INARF Financial Management Professional Interest Section Meeting

August 12, 2021

10 AM - Noon

Today's Agenda

- Welcome
- Sponsorship Recognition

Alicia M. Boyd, CPA
Professional Corporation

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blue

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Today's Agenda

- American Rescue Plan Funds: INARF and FSSA Approaches
- DSP Wage Legislation and Reporting Requirements for COVID-19 Funding
- Upcoming Events & Announcements

INARF 2021 ANNUAL CONFERENCE

- ✓ Mar. 16 Exhibitor/Artisan/Sponsor Opportunities Open
- ✓ May 3 Annual Awards - Call for Nominations Open
- ✓ June 7 Attendee Registration Opens
- ❑ Oct. 5 Pre-Conference Leadership Symposium
- ❑ Oct. 6-7 Annual Conference

Learn more at www.inarf.org/2021_annual_conference

American Rescue Plan Funds: INARF and FSSA Approaches

John Barth, President/CEO, INARF

Tracy Mitchell, Partner, Bradley Associates CPAs

DSP Wage Legislation and Reporting Requirements for COVID-19 Funding

Tracy Mitchell, Partner

Eric Niedig, Partner

Dan Rogers, Partner,

Bradley Associates CPAs

DSP Wage Increase and Provider Relief Fund Reporting & Auditing

August 12, 2021

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Legal Notice

The materials and opinions presented by the speakers represent the speakers' views, are solely for educational and informational purposes, and do not constitute legal or consulting advice with respect to your particular situation. In all cases, legal or consulting advice applicable to your organization's specific circumstances should be sought.

We strongly encourage you to consult legal counsel on specific matters involving employment law, and important personnel policies and practices prior to adoption or implementation.

DSP Wage Increase

DSP Wage Rate Increase

The rate increase of 14% effective July 1, 2021 for certain waiver services is intended to provide wage increases for direct support professionals.

The legislature expects us to be able to show that this money got to its intended recipients, direct support professionals!

DSP Wage Rate Increase

The rate increase applies to any of the following services:

A. Adult day services – Level 1, 2 and 3
B. Prevocational services
C. Residential habilitation and support (Hourly)
D. Respite care services
E. Extended services
F. Day habilitation
G. Workplace assistance
H. Residential habilitation and support (RHS Daily)
I. Transportation services
J. Participant assistance and care, as defined in the family supports Medicaid waiver
K. Facility based support

DSP Wage Rate Increase

The amount of the increase in the reimbursement rate is the reimbursement rate in effect as of June 30, 2021, for the services listed in subsection (b)(2) multiplied by fourteen percent (14%).

Example:

Facility Habilitation Group (6:1) rate currently was $4.96 per hour. It has increased to $5.65 per hour.

DSP Wage Rate Increase

The rate increases effective July 1, 2021 were communicated via DDRS Update on June 28, 2021 and updated on July 8, 2021. This includes an increase in the FSW cap to $19,614.

NOAs are to be revised by August 1, 2021. You should receive new NOAs reflecting new rates and limitations next week if you have not received them already.

DSP Wage Rate Increase

An authorized service provider shall use at least ninety-five percent (95%) of the amount of the increase in the reimbursement rate to increase the wages, payroll taxes and benefits paid to direct care staff who:

1. are employed by the authorized service provider to provide services in Indiana; and
2. provide support services listed in subsection (c)(2); and
3. **are paid on an <u>hourly</u> basis.**

DSP Wage Rate Increase

In the budget language, Wages are defined as total compensation, including paid time off and training, **less overtime and shift differential** for direct care staff providing services to individuals receiving the services described in subsection (c)(2) as reported on the provider's payroll records.

DSP Wage Rate Increase

The budget language also defines “benefits“ as:

allowances and services provided by employers to employees as compensation that is in addition to salary and wages, including but not limited to paid time off, health insurance, life insurance, worker's compensation, and qualifying pensions.

DSP Wage Rate Increase

The FAQs also define “benefits“ as:

The US Internal Revenue Service generally describes fringe benefits as a form of pay (including property, services, cash or cash equivalent) in addition to stated pay for the performance of services. Some forms of additional compensation are specifically designated as “fringe benefits” in the Internal Revenue Code; others, such as moving expenses or awards, have statutory provisions providing for special tax treatment but are not designated as fringe benefits by the Code. IRS Publication 15 – B Employer's Tax Guide to Fringe Benefits discusses various fringe benefits that may or may not be taxable to the employee.

For the purposes of this program, if a provider incurs costs on behalf of its employees that is considered a fringe benefit in IRS Publication 15-B, it may be included in the calculation. Costs incurred by employees and deducted from their compensation are not considered employer paid costs and are excluded from the calculation.

DSP Wage Rate Increase

Providers shall maintain all books, documents, papers, accounting records, and other evidence required to support the reporting of payroll information for increased wages to direct care staff.

Providers shall make these materials available at their respective offices at all reasonable times and for three (3) years from the date of final payment for the services listed in subsection (c)(2) for inspection by the state or its authorized designees.

Providers shall furnish copies at no cost to the state if requested.

DSP Wage Rate Increase

If a provider does not use at least ninety-five percent (95%) of the rate increase to increase wages, payroll taxes and benefits paid to direct care staff, the office shall recoup part or all of the increase in the reimbursement rate that the provider receives as provided in subsection (h).

The office may recoup the difference between ninety-five percent (95%) of the amount received by a provider as a result of increased reimbursement rates and the amount of the increase that is actually used by the provider to pay an increase in wages, payroll taxes and benefits to direct care staff.

The remaining five percent (5%) may be retained by the provider to cover administrative and overhead costs.

DSP Wage Rate Increase

Impact of DSP Waiver Increase					
	Current Average Wage $10 per Hr	Current Average Wage $11 per Hr	Current Average Wage St Avg per Hr	Current Average Wage $12 per Hr	Current Average Wage $13 per Hr
RHS HourlyRate	21.97	21.97	21.97	21.97	21.97
Rate increase	14%	14%	14%	14%	14%
New RHS Hourly Rate	25.05	25.05	25.05	25.05	25.05
Increase in RHS Hourly Ra	3.08	3.08	3.08	3.08	3.08
95% Threshold	95%	95%	95%	95%	95%
DSP Wage Spend	2.93	2.93	2.93	2.93	2.93
Current Hourly Rate	10.00	11.00	11.36	12.00	13.00
Adjusted Hourly Rate	12.93	13.93	14.29	14.93	15.93
Percent Increase	29.26%	26.60%	25.76%	24.38%	22.51%

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DSP Wage Rate Increase

An authorized service provider providing services in Indiana shall provide written and electronic notification of its plan to increase wages, payroll axes and benefits to:

1. direct care staff employed by the provider; and
2. the office of the secretary;

within thirty (30) days after the office implements an increase in reimbursement rates.

DSP Wage Increase Plan Notification

DDRS issued guidance on June 28, 2021 (revised July 8, 2021) including notification requirements of its plan to increase wages. This guidance includes a link to submit the plan via electronic methods similar to how BDDS COVID 19 grants have been submitted.

https://forms.office.com/Pages/ResponsePage.aspx?id=ur-ZIQmkE0-wxBi0WTPYjd4E1DwnRxtAozu0uf7-cShUOFlTTEhKQ041SDZXOURaVU9RQVQxTEVMVi4u

DSP Wage Increase Plan Notification

The plan components of the electronic submission include:

Section I: Authorized Provider General Information:

- Name of the provider organization;
- Name of person submitting the form on behalf of the organization
- Email of the person submitting the form
- The waiver services the organization provides
- Describe how the organization plans to distribute at least 95% of the amount of the increase in the reimbursement rate to pay payroll tax liabilities and to increase the wages and benefits paid to direct care staff who are employed and paid on an hourly basis.
- Describe how the plan to distribute the increase as described above compares to payroll tax liabilities, wages and benefits paid to direct care staff who are paid on an hourly basis as of the organizations most recent fiscal year ended on or before December 31, 2019
- Describe HOW the organization plans to communicate the increase to their eligible direct care staff as required by the 2021 Budget Bill for this rate increase.
- Please provide the date the organization plans to communicate the increase to their direct care staff.

