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Provider Relief Fund: Reporting – Key Matters and Requirements as Guidance Continues to Evolve

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Recipients of Provider Relief Funds (PRF) under the CARES Act have spent 2020 and the beginning of 2021 navigating the evolving guidance related to this program. There have been many questions related to PRF and, ultimately, the reporting that will be required. On Friday, January 15, 2021, the Provider Relief Fund Reporting Portal opened for registration and PRF recipients are now getting closer to final guidance on what will be necessary to include in the December 31, 2020 report requirement that is due in early February. Given the guidance we now have available, this article will give a brief overview of the report and its requirements.

Who do the Reporting Requirements Apply to?

With the opening of the Provider Relief Fund Reporting Portal, the Health Resources and Services Administration (HRSA) also released a memo on [*Post-Payment Notice of Reporting Requirements - January 15, 2021*](#). This new guidance supersedes the guidance issued on November 2, 2020. Any organization that received PRF funding in excess of \$10,000 (in the aggregate) will be required to submit data elements in the post-payment reporting process, with the exception of PRF funding noted in the sections below that is excluded from this reporting requirement.

What Distributions do the Reporting Requirements Not Apply to?

While there has been guidance on certain types of PRF distributions, there are other types of PRF distributions that are not subject to the current reporting requirements and may have separate requirements. These include the distributions for Nursing Home Infection Controls; Rural Health Clinic Testing; and HRSA's COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured Program and the HRSA COVID-19 Vaccine Administration Assistance Fund. For guidance on these specific distributions, see the HHS Provider Relief Fund Reporting and Auditing [website](#).

For organizations that received the Nursing Home Infection Controls distribution, it is still recommended that you register on the Provider Relief Fund Reporting Portal.

What are the Current Reporting Requirements?

For organizations to which the reporting requirements do apply, there are key data elements that must be included in the report.

Use of Funds

The report will require disclosure of the use of the funds. The organization should report this using the standard method of accounting they use for other reporting purposes or internally as applicable (accrual vs. cash basis). The use of the funds would first include healthcare related costs attributable to the coronavirus. Additionally, these costs cannot have been reimbursed or been obligated to be reimbursed by another source. Examples include payments received from insurance and/or patients and amounts received from federal, state, or local governments.

If PRF payments remain after applying eligible healthcare related expenses, then the organization may apply the rest of the funds towards lost revenue. The current guidance notes that organizations must choose one of three options for calculating lost revenues:

- First, the lost revenue can be calculated based on the difference between 2019 and 2020 actual patient care revenue.
- Second, lost revenue can be calculated based on the difference between 2020 budgeted and actual 2020 patient care revenue. If budgets are used, the 2020 budget must have been approved prior to March 27, 2020 and further support will be required upon submission.
- Lastly, lost revenue may be calculated based on any reasonable method of estimating revenue. However, if an organization uses this approach, there are further requirements that they will have to submit related to descriptions and explanations for the methodology. The organization also increases the likelihood of an audit by HRSA due to the subjective nature of this option. If HRSA determines that a reasonable method is not used, the organization must resubmit their report with 30 days using actuals or budgets for the lost revenue calculation.

Additionally, if not all of the PRF funding is expended by December 31, 2020, organizations have an additional six months to spend the funding and will have additional reporting requirements.

Demographic Information

The report will also require organizations submit certain demographic information. The information will include each reporting entity and the type of PRF funding received by the entity. Organizations will also include the Tax Identification Number, National Provider Identifier (optional), fiscal year end date, and federal tax classification.

Additionally, if the Reporting Entity is a parent entity, the parent entity may transfer targeted distributions from one subsidiary to another subsidiary eligible health care provider of the parent organization, even if the targeted distribution was issued to the first subsidiary. However, the responsibility for reporting the reallocated reimbursement shall remain with the original recipient of such reimbursement, and these transfers do increase the likelihood of an audit by HRSA.

Additional Provider Payment Information:

Lastly, there is a number of other items that will be included in the report. If an organization held the PRF funding in interest-bearing accounts, the amount of interest earned on the PRF funds must be reported. Any interest earned will be applied to the uses of the PRF distributions.

