PROVIDER RELIEF FUNDS – REPORTING AND AUDIT REQUIREMENTS

REPORTING REQUIREMENTS

On Jan. 15, 2021, HHS released updated guidance on the PRF reporting requirements. Below, we outline what has changed since their last communication on Nov. 2, 2020. This amended guidance is in response to the CRRSA Act, which was passed in December 2020 and added $3 billion to the PRF (increasing the total funding from $175 billion to $178 billion) along with new language regarding reporting requirements.

Please note this is a summary of information and additional detail and guidance can be found in the reporting and auditing FAQ section of **HHS.gov**.

- On Jan. 15, 2021, HHS announced a delay in reporting of the PRF. HHS has not yet communicated further details on the deadline for this reporting. Recipients of PRF payments greater than $10,000 may register to report on their use of funds as of Dec. 31, 2020 starting Jan. 15, 2021. Healthcare providers should go into the portal, register and establish an account now so that when the portal is open for reporting, they are prepared to fulfil their reporting requirements.
- Recipients who have not used all of the funds by Dec. 31, 2020, have from January 1 – June 30, 2021 to use the remaining funds. Healthcare organizations will have to submit a second report before July 31, 2021 on how funds were utilized for that six-month period.
- The new guidelines further define the reporting entity and how to report if there is a parent company with subsidiaries for both General and Targeted Distributions:

Parent organizations with multiple Taxpayer Identification Numbers (TINs) that received General Distributions or TINS that received them from parent organizations can report the usage of these funds even if the parent was not the entity that completed the attestation.

While a Targeted Distribution may now be transferred from the receiving subsidiary to another subsidiary by the parent organization, the original subsidiary receiving the Targeted Distribution must report any of the Targeted Distribution it received that was transferred.

The new guidance does state that distribution of Transferred Targeted Distributions will likely fall under increased scrutiny through an audit by the Health Resources and Services Administration (HRSA).

- The calculation of lost revenue has been modified by HHS through this new guidance. Lost revenue is calculated for the full year and can be calculated using one of the following methods:

Difference between 2019 and 2020 actual patient care revenue. The revenue must be submitted by patient care mix and by quarter for the 2019 year.

Difference between 2020 budgeted and 2020 actual patient care revenue. The budget must have been established and approved prior to Mar. 26, 2020. This budget, as well as an attestation from the CEO or chief financial officer that it was submitted and approved prior to Mar. 26, 2020, will have to be submitted.

Reasonable method of estimating revenue. An explanation of the methodology, why it is reasonable and how the lost revenue was caused by coronavirus and not another source will need to be submitted.

- Recipients with unexpended PRF funds in full after the end of calendar year 2020, have an additional six months to utilize remaining funds for expenses or lost revenue attributable to coronavirus in an amount not to exceed the difference between:

2019 quarter one to quarter two and 2021 quarter one to quarter two actual revenue,

2020 quarter one to quarter two budgeted revenue and 2021 quarter one to quarter two actual revenue.