DSP Wage Increase Plan Notification

The plan components of the electronic submission includes the following attestation:

Please acknowledge receipt and understanding of the following statement by selecting "Yes, I have read and understand" below. The Office of the Secretary of FSSA or its designee may recoup all or a part of the amount paid using the increased reimbursement rates based upon an audit or review of the supporting documentation required to be maintained if the provider cannot provide adequate documentation to support the payment of payroll tax liabilities and the payment of increased wages and benefits to eligible direct care staff.

Plan Notification Interpretations

We will review each required element in Section II and potential responses. **THESE RESPONSES HAVE NOT BEEN DISCUSSED WITH DDRS OR FSSA AUDIT AND ARE NOT AUTHORITATIVE.** These responses are for discussion purposes only and are just our opinion on potential responses that may or may not meet the State's requirements.

DSP Eligible Employees

Eligible employees are not defined except in the legislation that says:

1) are employed by the authorized service provider to provide services in Indiana; and
2) provide support services listed in subsection (c)(2) and
3) Are paid on an hourly basis.

DSP Eligible Employees

Paragraph (2) does not specify how much of an employee's time needs to be spent on the listed services. As such, you will need to define your own list of eligible positions.

DSP Eligible Employees

From Instructions to DSP Wage Verification Schedule:

Compensation should only be reported for individuals who spend more than 50% of their time providing these services. The provider may report in this line a pro-rata portion of compensation paid for vacation, holiday and sick pay, continuing education, staff training and other non-direct care activities only if hours associated with such activities are also reported in Line 63.

DSP Eligible Employee Examples

Direct Support Professionals that provide day services regardless of the participants of the group they serve (e.g. a 6:1 group that has 4 waiver participants and 2 group home participants) should be considered an eligible employee. We do not believe there is a need to allocate their time or payroll between waiver and other services. In the calculation, we would pick up 100% of their total compensation and 100% of their total hours.

DSP Eligible Employee Examples

Team leaders or supervisors that provide day services and are paid hourly should be eligible assuming they provide a significant amount of direct services. For example, a team leader that has their own group two hours a day and provides intermittent individual hab, we believe could be included.

DSP Eligible Employee Examples

A director of client programs who is on salary and that picks up a few shifts a month due to staffing shortages should not be included. Anyone who is on a salary is not covered by the legislation.

DSP Listed Services

Outline the waiver services outlined in IC 12-15-1.3-18 that the agency provides.

You will just check the box for each service that you provide.

DSP Wage Increase Plan

Describe how the organization plans to distribute at least 95% of the amount of the increase in the reimbursement rate to pay payroll tax liabilities and to increase the wages and benefits paid to direct care staff who are employed and paid on an hourly basis.

We would expect this to be a statement or statements describing how you plan on increasing wages of the direct support professionals. An example might be:

For positions listed above we will be increasing wages by 15% effective October 1, 2021. Additionally, we will be paying bonuses to eligible employees in these positions based upon longevity and other factors (e.g. employment on a certain date) at various points during the year potentially at the end of a quarter or the year or at other times as deemed necessary.

Amount of Increase Received Compared to Payroll Taxes, Wages and Benefits

We would expect this to be a statement or statements describing how you plan to calculate the amount of increase received in comparison the 95% threshold. An example might be:

The Medicaid revenue utilized in this calculation will be from our billing records on an accrual basis for the period that we file the calculation. We have made preliminary calculations of the increase in comparison to our base year ending June 30, 2019 and believe our plan will cover the 95% threshold. We will update our calculations quarterly based upon actual revenue and payroll information. We will make adjustments to our compensation plan as necessary based on that information.

Informing the Direct Care Staff

Identify how the agency will inform direct care staff about the wage increase.

We would expect this to be a statement or statements describing how you plan to communicate your wage increase plan to your staff. An example might be:

On July 10, 2021, we sent e-mails to each staff and also included an insert with their paychecks for the period ended July 16, 2021 regarding the plan to increase wages.

DSP Wage Calculations

Basic Premise of the calculations is that any rate increase received in **aggregate** will be passed through to direct support professionals in **aggregate**.

In other words, the test is not by individual service or employee. Auditors will not be looking to see if any particular employee received a 14% increase but will be looking to see if the rate increase was spent on total compensation to eligible employees.

DSP Wage Verification Process

INARF has met with DDRS and FSSA audit to discuss the process resulting in the guidance that was issued on August 11, 2021. This guidance included a DSP Wage Verification Schedule, instructions for completing that schedule and an FAQ document. DDRS and INARF will be holding a webinar on August 19 at 10 am to review these materials.

DSP Wage Rate Increase Sample Questions

Question:

Are A&D and TBI waivers included in this initiative?

Current Answer:

No. Since paragraph (a) refers specifically to DDRS services provided under rule 6 and paragraph (j) refers specifically to amendments of the FSW and CIH waivers only, we believe the A&D and TBI waivers are not included.

Question:

Can I include group home staff in the calculations if I am also giving them a wage increase?

Current Answer:

No. Since paragraph (b) (1) refers specifically to services provided to individuals on the waiver only, group home services are excluded.

DSP Wage Rate Increase Sample Questions

Question:

Our transportation is primarily provided by 3rd parties. Do I somehow calculate the worked hours of their staff?

Current Answer:

Contracted third parties were not contemplated by this rule as paragraph (e) requires the wages to be paid to direct care staff who are employed by the authorized service provider.

Question:

How can we document waiver service contraction or expansion which will skew our data?

Current Answer:

The calculation should be in aggregate based upon the change in average hourly compensation times current year payroll hours. Expansion or contraction should not affect the computation.

DSP Wage Rate Increase Sample Questions

Question:

What if I do not want to pass these increases on to my staff because I have already raised their wages significantly over the past couple of years?

Current Answer:

This is a voluntary program so if you would rather not give any increase to your staff and pay back the rate increase to the state that is your choice. In order to keep the rate increase, you must pass through 95% to your staff through wage and compensation increases.

Question:

Do you have an example of an acceptable DSP notification document?

Current Answer:

We currently do not have a sample notification available. However, as a part of this presentation we have tried to provide guidance on the specific elements.

DSP Wage Rate Increase Sample Questions

Question:

Does my plan need to be approved?

Current Answer:

No your plan does not need to be approved. The law only requires you to provide written and electronic notification of your plan to increase wages to your staff and FSSA within 30 days after the increase in rates are implemented which DDRS has said it is due by September 1, 2021.

Question:

If my plan changes, do I need to notify FSSA?

Current Answer:

The law has no provisions for updating your plan after the 30 day period. However, we probably would recommend informing FSSA of any significant changes to your plan positively or negatively since they will probably find out about it anyway. Regardless of if your plan changes or not, you will need to pass the 95% threshold to avoid recoupment.

DSP Wage Rate Increase Sample Questions

Question:

How long of a base wage archive span is sufficient for comparison or will there be a standard base time period for comparison?

Current Answer:

The base period for comparison to the period is your fiscal year ending on or before December 31, 2019. If your fiscal year end is June 30, your base period would be June 30, 2019.

Question:

When factoring out OT and shift diff do we just factor out the premium paid for these hours or should we not count the hours at all?