The report will also require details on the 2020 facility, staffing, and patient care on a per quarter basis for 2020. This will include personnel metrics, patient metrics, and facility metrics. The organization will need to report any changes in ownership, including entities that were acquired or divested. If the organization itself was acquired or divested, it should also self-report that change. The report will require disclosure of other assistance the organization received including, but not limited to, Treasury assistance (Small Business Administration and Paycheck Protection Program), Federal Emergency Management Agency, CARES Act testing, local/state/tribal government assistance, business insurance, and other federal/coronavirus related assistance.

Finally, the reporting requirements also require the organization to report if they are subject to Single Audit under 45 CFR 75.501 in 2020 and if the auditors selected PRF disbursements as a program under the audit, but only if known at the time of submission. See our previous article highlighting the PRF audit requirements [here](#).

What is Included in Healthcare Related Expenses?

Healthcare related expenses under PRF consist of costs incurred to prevent, prepare for, and/or respond to coronavirus. Under the reporting requirements, the level of detail that is included for healthcare related expenses depends on the level of disbursements that were received. If under \$500,000, then organizations need only to report expenses in two categories: 1) General & Administrative (G&A) expenses and 2) other healthcare related expenses. These would be net of any other reimbursed sources.

If the organization received \$500,000 or more in PRF disbursements, then the organization is required to provide more detail for the two categories. G&A would be broken down into mortgage/rent, insurance, personnel, fringe benefits, lease payment, utilities/operations, and other G&A. Other healthcare related expenses would be broken down into supplies, equipment, information technology, facility,

and other healthcare related expenses. Again, these would be net any other reimbursed sources.

What is Included in Lost Revenues?

Even if the organization expends all of the PRF payments on eligible expenses, the report will still require that the organization provide, at a minimum, the 2020 actual patient care revenue as compared to 2019 actual patient care revenue. If the organization additionally claims lost revenue to apply to PRF payments, there will be additional reporting required. Organizations will be required to report total revenue (net of uncollectible patient service revenue recognized as bad debts) or net charges from patient care related sources in 2020. It is important to note that the current guidance does not make reference of the implicit price concession. However, as patient revenue is reported net of the implicit price concessions and they specifically note backing out bad debt, organizations should anticipate reporting revenue net of any implicit price concessions.

Additionally, patient care is meant to exclude insurance, retail, or real estate values and grants/tuition unrelated to patient care. However, there is an exception for skilled nursing facilities, where insurance, retail, and real estate values may be allowable as part of patient care.

Organizations will report total revenue/net charges from patient care by quarter by payor mix. Payor mix will include Medicare Part A or B, Medicare Part C, Medicaid/Children's Health Insurance Program, commercial insurance, self-pay, and other.

Depending on which option the organization chose for reporting lost revenue, there will be different requirements for 2019 actuals, 2020 budgets, or reasonable estimate for revenue.

What Resources are Available?

HHS has a [website](#) dedicated to PRF and all the requirements. The website includes a section for the reporting and auditing requirements under PRF. As new guidance is released, this website is updated for all changes. It also includes additional resources for providers, frequently asked questions (FAQs), and overall

data on the distributions. The FAQs are routinely updated with further information and should be reviewed by each organization that receives PRF.

Organizations should also reach out to their auditors for any further guidance. Auditors are additionally waiting on guidance on the PFR report and what items will be subject to audit under the Single Audit or Financial-related audit. This guidance is expected to be released by the Office of Management and Budget's Office of Federal Financial Management in early February 2021.

Lastly, HRSA has given notice that it plans to have Question and Answer Sessions available via webinar before the reporting deadline.

What are the Next Steps?

If you haven't already, register your organization on the Provider Relief Fund Reporting Portal if the organization received more than \$10,000 in PRF payments. The registration process is estimated to take about 20 to 30 minutes, and it is the first step in the reporting process. It is important to note that the portal does not save information if closed mid-registration. As such, the registration should be completed in one session. Once registered, HRSA will notify you via email when the second step is available. The second step will be the actual submission of the December 31, 2020 report.

If you have any questions on PRF reporting, [please contact a Clark Nuber advisor](#).

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