

September 21, 2020

HHS Releases Notice on Provider Relief Fund Reporting Requirements

As requested by AHA, HHS adds details on use of relief funds by hospital systems

The Department of Health and Human Services (HHS) Sept. 19 released a [notice outlining reporting requirements for providers that received Provider Relief Fund \(PRF\) payments](#). This notice includes the categories of data elements that recipients must submit for calendar years 2019 and 2020, and is a supporting document to its [post-payment notice of reporting requirements](#). HHS states that the reporting system will now be available in early 2021.

Specifically, the Administration says that recipients will report their use of PRF payments by submitting the following information:

1. Health care related expenses attributable to COVID-19 that another source has not reimbursed and is not obligated to reimburse, which may include General and Administrative (G&A) or health care related operating expenses. This includes the actual G&A expenses incurred over and above what has been reimbursed by other sources (such as mortgage/rent, insurance, personnel, fringe benefits, lease payments, utilities/operations and other general and administrative expenses) and health care related expenses attributed to COVID-19 (such as supplies, equipment, information technology, facilities and other health care related expenses).
2. Lost revenues attributable to COVID-19 represented as a “negative change in year-over-year net operating income from patient care related resources.” Specifically, the “PRF payment amounts not fully expended on health care related expenses attributable to COVID-19 are then applied to lost revenues, represented as a negative change in year-over-year net patient care operating income (i.e., patient care revenue less patient care related expenses for the reporting entity, defined below, that received funding), net of the health care related expenses attributable to COVID-19 calculated under step 1. Recipients may apply PRF payments toward lost revenue, up to the amount of their 2019 net gain from health care related sources. Recipients that reported negative net operating income from patient care in 2019 may apply PRF amounts to lost revenues up to a net zero gain/loss in 2020.”

HHS states that if recipients do not expend PRF funds in full by the end of calendar year 2020, they will have an additional six months in which to use

remaining amounts toward expenses attributable to COVID-19 but not reimbursed by other sources, or to apply toward lost revenues in an amount not to exceed the 2019 net gain.

The agency indicates these requirements will apply to any provider that received one or more payments totaling at least \$10,000. They apply to all distributions except the Nursing Home Infection Control and Rural Health Clinic Testing distributions, for which separate reporting requirements will be announced. The reporting requirements also do not apply to reimbursement from the Health Resources and Services Administration (HRSA) Uninsured Program, but HHS noted that additional reporting may be announced in the future for these payments.

HRSA plans to offer “Question & Answer Sessions” via webinar(s) in advance of the reporting deadline, and as needed. Additionally, the Administration will issue FAQs to aid in the reporting process.

HHS Details on Relief Funds by Hospital Systems. In response to a [letter AHA sent to HHS Secretary Alex Azar last week](#) requesting needed flexibility for the use of PRF by hospital systems, the administration, also in this notice, appears to allow systems to move funds to where they are needed from the General distribution even if a subsidiary hospital originally attested to the receipts of the funds. Specifically, the notice states that “If the entity has a subsidiary Tax identification Number (TIN) that received General Distribution payments, regardless of whether the subsidiary or Reporting Entity formally attested to accepting the payment within the provider portal, the Reporting Entity may report on and direct the use of General Distribution Payments.”

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and Paycheck Protection Program and Health Care Enhancement Act included \$175 billion in the Public Health and Social Services Emergency Fund to reimburse health care providers for health care-related expenses or lost revenues not otherwise reimbursed that are attributable to COVID-19. In order to accept these funds, recipients agreed to Terms & Conditions, which require compliance with reporting requirements as specified by HHS.

Further Questions

If you have questions, please contact AHA at 800-424-4301.