Current Answer:

The intent was to increase base wages and as such we currently believe you would just remove the OT or Shift premium to arrive at the base wage but hours would still count since service was delivered during that time period.

DSP Wage Rate Increase Sample Questions

Question:

Do Employment Specialists who provide Extended Services count as direct support professionals for these calculations?

Current Answer:

Yes they probably do if they are paid hourly since this is one of the listed services and these employees provide that service directly.

Question:

When can I distribute the wage/bonus?

Current Answer:

Anytime after the rate increase is effective which is July 1, 2021.

DSP Wage Rate Increase Sample Questions

Question:

I am trying to compute staff raises by program and when I get to Daily rates it gets difficult to compute. What do you recommend?

Current Answer:

The threshold is in aggregate for the whole agency. There is no requirement to compute by person or by program. We recommend computing the 95% threshold you expect to need to pay out in increased wage compensation for your whole agency for the upcoming period (7/1/21 – 6/30/22) then divide by the total compensation (or hours) of eligible employees to determine a rough percentage of the increase (or hourly rate increase) necessary for all employees and adjust accordingly.

DSP Wage Rate Increase Sample Questions

Question:

Do all employees need to receive the same increase?

Current Answer:

This is an agency by agency decision. You may vary increases however you choose as long as you meet the 95% threshold in total. For example, if you want to give larger increases to more experienced staff that is your choice.

Question:

Can I just wait until the end of the year, compute the 95% threshold and then pay that out as bonus to my eligible employees?

Current Answer:

Absolutely not. FSSA audit has said they will be looking for any bonus based upon an unspent threshold as a violation of federal reimbursement guidelines.

DSP Wage Rate Increase Sample Questions

Question:

Do any wage changes have to be retroactive to July 1st or can any wage changes be done after we submit the plan to BDDS in August?

Current Answer:

There is no requirement to increase wages as of July 1. You may implement at your discretion with any combination of wage increases and bonuses.

Question:

Does the money have to be used strictly for currently employed DSPs and Day Service employees, or can money be set aside for projected new hires and spent on those new hires as they are hired?

Current Answer:

New hires will certainly figure in the calculations of the increase in wages and should be part of your computations.

DSP Wage Verification Schedule

	Begin Date	End Date
Test Period:	7/1/2021	6/30/2022
Base Period:	7/1/2018	6/30/2019

Medicaid Provider Names and Identification Data (Include all provider numbers compiled in this report):

Provider Name	Provider Number
ABC Agency	11111111
XYZ Agency	999999999

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DSP Wage Verification Schedule

	Medicaid Revenue Summary	Test Period	
1	Medicaid revenue for services defined in IC 12-15-1.3-18 (c) for period	5,000,000	
2	Rate increase included in the above intended for DSP wages per IC 12-15-1.3-18(d)	1.14	
3	Revenue excluding rate increase per IC 12-15-1.3-18(d)	4,385,965	Line 1/ Line 2
4	Rate increase received for period	614,035	Line 1 - Line 3
5	DSP Wage Threshold percentage per IC 12-15-1.3-18(e)	95%	
6	DSP Wage Threshold	583,333	Line 4 * Line 5
	Compliance Summary		
7	Amount Current Period Wage Increase exceeds DSP Wage Threshold	46,738	Page 2, Line 67 - Line 6
8	Is Provider in Compliance with IC 12-15-1.3-18 (If line 16 equal to or greater than zero then Yes, if not No.)	Yes	

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DSP Wage Verification Schedule

		Begin Date	End Date	
	Test Period:	7/1/2021	6/30/2022	
	Base Period:	7/1/2018	6/30/2019	
	Payroll Summary	Base Period	Test Period	
51	Total compensation for direct care staff as defined in 460 IAC 6-3-18 per payroll records.	2,100,000	2,625,000	
52	Total overtime compensation included in the above	100,000	75,000	
53	Total shift differential compensation included in the above.		37,500	
54	Total compensation excluding overtime and shift differentials	2,000,000	2,512,500	Line 51 - Line 52 & 53
	Payroll Taxes and benefts associated with above compensation:			
55	Expense of paid time off not included in the above	-	5,000	
56	Payroll Taxes	165,000	220,000	
57	Workers compensation insurance	30,000	42,000	
58	Health insurance	210,000	300,000	
59	Life Insurance	-	-	
60	Retirement benefits not included in compensation above	25,000	50,000	
61	Other employee benefit expenses: (describe)	-	-	
62	Total allowable compensation, payroll taxes and employee benefits	2,430,000	3,129,500	Sum of lines 54 - 61
63	Total payroll hours for total compensation	175,000	180,000	
64	DSP hourly wage, payroll taxes and employee benefits for threshold computation	13.89	17.39	Line 62/Line 63
65	Less: Base period DSP hourly wage, payroll taxes and employee benefits		13.89	Base Period Line 64
66	Variance in hourly wage		3.50	Line 64 - Line 65
67	Test period wage increase		630,071	Line 63 * Line 66

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DSP Wage Increase General Discussion

Provider Relief Fund Reporting & Auditing Update

Provider Relief Fund - Background

1) Through the Coronavirus Aid, Relief, and Economic Security Act and the Paycheck Protection Program and the Health Care Enhancement Act the federal government has allocated $178 billion in payments to be distributed through the Provider Relief Fund.
2) Qualified providers of health care, services, and support may receive Provider Relief Fund payments for healthcare-related expenses or lost revenue due to COVID-19. Separately, the COVID-19 Uninsured Program reimburses providers for testing and treating uninsured individuals with COVID-19.
3) These distributions do not need to be repaid to the US government, assuming providers comply with the terms and conditions.
4) These funds are separate from the Coronavirus Relief Funds which were awarded to the states from the US Department of Treasury.

Agenda

1. Provider Relief Fund Reporting Portal Registration
2. June 11th Post-Payment Notice of Reporting Requirements Update
3. Overview of the Provider Relief Fund Reporting Portal
4. Provider Relief Fund Resources
5. Single Audit Update

Glossary of Key Terms

1) EIN – Employer Identification Number
2) ERC – Employee Retention Credit
3) FEMA – Federal Emergency Management Agency
4) HHS – U.S. Department of Health & Human Services
5) HRSA – Health Resources & Services Administration
6) PRF – Provider Relief Fund
7) PPE - Personal Protective Equipment
8) PPP – Paycheck Protection Program
9) SBA – Small Business Administration
10) SEFA – Schedule of Expenditures of Federal Awards
11) TIN – Taxpayer Identification Number

Reporting Portal Registration - Overview

Information required to register:

1. TIN or other number submitted during the application process (Social Security Number or EIN)
2. Business Name of Reporting Entity (as it appears on W-9)
3. Contact Information
4. Address (as it appears on W-9)
5. TIN(s) of Subsidiaries
6. Payment Information (for only one payment):
    1. TIN of entity that received payment
    2. Payment amount
    3. Mode of payment (check or direct deposit)
    4. Check number or ACH settlement day

Reporting Portal Registration - Username

Reporting Entities will need to create a username (in the form of an email) and a password during the registration process.

A unique username must be created for each entity that is reporting. The username must be in the format of an email address and must be unique for each non-consolidated report being submitted, even if the contact email address is the same. The username does not need to be a valid, monitored email address, as email communications will always be directed to the contact email address, not the username.

June 11th Update - General

HHS released an updated post-payment notice of reporting requirements superseding previous releases and changing many important reporting/justification requirements.

