements, and an additional \$20 billion of Phase 3 Provider Relief Funding for certain providers. We will cover these subjects in this newsletter and some upcoming webinars.

## Trump Administration Announces \$20 Billion in New Phase 3 Provider Relief Funding

Under the leadership of President Trump, the U.S. Department of Health and Human Services (HHS), through the Health Resources and Services Administration (HRSA), is announcing **\$20 billion** in new funding for providers on the frontlines of the coronavirus pandemic. Under this Phase 3 General Distribution allocation, providers that have already received Provider Relief Fund payments will be invited to apply for additional funding that considers financial losses and changes in operating expenses caused by the coronavirus. Previously ineligible providers, such as those who began practicing in 2020 will also be invited to apply, and an expanded group of behavioral health providers confronting the emergence of increased mental health and substance use issues exacerbated by the pandemic will also be eligible for relief payments.

**Providers can begin applying for funds on Monday, October 5, 2020.**

“HHS has worked to ensure that all American healthcare providers receive support from the Provider Relief Fund in a fast and fair way, and this new round helps ensure that we are reaching America’s essential behavioral health providers and takes into account losses and expenses relating to coronavirus,” said HHS Secretary Alex Azar. “We’ve worked with all of the resources we have across HHS to ensure that America’s heroic healthcare providers know they can apply for support.”

HHS has already issued over \$100 billion in relief funding to providers through prior distributions. Still, HHS recognizes that many providers continue to struggle



financially from COVID-19’s impact. For eligible providers, the new Phase 3 General Distribution is designed to balance an equitable payment of 2 percent of annual revenue from patient care for all applicants plus an add-on payment to account for revenue losses and expenses attributable to COVID-19.

Further, HHS recognizes constraints such as the stay-at-home orders and social isolation have been particularly difficult for many Americans. A recent Centers for Disease Control and Prevention (CDC) [report](#) found the prevalence of symptoms of anxiety disorder in the second

quarter of 2020 was approximately three times those that reported in the second quarter of 2019 (25.5% versus 8.1%); and the prevalence of depressive disorder was approximately four times that reported in the second quarter of 2019 (24.3% versus 6.5%). Our behavioral health providers have shouldered the burden of responding and confronting this expanded challenge triggered by the pandemic. When traditional face-to-face counseling was restricted and new telehealth flexibilities were put in place in response to the pandemic, many behavioral health providers invested in and [adopted - PDF](#) telehealth technologies to continue providing patient care. While some Medicare or Medicaid behavioral health providers have already received prior General Distribution payments, others have not. Working with the Substance Abuse and Mental Health Services Administration (SAMHSA), HRSA developed a list of the nation's behavioral health providers now eligible for funding, which includes, for example, addiction counseling centers, mental health counselors, and psychiatrists.

## Eligibility

HHS is making a large number of providers eligible for Phase 3 General Distribution funding, including:

- **Providers who previously received, rejected or accepted a General Distribution Provider Relief Fund payment. Providers that have already received payments of approximately 2% of annual revenue from patient care may submit more information to become eligible for an additional payment.**
- **Behavioral Health providers, including those that previously received funding and new providers.**
- **Healthcare providers that began practicing January 1, 2020 through March 31, 2020. This includes Medicare, Medicaid, CHIP, dentists, assisted living facilities and behavioral health providers.**
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## Payment Methodology – Apply Early

All eligible providers will be considered for payment against the below criteria.

1. All provider submissions will be reviewed to confirm they have received a Provider Relief Fund payment equal to approximately 2 percent of patient care revenue from prior general distributions. Applicants that have not yet received Relief Fund payments of 2 percent of patient revenue will receive a payment that, when combined with prior payments (if any), equals 2 percent of patient care revenue.
2. With the remaining balance of the \$20 billion budget, HRSA will then calculate an equitable add-on payment that considers the following:
  - A provider's change in operating revenues from patient care
  - A provider's change in operating expenses from patient care, including expenses incurred related to coronavirus
  - Payments already received through prior Provider Relief Fund distributions.

We know providers want to receive payments shortly after submitting their information. However, this distribution requires cooperation on the part of all applicants. Again, HHS is urging all eligible providers to apply early; do not wait until the last day or week of the application

period. Applying early will help to expedite HHS's review process and payment calculations, and ultimately accelerate the distribution of all payments. All payment recipients will be required to attest to receiving the Phase 3 General Distribution payment and accept the associated Terms and Conditions.

## Application Deadline

Providers will have from October 5, 2020 through November 6, 2020 to apply for Phase 3 General Distribution funding. HHS's top priority is ensuring as many providers possible have an opportunity to apply. HHS will continue to host webinars to assist providers through the application process and the call center is also available to address questions.

