

Provider Relief Funds & American Rural Payments

*RHC Webinar Series
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Did I receive funds?

- Bank detail – “HHS Stimulus,” “HRSA Provider Relief,” etc.
- Data.CDC.gov – HHS Provider Relief Fund
 - Provides a listing of all providers that receive funding
- Funding began 4/10/2020
- 1099s should have been issued

PRF Phase 4 – Payment Calculation

The majority of payments have already been distributed.

- Base payments are calculated as a percentage of expenses and revenues reported in your application for the period from July 1, 2020 to March 31, 2021. Percentages are determined by provider size:
 - Small – \$10M or less annual net patient care revenues – 45%
 - Medium - \$10M - \$100M annual net patient care revenues – 25%
 - Large - \$100M or more annual net patient care revenues – 20%
- Bonus payments are calculated based on Medicare, Medicaid, and CHIP administrative claims data from January 1, 2019 through September 30, 2020. HRSA then adjusted the claims to the available funds, resulting in bonus payments of approximately 0.3% of the value of providers' total Medicare, Medicaid, and CHIP administrative claims.

ARP– Payment Calculation

- **Step 1.** HRSA will price Medicaid and CHIP claims data at national Medicare rates, to eliminate any impact from the disparities between Medicare and Medicaid/CHIP reimbursement rates. HRSA will similarly price Medicare Advantage and Medicaid managed care encounter data at Medicare rates. There will be some limited exceptions for certain services provided predominantly in Medicaid and CHIP, when these services are not typically provided (and therefore not priced) by Medicare. For services provided predominantly in Medicaid, Medicaid managed care encounter data will be priced at average Medicaid/CHIP rates across states and territories. Medicaid supplemental payments will not be factored into ARP Rural payment calculation.
- **Step 2.** HRSA will calculate the number and type of Medicare, Medicaid, and CHIP claims per billing/subsidiary TIN from January 1, 2019, through September 30, 2020, and multiply them by the relevant prices from Step 1.
- **Step 3.** HRSA will adjust the claims-based payments to the amount of funding available for ARP Rural (approximately \$8.5 billion), while also ensuring that providers who are eligible for the distribution receive a minimum payment of \$500 per subsidiary billing TIN. Given that the aggregate value of adjusted Medicare, Medicaid, and CHIP claims for rural beneficiaries treated by applicants is significantly larger than the funding available for ARP Rural payments, the adjusted value of these claims will be scaled to approximately 3% of their original value in order to determine payments.
- **Step 4.** HRSA will then aggregate billing TINs' payments to the filing TIN (i.e., applicant).

Payment Reconsiderations

Only available for providers who believe their Phase 4/ARP Rural payment calculation was incorrect

- Documentation Needed
 - Payment Determination Letter from HRSA
 - DocuSign Envelope ID
 - Contact Information and TIN
 - Reason you believe your payment was calculated incorrectly
- Complete PRF Reconsideration Request Form – due May 2nd

Terms and Conditions

A few key takeaways:

- Terms and Conditions are deemed to have been accepted after funds are received and retained for at least 90 days
- Payments cannot be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse
- PRF 4 and ARP payments must be maintained in an interest-bearing account
- For ARP payments, the recipient certifies that it provides or has provided services to Medicare, Medicaid and/or CHIP beneficiaries who are residents of rural areas.

Using the Funds

Permissible Uses

- Healthcare-Related Expenses - COVID-19
- General and Administrative Expenses – COVID-19
- Taxes imposed on Provider Relief Fund & ARP payments
- Recruiting and Retaining Personnel
- Lost Revenues
 - Calculated by quarter and payer type
 - Cash Accounting Basis – Use Collections
 - Accrual Accounting Basis – Use Net Charges

Reporting Timeline

Period #	Payments over \$10,000 Received	Deadline to Use Funds	Reporting Time Period
1	4/10/20 – 6/30/20	6/30/2021	7/1/21 – 11/30/21
2	7/1/20 – 12/31/20	12/31/2021	1/1/22 – 3/31/22
3	1/1/21 – 6/30/21	6/30/2022	7/1/22 – 9/30/22
4	7/1/21 – 12/31/21	12/31/2022	1/1/23 – 3/31/23
5	1/1/22 – 6/30/22	TBD	TBD

Reporting – Information to Gather

- General & Administrative Expenses* – by date/amount
- Healthcare-Related Expenses* – by date/amount
- Revenues by Quarter in the following categories:
 - Medicare Part A or B
 - Medicare Part C (Medicare Advantage)
 - Medicaid / CHIP
 - Commercial Insurance
 - Self-Pay (No Insurance)
 - Other
- Interest Earned on PRF Payments
- Other Assistance Received
- Personnel Metrics – clinic / non-clinical FTEs by category
- Patient Metrics – inpatient admissions, outpatient visits, ED visits, facility stays
- Facility metrics – staffed beds for medical/surgical, critical care, other
- *recipients reporting on over \$500,000 in PRF/ARP payments must categorize expenses

Single Audit Requirements

Recipients that **spend** a total of \$750,000 in federal funds, including PRF/ARP and other federal financial assistance, are subject to single audit requirements

- For a fiscal year end of June 30, 2021, and through fiscal year ends of Dec. 30, 2021, recipients are to report on the SEFA, the total expenditures and/or lost revenues from the Period 1 report submission to the PRF Reporting Portal.
- For a fiscal year end of Dec. 31, 2021, and through fiscal year ends of June 29, 2022, recipients are to report on the SEFA, the total expenditures and/or lost revenues from both the Period 1 and Period 2 report submissions to the PRF Reporting Portal.
- For fiscal year ends on or after June 30, 2022, SEFA reporting guidance related to Period 3 and Period 4 (and Period 5) will be provided at a later date.
- Single audit must be performed by an independent accounting firm.

Other Considerations

The below scenarios require additional consideration

- Subsidiaries
- Mergers and Acquisitions
- Changes in Ownership
- Salary caps for personnel expenses
- Interaction with funds from PPP loans, ERC, FEMA, etc.
- Balance Billing

Resources

- Reporting Portal: <https://prfreporting.hrsa.gov/s/>
- Insights from KraftCPAs: <https://www.kraftcpas.com/articles/>
- HRSA Website: <https://www.hrsa.gov/provider-relief>
- FAQs: <https://www.hrsa.gov/sites/default/files/hrsa/provider-relief/provider-relief-fund-faq-complete.pdf>

Contact Info

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Office Hours: 7:00 AM – 3:00 PM CST

Services:

- Accounting services
- Tax preparation services
- PRF/ARP Reporting Assistance
- Single Audits (if independent)