1. Recipients that received payments exceeding $10,000 in the aggregate during a **Payment Received Period** are required to report in each applicable **Reporting Time Period**.
2. These updated reporting requirements now apply to all Nursing Home Infection Control distributions.
3. These reporting requirements do not apply to the Rural Health Clinic COVID-19 Testing Program or claims reimbursements from the HRSA COVID-19 Uninsured Program and the HRSA COVID-19 Coverage Assistance Fund.

June 11th Update – Period of Availability of Funds / Reporting Period

	Payment Received Period	Period to Use Funds	Reporting Time Period
Period 1	April 10, 2020 - June 30, 2020	**January 1, 2020** - June 30, 2021	July 1, 2021 - September 30, 2021
Period 2	July 1, 2020 - December 31, 2020	**January 1, 2020** - December 31, 2021	January 1, 2022 - March 31, 2022
Period 3	January 1, 2021 - Jun 30, 2021	**January 1, 2020** - June 30, 2022	July 1, 2022 - September 30, 2022
Period 4	July 1, 2021 - December 31, 2021	**January 1, 2020** - December 31, 2022	January 1, 2023 - March 31, 2023

HRSA expects that it would be highly unusual for providers to have incurred eligible expense prior to January 1, 2020.

June 11th Update – General Timeline of Distributions

1. Phase 1 General Distribution – April 10 & April 20, 2020
2. Rural Distribution (Hospitals, RHCs, & Community Health Centers) – May 6, 2020 (First Round) & July 10, 2020 (Second Round)
3. High Impact (Hospitals) – May 7, 2020 (First Round) & July 17, 2020 (Second Round)
4. SNF Allocation – May 22, 2020
5. Indian Health Services – May 29, 2020
6. Safety Net Hospitals – June 9, 2020 (First Round) & July 10, 2020 (Second Round)
7. Children's Hospitals – August 14, 2020
8. SNF General Infection Control – August 27, 2020
9. SNF Infection Control Incentive Payments:
    1. September Performance Period – October 28, 2020
    2. October Performance Period – December 7, 2020
    3. November Performance Period – January 25, 2021
    4. December Performance Period – February 12, 2021
10. Phase 2 General Distribution – Generally received after July 1, 2020
11. Phase 3 General Distribution – Starting December 15, 2020

Note: The above paid dates are general and are from the HHS website. Providers should confirm their actual payment dates.

Reporting Portal – Required Data Elements

1. Reporting Entity Overview
2. Subsidiary Questionnaire
3. Acquired/Divested Subsidiaries
4. Interest Earned on PRF Payments
5. Tax and Single Audit Information
6. Other Assistance Received
7. Use of SNF and Nursing Home Infections Control Distribution Payments
8. Use of General and Other Targeted Distribution Payments
9. Net Unreimbursed Expenses Attributable to Coronavirus
10. Lost Revenues Attributable to Coronavirus
11. Personnel, Patient, and Facility Metrics
12. Survey

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Reporting Portal – Reporting Entity Overview

Reporting Entities will need to provide the following information:

1. TIN
2. Business Name (as it appears on W-9)
3. Doing Business As (DBA) Name (Optional)
4. Address
5. Contact Information
6. Provider Type
7. Provider Subtype

Reporting Portal – Reporting Entity Defined

Type of recipient(s)	Definition
General Distribution recipient that received payment in Phase 1 only	Entity that received Phase 1 General Distribution payments totaling more than $10,000 in aggregate in a Payment Received Period.
General Distribution recipient with no parent organization or subsidiaries except PRF recipients that received Phase 1 General Distributions only	Entity (at the TIN level) that received one or more General Distribution payments totaling more than $10,000 in aggregate in a Payment Received Period.
General Distribution recipient with one or more subsidiaries that received payments in Phases 1-3	Entity that meets the following three criteria: 1. Is the parent of one or more subsidiary billing TINs that received General Distribution payments in Phases 1-3, 2. Has providers associated with it that were providing diagnoses, testing, or care for individuals with possible or actual cases of COVID-19 on or after January 31, 2020, and 3. Is an entity that can otherwise attest to the Terms and Conditions.
Targeted Distribution recipient (includes SNF and Nursing Home Infection Control Distribution payments)	Entity (at the TIN level) that received Targeted Distribution payments totaling more than $10,000 in aggregate in a Payment Received Period.

Reporting Portal – Definition of Parent Organization FAQ

Can a parent organization with a direct ownership relationship with a subsidiary that received a Provider Relief Fund Targeted Distribution payment control and allocate that Targeted Distribution payment among other subsidiaries that were not themselves eligible and did not receive a Targeted Distribution (i.e., Skilled Nursing Facility, Safety Net Hospital, Rural, Tribal, High Impact Area) payment? (Modified 1/28/2021)

Yes, in accordance with the Coronavirus Response and Relief Supplemental Appropriations Act. The parent organization may allocate the Targeted Distribution up to its pro rata ownership share of the subsidiary to any of its other subsidiaries that are eligible health care providers. To determine whether an entity is the parent organization, the entity must follow the methodology used to determine a subsidiary in their financial statements. If none, the entity with a majority ownership (greater than 50 percent) will be considered the parent organization.

Reporting Portal – Subsidiary Questionnaire

Reporting Entities that have subsidiaries will need to provide the following information:

1. TINs of subsidiaries that are "eligible health care providers" **and** an indication whether the Reporting Entity is reporting on behalf of the subsidiary's General Distribution payment(s).
2. TINs of subsidiaries that are "eligible health care providers" and were acquired or divested during the period of availability.

Reporting Entities that are subsidiaries will need to provide the following information:

1. TIN(s) of any parent entity reporting on behalf of the Reporting Entity (for General Distribution payments only), if applicable.
2. Total dollar amount of Targeted Distribution payment(s) transferred to/by a parent entity, if applicable.

Reporting Portal – Reporting Entity (Targeted Distributions)

1. The original recipient of a Targeted Distribution payment is **always** the Reporting Entity, and a parent entity may not report on its subsidiaries' Targeted Distribution payments.
    1. This is different from General Distribution payments whereby either the original recipient or the parent entity may report on the use of the payments. However, in order to transfer General Distribution payments, parent entities should report on these General Distribution payments received.
2. The original recipient of a Targeted Distribution payment must report on the use of funds. This is required regardless of whether the parent or subsidiary received the payment or whether the payment was subsequently transferred.
3. **Subsidiary entities** must indicate the payment amount of any Targeted Distributions it received that were transferred to/by the parent entity. These transfers face an increase likelihood of an audit by HRSA.
    1. Providers should maintain documentation to support the transfers and ensure there is no duplication of funding sources.

Reporting Portal– Changes of Ownership

Reporting Entities that acquired or divested related subsidiaries (change of ownership) during the period of availability must indicate the change in ownership by reporting the following:

1. TIN of acquired/divested subsidiary.
2. Acquired or divested?
3. Effective date of the acquisition/divestiture.
4. If acquired, provide the TIN of a divesting entity. If divested, provide the TIN of an acquiring entity.
5. Total PRF dollar amount received for TIN.
6. Percent of ownership for acquisition/divestiture.
7. Did/do you hold a controlling interest in this entity? (Y/N)

If the Reporting Entity itself was acquired or divested, it should self-report the change in ownership to HRSA by contacting the Provider Support Line (866) 569-3522; for TTY dial 711. Hours of operation 7 a.m. to 10 p.m. Central Time, Monday through Friday.

Reporting Portal – Payments to Recipients

After completing the Subsidiary Information, Reporting Entities will be directed to a page to download and confirm payment information. This will include General Distribution payments made to subsidiaries if the user indicated the Reporting Entity is reporting on behalf of the subsidiary's General Distribution payment(s). Payments shown will only be those made during the Reporting Period.

Any discrepancy from this payment report versus your records must be resolved prior to proceeding with the remainder of the Reporting Portal.