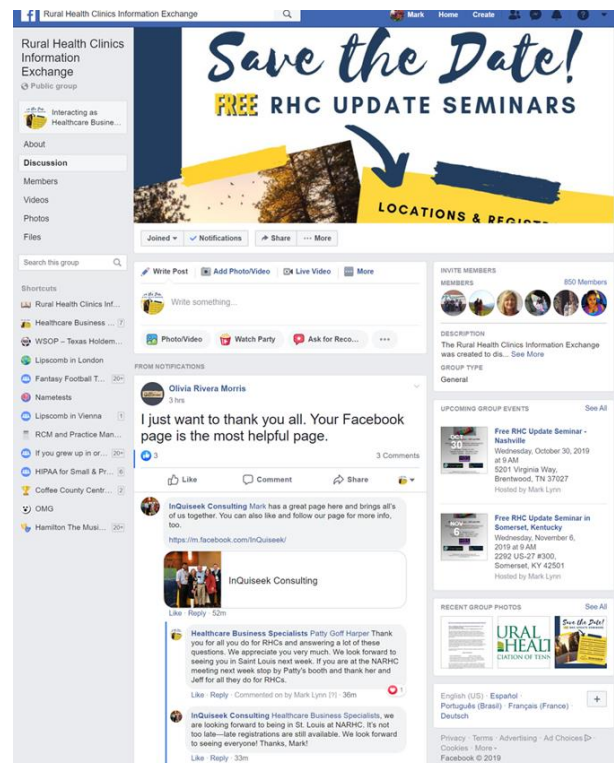
HHS recognizes the multifaceted challenges of this pandemic cannot be won without frontline healthcare providers focused on containing the virus and delivering holistic care. Funding for this Phase 3 General Distribution was made possible through the bipartisan CARES Act and the Paycheck Protection Program and Health Care Enhancement Act, which allocated \$175 billion in relief funds to hospitals and other healthcare providers.

For updates and to learn more about the Provider Relief Program, visit: [hhs.gov/providerrelief](https://hhs.gov/providerrelief).

Source: <https://www.hhs.gov/about/news/2020/10/1/trump-administration-announces-20-billion-in-new-phase-3-provider-relief-funding.html>

## Rural Health Clinic Information Group on Facebook

Join 1,900 of your Rural Health Clinic peers in this Facebook group. You will find the latest information on Rural Health Clinics including conferences, seminars, and webinars. You can ask questions regarding RHC compliance, billing, cost reporting, provider relief funds, or anything related to RHCs. Anyone is welcome to post about meetings, seminars, or things of interest to RHCs in this moderated group. Thank you for being a part of this community.



<https://www.facebook.com/groups/1503414633296362/>



## Webinar - Provider Relief Funds Reporting Requirements for RHCs

On September 19, 2020, the US Department of Health & Human Services (HHS) released the General and Targeted Distribution Post-Payment Notice of Reporting Requirements for the Provider Relief Fund (PRF), which was authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. **This webinar by Healthcare Business Specialists, LLC and Mark R. Lynn, CPA (Inactive), CRHCP will go over these reporting requirements including timing & deadlines, reporting elements, guidelines for use of funds, the new more restrictive definition of lost revenues, FAQs, and forms to help RHCs gather the information for reporting the uses of these funds to HHS. Topics covered include:**

1. Reporting Guidance on Use of Funds
2. Data Elements
  1. Demographic Information
  2. Expenses Attributable to COVID-19 not reimbursed by other sources
    1. General and Administrative Expenses Attributable to COVID-19
    2. Healthcare Related Expenses attributable to COVID-19
3. Lost Revenues attributable to COVID-19
4. Additional non-financial data to be collected (quarterly)

Please register for Provider Relief Funds Reporting Requirements for RHCs on **Thursday, Oct 8, 2020 12:00 PM CDT** at:

<https://attendee.gotowebinar.com/register/499132509589537804>

## **NARHC Webinar RHC COVID-19 Testing Program Reporting Process and Requirements**

On Tuesday, October 6, 2020, at 2:00 pm Eastern, we will be hosting the next Rural Health Clinic Technical Assistance webinar on the RHC COVID-19 Testing Program Reporting Process and Requirements.

Nathan Baugh, Director of Government Affairs, will walk attendees through the reporting process which will be done online. After the presentation, there will be plenty of time for a question and answer period.

This webinar is being provided free of charge. However, you must register in advance. If you have issues registering and are using Internet Explorer, try using another browser. If you continue to have issues, please contact us and we will assist you, 866.306.1961.

Date of Webinar: Tuesday,  
10/06/20  
Time: 2:00 pm Eastern



Once you register, you will be sent a unique log-in link to use the day of the webinar. Be sure to click on the link allowing the webinar information to be placed into your calendar. Please feel free to have other clinics or staff you feel may benefit from listening to this webinar to register as well.

To register, go to: <https://attendee.gotowebinar.com/register/831949181693245708>  
When the webinar begins you will be connected to audio using your computer's speakers.

A copy of the slides and a recording will be available within a few days after the webinar is complete at: [https://www.narhc.org/narhc/TA\\_Webinars1.asp](https://www.narhc.org/narhc/TA_Webinars1.asp)  
If you have any questions about registering please email us at [asst@narhc.org](mailto:asst@narhc.org).

We look forward to having you join us for this important program.

Sincerely,  
National Association of Rural Health Clinics

## About Us

Healthcare Business Specialists, LLC is a Chattanooga, Tennessee-based consulting firm which specializes in rural health clinic reimbursement and prepares rural health clinic cost reports, program evaluations, Emergency Preparedness, TennCare Quarterly Reports, and RHC startup/conversions. Mark R. Lynn, CPA (Inactive), CRHCP is trained as a certified public accountant and has over 40 years' experience in the healthcare field with almost 30 years of experience devoted almost exclusively to rural health clinics. We have been conducting rural health clinic seminars for over 25 years.

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Dani Gilbert, CPA, CRHCP