Reporting Portal – Use of Funds Overview

Recipients will report their use of payments using their normal method of accounting (cash or accrual basis). Information will be submitted in the following order:

1. Interest Earned on PRF Payments
2. Other Assistance Received
3. Use of SNF and Nursing Home Infections Control Distribution Payments
4. Use of General and Other Targeted Distribution Payments
5. Net Unreimbursed Expenses Attributable to Coronavirus
6. Lost Revenues Reimbursement
    1. Option 1 – The difference between actual patient care revenues.
    2. Option 2 – The difference between budgeted (prior to March 27, 2020) and actual patient care revenue.
    3. Option 3 – Any reasonable method of estimating revenues.

Reporting Portal– Interest Earned

For Reporting Entities that held the PRF payment(s) in an interest-bearing account, the dollar value of interest earned on those PRF payment(s) must be reported and can only be used for allowable expenses or lost revenues. Interest should be calculated from the date the payment was received until the date of expenditure (or the date of return in the case of unused PRF payments). Interest must be broken down into two categories:

1. Interest earned on Nursing Home Infection Control payments (if applicable).
2. Interest earned on all other PRF payments.

Reporting Portal– Other Assistance Received

The Reporting Entity will report on other assistance received by quarter during the period of availability:

1. **Treasury, SBA and PPP Assistance**: Total amount of coronavirus-related relief received from Treasury, SBA, and PPP by the Reporting Entity during the period of availability.
2. **FEMA Assistance**: Total amount of coronavirus related relief received from FEMA by the Reporting Entity during the period of availability.
3. **CARES Act Testing**: Total amount of relief received from HHS for coronavirus testing-related activities during the period of availability.
4. **Local, State, and Tribal Government Assistance**: Total amount of coronavirus-related relief received from other local, state, or tribal government sources by the recipient and its included subsidiaries during the period of availability.
5. **Business Insurance**: Paid claims against insurance policies intended to cover losses related to various types of healthcare business interruption during the period of availability.
6. **Other Assistance**: Total amount of other federal and/or coronavirus-related assistance received during the period of availability.

Keep in mind that expenses reported for PRF justification are all **net** of the above other sources of revenue. The Other Assistance Received reported to HRSA will not be used in the calculation of expenses or lost revenues.

Reporting Portal – Other Assistance Received or Patient Care/Lost Revenue

Many providers received additional funds from Medicaid or their state as a result of COVID-19. Determining whether the payment is Other Assistance or Patient Care Revenue will be on a situational basis. It is important to keep in mind the below FAQ:

Will patient care revenue be counted against a Reporting Entity twice if the entity reported in "Other Assistance Received" and in the "Patient Care/Lost Revenue" sections of the Reporting Portal? (Added 7/1/2021)

Patient care revenue should not be reported as part of "Other Assistance Received" as it is a source of revenue, not a source of other assistance as defined by Provider Relief Fund reporting requirements. The "Other Assistance Received" reported to HRSA will not be used in the calculation of expenses applied to Provider Relief Fund payments or lost revenues.

Reporting Portal – PRF Reimbursed & Unreimbursed Expenses

Reporting Entities that received between **$10,001 and $499,999** in aggregated PRF payments are required to report expenses attributable to coronavirus, net of other reimbursed sources, in the following categories **per calendar quarter**:

1. General & administrative expenses
2. Other healthcare related expenses

Reporting Entities that received **$500,000 or more** in aggregated PRF payments are required to report in greater detail.

Expenses can only be reported **up to** the amount of PRF payments received during a given period of availability.

Any amount of net unreimbursed expense, after all funding sources (including PRF) will also be reported but only as general and administrative or other healthcare related expenses. The net unreimbursed expenses attributable to coronavirus reported will not be used in the calculation of expenses or lost revenues.

Reporting Portal – Expenses for SNF and Nursing Home Infection Control

General & Administrative Expenses

1. **Mortgage/Rent**: Payments related to mortgage or rent for a facility specifically for infection control.
2. **Insurance**: Premiums paid for property, malpractice, business insurance, or other insurance relevant to operations for infection control.
3. **Personnel**: Workforce-related expenses as outlined in the Terms and Conditions such as personnel costs associated with administering COVID-19 testing; reporting COVID-19 test results to local, state, or federal governments; hiring staff to provide patient care or administrative support; providing additional services to residents; workforce training; and mentorship programs to improve infection control; or other personnel costs incurred for infection control. Staffing, including temporary employee or contractor payroll and overhead employees, is included.
4. **Fringe Benefits**: Extra benefits supplementing an employee's salary, which may include hazard pay, travel reimbursement, and employee health insurance. May only be charged in proportion to salary costs for infection control.
5. **Lease Payments**: New equipment or software leases, fleet cars, and medical equipment that is not purchased and will be returned to its owner, so long as it is used for infection control.
6. **Utilities/Operations**: Lighting, cooling/ventilation, cleaning, or additional third-party vendor services not included in the "Personnel" sub-category and whose purpose is for infection control.
7. **Other General and Administrative Expenses**: Expenses not captured above that are for infection control and generally considered part of general and administrative expenses.

Reporting Portal – Expenses for SNF and Nursing Home Infection Control

Healthcare Related Expenses

1. **Supplies**: Expenses paid for purchase of supplies (e.g., single use or reusable patient care devices, cleaning supplies, office supplies, etc.) used for the purpose of infection control during the period of performance. Such items may include PPE, hand sanitizer, and supplies for patient or staff COVID-19 testing, or expenses associated with distribution of a COVID-19 vaccine licensed or authorized by the Food and Drug Administration.
2. **Equipment**: Expenses paid for purchase of equipment used for infection control, such as updates to HVAC systems or sanitizing equipment.
3. **Information Technology (IT)**: Expenses paid for IT or interoperability systems to expand or preserve infection control during the reporting period, such as telehealth infrastructure, increased bandwidth, technology that permits residents to connect with their families, and teleworking to support remote workforce.
4. **Facilities**: Expenses such as lease or purchase of permanent or temporary structures, or to retrofit facilities to accommodate revised patient treatment practices to support infection control during the period of performance.
5. **Other Healthcare Related Expenses**: Expenses not captured above that are for infection control and are health care-related expenses.

Reporting Portal – Expenses for General and Other Targeted Distributions

General & Administrative Expenses

1. **Mortgage/Rent**: Payments related to mortgage or rent for a facility.
2. **Insurance**: Premiums paid for property, malpractice, business insurance, or other insurance relevant to operations.
3. **Personnel**: Workforce-related actual expenses paid to prevent, prepare for, or respond to coronavirus during the reporting period, such as workforce training, staffing, temporary employee or contractor payroll, overhead employees, or security personnel.
4. **Fringe Benefits**: Extra benefits supplementing an employee's salary, which may include hazard pay, travel reimbursement, and employee health insurance.
5. **Lease Payments**: New equipment or software leases, such as fleet cars and medical equipment that is not purchased and will be returned to the owner.
6. **Utilities/Operations**: Lighting, cooling/ventilation, cleaning, or additional third-party vendor services not included in the "Personnel" sub-category.
7. **Other General and Administrative Expenses**: Expenses not captured above that are generally considered part of general and administrative expenses.

Reporting Portal – Expenses for General and Other Targeted Distributions

Healthcare Related Expenses

1. **Supplies**: Expenses paid for purchase of supplies (e.g., single use or reusable patient care devices, cleaning supplies, office supplies, etc.) used to prevent, prepare for, and/or respond to coronavirus during the reporting period. Such items may include PPE, hand sanitizer, supplies for patient screening, or vaccination administration materials.
2. **Equipment**: Expenses paid for purchase of equipment, such as ventilators, refrigeration systems for COVID-19 vaccines, or updates to HVAC systems.
3. **Information Technology (IT)**: Expenses paid for IT or interoperability systems to expand or preserve coronavirus care delivery during the reporting period, such as electronic health record licensing fees, telehealth infrastructure, increased bandwidth, and teleworking to support remote workforce.
4. **Facilities**: Expenses such as lease or purchase of permanent or temporary structures, or to retrofit facilities to accommodate revised patient treatment practices, used to prevent, prepare for, and/or respond to coronavirus during the reporting period.
5. **Other Healthcare Related Expenses**: Expenses, not previously captured above, that were paid to prevent, prepare for, and/or respond to coronavirus.

Reporting Portal – Allowable Expense FAQ

How do I determine if expenses should be considered "expenses attributable to coronavirus not reimbursed by other sources?" (Added 6/11/2021)

Expenses attributable to coronavirus may include items such as supplies, equipment, information technology, facilities, personnel, and other health care-related costs/expenses for the period of availability. The classification of items into categories should align with how Provider Relief Fund payment recipients maintain their records. Providers can identify their expenses attributable to coronavirus, and then offset any amounts received through other sources, such as direct patient billing, commercial insurance, Medicare/Medicaid/Children's Health Insurance Program (CHIP); other funds received from the federal government, including the Federal Emergency Management Agency (FEMA); the Provider Relief Fund COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured (Uninsured Program);the COVID-19 Coverage Assistance Fund (CAF); and the Small Business Administration (SBA) and Department of the Treasury's Paycheck Protection Program (PPP). Provider Relief Fund payments may be applied to the remaining expenses or costs, after netting the other funds received or obligated to be received which offset those expenses. The Provider Relief Fund permits reimbursement of marginal increased expenses related to coronavirus provided those expenses have not been reimbursed from other sources or that other sources are not obligated to reimburse.

Reporting Portal – Incremental Allowable Expense Sample Calculation

A $5 increase in expense or cost to provide an office visit is calculated by pre-pandemic cost vs. post-pandemic cost, regardless of reimbursement source:

- Pre-pandemic average expense or cost to provide an office visit = $80
- Post-pandemic average expense or cost to provide an office visit = $85

Examples of reimbursed amounts may include, but not be limited to:

- **Example 1**: Medicaid reimbursement: $70 (Report $85-$80 = $5 as expense attributable to coronavirus but unreimbursed by other sources)
- **Example 2**: Medicare reimbursement: $80 (Report $85-$80 = $5 as expense attributable to coronavirus but unreimbursed by other sources)
- **Example 3**: Commercial Insurance reimbursement: $85 (Report $5, commercial insurer did not reimburse for $5 increased cost of post-pandemic office visit)
- **Example 4**: Commercial Insurance reimbursement: $85 + $5 insurer supplemental coronavirus related reimbursement (Report zero since insurer reimbursed for $5 increased cost of post-pandemic office visit)
- **Example 5**: COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured: $80 (Report $5 as expense attributable to coronavirus but unreimbursed by other sources)

Reporting Portal – Capital Cost FAQs

Will the Provider Relief Fund limit qualifying expenses for capital equipment purchases to 1.5 years of depreciation, or can providers fully expense capital equipment purchases? (Added 11/18/2020)

Expenses for capital equipment and inventory may be fully expensed only in cases where the purchase was directly related to prevent, prepare for and respond to the coronavirus. Examples of these types of equipment and inventory expenses include:

- *Ventilators, computerized tomography scanners, and other intensive care unit- (ICU) related equipment put into immediate use or held in inventory*
- *Masks, face shields, gloves, gowns*
- *Biohazard suits*
- *General personal protective equipment*
- *Disinfectant supplies*

Can providers include the entire cost of capital facilities projects as eligible expenses, or will eligible expenses be limited to the depreciation expense for the period? (Added 11/18/2020)

Expenses for capital facilities may be fully expensed only in cases where the purchase was directly related to preventing, preparing for and responding to the coronavirus. Examples of these types of facilities projects include:

- *Upgrading a heating, ventilation, and air conditioning (HVAC) system to support negative pressure units*
- *Retrofitting a COVID-19 unit*
- *Enhancing or reconfiguring ICU capabilities*
- *Leasing or purchasing a temporary structure to screen and/or treat patients*
- *Leasing a permanent facility to increase hospital or nursing home capacity*

Reporting Portal – Lost Revenue by Payor & by Quarter

Unless all PRF payments have been justified using allowable expenses, Reporting Entities will also need to report lost revenue information. For entities not needing to report lost revenue information, total patient care revenue for 2019 through the most recently completed calendar year will still need to be completed.

Reporting Entities will need to provide revenue/net charges from patient care (prior to netting with expenses) dependent on the method of lost revenue selected. No matter the method selected, revenue will be reported by quarter and by the following payer mix:

1. Medicare Part A or B
2. Medicare Part C (Medicare Advantage)
3. Medicaid/Children's Health Insurance Program (CHIP)
4. Commercial Insurance
5. Self-Pay (No Insurance)
6. Other

Reporting Portal – Definition of Patient Care Revenue

"Patient care" means health care, services and supports, as provided in a medical setting, at home/telehealth, or in the community. It should not include non-patient care revenue such as insurance, retail, or real estate revenues (exception for nursing and assisted living facilities' real estate revenues where resident fees are allowable); prescription sales revenues (exception when derived through the 340B program); grants or tuition; contractual adjustments from all third party payers; charity care adjustments; bad debt; and any gains and/or losses on investments.

When reporting on lost revenues, how should Reporting Entities treat "contractual adjustments from all third party payers" and "charity care adjustments" when determining what to exclude from patient care-related revenue sources? (Added 7/15/2021)

Reporting Entities should exclude the amount of contractual adjustments from all third party payers and charity care adjustments, as applicable, when determining patient care-related revenue sources.

Should providers include fundraising revenues, grants or donations when determining patient care revenue? (Added 12/4/2020)

To calculate lost revenues attributable to coronavirus, providers are required to report revenues received from Medicare, Medicaid, commercial insurance, and other sources for patient care services. Other sources include fundraising revenues, grants or donations if they contribute to funding patient care services.

Reporting Portal – Lost Revenues – Quarter by Quarter

If Reporting Entities select either Option 1 (Actual Revenue Comparison) or Option 2 (Budgeted Revenue Comparison), the portal will automatically calculate lost revenues for each quarter during the period of availability, **as a standalone calculation**.

	Q1	Q2	Q3	Q4	
Actual 2019 Patient Care Revenues	2,700,000	2,800,000	3,100,000	3,200,000	
Actual 2020 Patient Care Revenues	3,400,000	2,200,000	3,000,000	3,300,000	
Difference	(700,000)	600,000	100,000	(100,000)	
Lost Revenue	-	600,000	100,000	-	700,000

	Q1	Q2
Actual 2019 Patient Care Revenues	2,700,000	2,800,000
Actual 2021 Patient Care Revenues	3,050,000	3,150,000
Difference	(350,000)	(350,000)
Lost Revenue	-	-

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Reporting Portal – Lost Revenues - Budget

Reporting Entities electing to calculate their lost revenues using their budgeted revenues will also need to submit the following:

1. A copy of the **2020 budget** approved prior to March 27, 2020.
2. Attestation by a Chief Executive Officer (CEO), Chief Financial Officer (CFO), or other similarly responsible individual representing the Reporting Entity on the accuracy of the budget submitted. The attestation must be submitted in a .pdf file format. The attestation should state that the budget was established and approved prior to March 27, 2020, be submitted on organizational letterhead, and include a signature and complete contact information.

Reporting Portal – Lost Revenues – 2020 or 2021 Budget?

What is the baseline comparison period for providers that report on patient care revenue using Option i (Comparison of Actual Lost Revenues) or Option ii (Comparison of Budgeted to Actual Lost Revenues)? (Added 7/1/2021/)

Quarters from 2019 will serve as the baseline period of comparison.

- Option ii per reporting requirements is the **difference between budgeted and actual revenue**
- **2020 Budgeted Revenue:** The difference between **budgeted** (prior to March 27, 2020) and actual patient care revenues
- Lost revenues will be calculated for each quarter during the period of availability, as a standalone calculation
- 2019 baseline
- Required
  - Budget approved prior to March 27, 2020
  - Attestation on accuracy of budget submitted
- Only one document per upload; merge files if needed (max 2GB)

Reporting Portal – Lost Revenues – 2020 or 2021 Budget?

Can recipients use 2020 budgeted revenues as a basis for reporting lost revenues? (Modified 7/1/2021)

Yes. When reporting use of Provider Relief Fund payments toward lost revenues attributable to coronavirus, Reporting Entities may use budgeted revenues if the budget(s) and associated documents covering calendar year 2020 were established and approved prior to March 27, 2020. To be considered an approved budget, the budget must have been ratified, certified, or adopted by the Reporting Entity's financial executive, executive officer or other responsible representative as of that date, and the Reporting Entity will be required to attest that the budget was established and approved prior to March 27, 2020.

Reporting Portal – Lost Revenues – 2020 or 2021 Budget?

Lost Revenue Options	Option i	Option ii	Option iii
Option Description per Reporting Requirements	*difference between actual patient care revenues*	*difference between budgeted and actual patient care revenues*	*any reasonable method of estimating revenues*
PRF Reporting Portal option	2019 Actual Revenue	2020 Budgeted Revenue	Alternate Reasonable Methodology
Base period for calculation	2019	2020 or 2021	Not prescribed*
Calculation method	Actuals vs. Actuals	Budget vs. Actuals	Not prescribed*
Frequency of Calculation	Quarterly	Quarterly	Quarterly
Duration of lost revenues period	Each quarter during the period of availability	Each quarter during the period of availability	Each quarter during the period of availability
Service lines to include in revenues	All patient care services	All patient care[1] services	Not prescribed*
Budget approval date	Not applicable	Before March 27, 2020	Not prescribed*

Reporting Portal – Lost Revenues – Budget Example

	Q1	Q2	Q3	Q4	
Budget 2020 Patient Care Revenues	3,200,000	3,100,000	3,300,000	3,400,000	
Actual 2020 Patient Care Revenues	3,400,000	2,200,000	3,000,000	3,300,000	
Difference	(200,000)	900,000	300,000	100,000	
Lost Revenue	-	900,000	300,000	100,000	1,300,000

	Q1	Q2	
Budget 2021 Patient Care Revenues	3,200,000	3,100,000	
Actual 2021 Patient Care Revenues	3,050,000	3,150,000	
Difference	150,000	(50,000)	
Lost Revenue	150,000	-	150,000

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Provider Relief Fund Reporting – Lost Revenues – Other Method

Reporting Entities electing to calculate their lost revenues using an alternate reasonable methodology will also need to submit the following:

1. **Narrative Document** - Description of methodology, an explanation of why the methodology is reasonable, and a description establishing how lost revenues were attributable to coronavirus, as opposed to a loss caused by any other source.
2. **Calculation of Lost Revenues** – The actual calculation of lost revenues attributable to coronavirus using the methodology described in the narrative document.

All recipients seeking to use an alternate methodology face an increased likelihood of an audit by HRSA. HRSA will notify a Reporting Entity if their proposed methodology is not reasonable, including if it does not demonstrate with a reasonable certainty that claimed lost revenues were caused by coronavirus. If HRSA determines that a Reporting Entity's proposed alternate methodology is not reasonable, HRSA will require the Reporting Entity to resubmit its report within 30 days of notification using one of the other options to calculate lost revenues attributable to coronavirus (i.e. Actual or Budget).

Reporting Portal – Lost Revenues – Other Method Example – Budget/Actual

	Q1	Q2	Q3	Q4	
Budget 2020 Patient Care Revenues	3,200,000	3,100,000	3,300,000	3,400,000	
Actual 2020 Patient Care Revenues	3,400,000	2,200,000	3,000,000	3,300,000	
Difference	(200,000)	900,000	300,000	100,000	
Lost Revenue	-	900,000	300,000	100,000	1,300,000

	Q1	Q2
Actual 2019 Patient Care Revenues	2,700,000	2,800,000
Actual 2021 Patient Care Revenues	3,050,000	3,150,000
Difference	(350,000)	(350,000)
Lost Revenue	-	-

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Reporting Portal – Lost Revenues – Other Method Example – 6/30 FYE

	Q1	Q2	Q3	Q4	
Budget 2020 Patient Care Revenues	3,200,000	3,100,000			
Actual 2020 Patient Care Revenues	3,400,000	2,200,000			
Difference	(200,000)	900,000	-	-	
Lost Revenue	-	900,000	-	-	900,000

	Q1	Q2	Q3	Q4	
Actual 2019 Patient Care Revenues			3,100,000	3,200,000	
Actual 2020 Patient Care Revenues			3,000,000	3,300,000	
Difference	-	-	100,000	(100,000)	
Lost Revenue	-	-	100,000	-	100,000

	Q1	Q2	
Actual 2019 Patient Care Revenues	2,700,000	2,800,000	
Actual 2021 Patient Care Revenues	3,050,000	3,150,000	
Difference	(350,000)	(350,000)	
Lost Revenue	-	-	-

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Reporting Portal – Lost Revenues – Other Examples

Keeping in mind that these methods will expose providers to an increase likelihood of audit, providers may also consider the following which may be reasonable based on a provider's unique circumstances:

1. Revenue analysis by service line.
2. Revenue analysis based on patient metrics (i.e. per resident day).
3. For a change of ownership, monthly revenue analysis prior to the Public Health Emergency for the period operated by the new owner.
4. For non-calendar year end providers, using the budget that was in place for the same month of the previous year. (i.e. July 2020 – September 2020 Actual vs. July 2019 – September 2019 Budget).

DOCUMENT, DOCUMENT, DOCUMENT!!!

Reporting Portal – Excess Lost Revenue FAQ

If a Reporting Entity has more lost revenue for a "Payment Received Period" than it received Provider Relief Fund payments for the same period, can that lost revenue be carried forward and applied against payments received during later "Payment Received Periods" and included in the lost revenues reported during later reporting periods? (Added 7/1/2021)

Yes. Provider Relief Fund payments may be applied to expenses and lost revenues according to the period of availability of funding. However, expenses and lost revenues may not be duplicated. Specifically, payments received may not be applied to the same expenses and lost revenues that Provider Relief Fund payments received in prior payment periods already reimbursed. The Payment Received Periods described in the June 11, 2021 Post-Payment Notice of Reporting Requirements determine the period of availability of funding and when reports are due.

Reporting Portal – Supporting Documentation

How does a Reporting Entity determine whether an expense is eligible for reimbursement through the Provider Relief Fund? (Modified 7/1/2021)

To be considered an allowable expense under the Provider Relief Fund, the expense must be used to prevent, prepare for, and respond to coronavirus. Provider Relief Fund payments may also be used for lost revenues attributable to the coronavirus. Reporting Entities are required to maintain adequate documentation to substantiate that these funds were used for health care related expenses or lost revenues attributable to coronavirus, and that those expenses or losses were not reimbursed from other sources and other sources were not obligated to reimburse them.

Reporting Entities are not required to submit that documentation when reporting. Providers are required to maintain supporting documentation which demonstrates that costs were obligated/incurred during the period of availability. The burden of proof is on the Reporting Entity to ensure that adequate documentation is maintained.

What documentation is required for reporting? (Modified 6/11/2021)

Supporting worksheets will be available to assist Reporting Entities with completion of reports. In addition, Reporting Entities who are using a portion of their funds for lost revenues may be required to upload supporting documentation when reporting on their calculation of lost revenues. The documentation required is dependent upon which method of calculating lost revenues providers select. Please review the most recently published Post-Payment Notice of Reporting Requirements for additional details.

What are the documentation retention requirements for the Provider Relief Fund? (Added 10/28/2020)

Providers need to retain original documentation for three years after the date of submission of the final expenditure report, in accordance with 2 CFR 200.333.

Reporting Portal – Other Data – Metrics

Reporting Entities will need to provide the following information by quarter for 2019 through the current period of availability:

1. **Personnel Metrics**: Total number of clinical and non-clinical personnel by labor category (full time, part time, contract, furloughed, separated, hired).
2. **Patient Metrics**: Total number of inpatient admissions, outpatient visits (in-person and virtual), emergency department visits, and facility stays (for long-term and short-term residential facilities).
3. **Facility Metrics**: Total number of staffed beds for medical/surgical, critical care, and other.

Per the reporting instructions, the purpose of this information is to quantify the impact of COVID-19. There has no indication that this information will impact future funding.

Reporting Portal – Other Data – Survey Data

Reporting entities will answer questions regarding the impact of payments during the period of availability in the following categories:

1. Overall operations
2. Maintenance of solvency and prevention of bankruptcy
3. Retention of staff and prevention of furlough
4. Re-hire or re-activation of staff from furlough
5. Facilitation of changes needed to operate during the pandemic
6. Ability to care for and/or treat patients with COVID-19 (for applicable treatment facilities)
7. Impact on business or patient services (narrative statement). This is optional.

Reporting Portal – Repayment

Providers needing to return unused PRF payments can do so in the newly established repayment portal:

https://na3.docusign.net/Member/PowerFormSigning.aspx?PowerFormId=69f95520-438e-48be-878e-09c9be4aa6b9&env=na3&acct=dd54316c-1c18-48c9-8864-0c38b91a6291&v=2

Funding will have the following transfer limits:
You may return funds using the following methods, depending upon the return amount:

- Returning $0.01 - $24,999.99, you may use:
  - Direct debit (ACH) using your bank account and routing number; or
  - Debit card or credit card.
- Returning $25,000.00 - $99,999,999.99, please only use:
  - Direct debit (ACH) using your bank account and routing number.
- Returning $100,000,000 or more:
  - Please call the Provider Support Line for Wire instructions.

Provider Relief Fund - Resources

1. HHS Provider Relief Fund
2. PRF Terms and Conditions
3. PRF FAQs
4. PRF Reporting and Auditing General Info
5. Post-Payment Notice of Reporting Requirements
6. PRF Reporting Portal
7. PRF Reporting Portal User Guide
8. PRF Reporting Portal Worksheets (Excel)
9. PRF Reporting Portal FAQs
10. PRF Reporting Portal Registration Guide
11. Provider Support Line - (866) 569-3522

Single Audit/Uniform Guidance – SEFA Timeline

PRF payments will be included on the SEFA and linked to the reporting submissions as follows:

FYE prior to June 30, 2021 – Nothing included on the SEFA for PRF.

FYE June 30, 2021 – December 30, 2021 – Total expenses and lost revenues from the Period 1 report submission.

FYE December 31, 2021 – June 29, 2022 – Total expenses and lost revenues from both the Period 1 and Period 2 report submissions.

FYE on or after June 30, 2022 – Guidance to be provided at a later date.

This is only related to the PRF program. Other federal programs are not impacted by this change.

Single Audit/Uniform Guidance – Reporting Portal

Reporting Entities will also complete information contained in the portal by indicating whether they were subject to a single audit (expended more than $750,000 of federal funds) and whether the PRF payments were included in audit.

Fiscal Year	Subjected to Audit (45 CFR 75 Subpart F)?	Were PRF payments included in this audit?
2019	☐	☐
2020	☐	☐
2021	☐	☐

Single Audit/Uniform Guidance– **PRF** Compliance Matrix

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	N	N	N	N	Y	N	N

Single Audit/Uniform Guidance– For-Profit Entities

For-profit entities will have the following options to fulfill the HHS audit requirement:

1. Single or program specific audit
   A. Audit opinion on financial statements under GAAS and GAGAS
   B. Audit in-relation-to opinion on SEFA
   C. Audit opinion on compliance and reporting on internal controls over compliance under uniform guidance
   D. Schedule of findings and questioned costs
2. GAGAS Financial Audit (financial audit of HHS awards)
   A. Auditee statement of costs (and lost revenue)
      i. Auditor will issue an opinion on this statement
   B. Audit opinion on compliance and internal controls over financial reporting
   C. Schedule of findings

Which audit is right for me?

Single Audit/Uniform Guidance– Entity Audit Level

Given that funding was mostly tied to a TIN, determining the level to audit is a question many organizations are struggling to answer. The AICPA Governmental Auditing Standards and Single Audit Guide defines the entity to be audited as follows:

The Uniform Guidance states that the audit must cover the entire operations of the auditee, or, at the option of the auditee, such audit must include a series of audits that cover an auditee's departments, agencies, and other organizational units that expended or otherwise administered federal awards during the audit period. If an auditee elects this option, each audit must encompass the financial statements and the schedule of expenditures of federal awards for each such department, agency, or other organizational unit, which must be considered a nonfederal entity. The financial statements and schedule of expenditures of federal awards must be for the same audit period. In these circumstances, the nonfederal entity-wide financial statements may also include the departments, agencies, or other organizational units that have separate audits and prepare separate financial statements. For example, if a local government has its school districts audited separately, it would be acceptable for the local government's financial statements to include the school districts, even though the school districts were not included in the local government's Uniform Guidance compliance audit (and, consequently, the schedule of expenditures of federal awards for the local government did not include the school districts' federal awards) because a separate Uniform Guidance compliance audit was conducted on the school districts. However, if separate financial statements were not prepared for the school districts, it would be unacceptable for a separate Uniform Guidance compliance audit to be conducted on the school districts (that is, the local government's entity-wide financial statements could not be used as a substitute for separate financial statements for the school districts).

Provider Relief Fund Reporting & Auditing Update General Discussion

Participate in the Survey

- Provide feedback to the meeting:
  - Was the presentation(s) useful, timely, and relevant?
  - Was the information shared during the Section Discussion useful?
  - What other topics/presenters would you like presented?
  - How can we enhance your experience?

Upcoming Events

Professional Interest Section Meetings:

- October 14 - Child & Family Services (10 AM-Noon)
- October 28 - Business & Industry / CAIO (10 AM-Noon)
- November 2 - Community Supports (10 AM-Noon) / Employment Supports (12:30-2:30 PM)

  **Note: INARF has changed the dates of the 4th quarter Community Supports / Employment Supports meetings out of professional courtesy to The Arc of Indiana and our members who hold dual membership.*
- November 11 - Financial Management (10 AM-Noon) / Human Resources (12:30-2:30 PM)

Upcoming Member Forum and Board of Directors meetings:

- August 27
- September 24

Registration for each meeting is available 3 weeks in advance.

Recordings and materials will be available on the INARF Member Portal within 2-3 business days following each meeting.

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For more information and to contribute, visit: www.INARF.org/INARF-PAC

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Thank you!

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