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Attendee Protocol

- All attendees will be auto-muted
- Presentation slides are available, please download and save for future use
- Questions are encouraged! To ask questions, use the question dialogue box
- All questions will be addressed during the presentation, at the end or via email
- One hour after the session has ended, you will receive a follow up email with a session evaluation link, we appreciate your feedback

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CAUTION

- Apple users may not be able to answer poll questions
- **All users:** when answering poll questions, be sure to be out of FULL SCREEN mode

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Provider Relief Fund Summary

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- Phase 1 & 2 General Distribution (\$68 billion in total) in April/June
- Selected Targeted Distributions:
 - Skilled Nursing Facilities \$4.9 billion distribution (May) and \$2.5 billion of targeted distribution (June)
 - Medicaid & CHIP providers \$15 billion (July)
- Performance-based incentive payment \$2 billion
- Phase 3 General Distribution \$20 billion (October)

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Reminder of Terms & Conditions

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- Certified that it "provides or provided after January 31, 2020 diagnoses, testing, or care for individuals with possible or actual cases of COVID-19"
- Certified that the payment "will only be used to prevent, prepare for, and respond to coronavirus, and that the Payment shall reimburse the Recipient only for health care related expenses or lost revenues that are attributable to coronavirus."
- Certified that it "will not use the Payment to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse."
- Must maintain appropriate records, cost documentation, and "other information required by future program instructions to substantiate the reimbursement of costs" under a payment and compliance with the terms and conditions.

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Another Reminder

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/faqs/index.html>

Link to PDF of Entire FAQ:

<https://www.hhs.gov/sites/default/files/provider-relief-fund-general-distribution-faqs.pdf?language=en>



CARES Act Provider Relief Fund
Frequently Asked Questions
Provider Relief Fund General Information
Overview
Anticipation
Reporting Payments
Terms and Conditions
Ownership Structures and Financial Relationships
Issuing and Reporting Requirements
Use of Funds
Supporting Data
Change of Ownership
Non-Financial Data
Identification
Balance Billing
Approach
Publication of Payment Data
General Distribution
Phase 1
Overview and Eligibility
Determining Additional Payments
Provider Relief Fund Payment Period - Phase 1 - General Distribution
Data Sharing
Phase 2
Overview and Eligibility
Tax Identification Number (TIN) Filiation Process
Application Process
Phase 3
Overview and Eligibility
Tax Identification Number (TIN) Filiation Process
Application Process
Targeted Distributions
Rural Targeted Distribution
COVID-19 High Impact Area Targeted Distribution
Medical Nursing Facilities Targeted Distribution
Indian Health Services Targeted Distribution
Safety Net Hospitals Targeted Distribution
Nursing Home Infection Control Distribution

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Reporting Requirements



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Post-Payment Reporting Requirement Guidance

- Guidance initially expected August 17, 2020
- Post-Payment Reporting Notice September 19, 2020
- Revised Post-Payment Reporting Notice October 22, 2020
 - <https://www.hhs.gov/sites/default/files/post-payment-notice-of-reporting-requirements-october-2020.pdf>
- Revised Post-Payment Reporting Notice November 2, 2020
 - <https://www.hhs.gov/sites/default/files/post-payment-notice-of-reporting-requirements-november-2020.pdf>

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Reporting Timeline

- Providers who accepted payments exceeding \$10,000
- Reporting within 45 days of 12/31/2020 (for calendar year 2020)
Reporting due 2/15/2021
- Reporting system will be available starting January 15, 2021
- Recipients who did not expended funds in full by 12/31/2020 must submit a second and final reporting through 6/30/2021 no later than 7/31/2021

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Expenses Definition


- "Expenses attributable to coronavirus may be incurred both in treating confirmed or suspected cases of coronavirus, preparing for possible or actual coronavirus cases, maintaining healthcare delivery capacity, etc."
- Expenses Attributable to Coronavirus **Not Reimbursed by Other Sources**
- Recipient can accept a payment from the Provider Relief Fund & other sources, so long as the payment from the Provider Relief Fund is used only for permissible purposes & the recipient complies with the terms & conditions. By attesting to the terms & conditions, the recipient certifies that **it will not use the payment to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse**

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Reporting Categories




- Reporting Entities that received between \$10,000 and \$499,999
- Required to report healthcare related expenses attributable to coronavirus, **net of other reimbursed sources** (e.g., payments received from insurance and/or patients, and amounts received from federal, state or local governments, etc.) in two aggregated categories:
 1. G&A expenses
 2. Other healthcare related expenses. These are the actual expenses incurred over and above what has been reimbursed by other sources.
- Recipients who received \$500,000 or more reporting more detailed information within the two categories of G&A expenses and other healthcare related expenses




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G&A Expenses




- Expenses attributable to coronavirus may be incurred in both direct patient care and overhead activities **related to treatment of confirmed or suspected cases of coronavirus, preparing for possible or actual coronavirus cases, maintaining healthcare delivery capacity which includes operating and maintaining facilities, etc.**
- Mortgage/Rent: Monthly payments related to mortgage or rent for a facility
- Insurance: Premiums paid for property, malpractice, business insurance, or other insurance relevant to operations




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G&A Expenses (continued)



- Personnel: Workforce-related actual expenses paid to prevent, prepare for, or respond to the coronavirus during the reporting period, such as workforce training, staffing, temporary employee or contractor payroll, overhead employees, or security personnel
- Fringe Benefits: Extra benefits supplementing an employee's salary, which may include hazard pay, travel reimbursement, employee health insurance, etc.
- Lease Payments: new equipment or software lease
- Utilities/Operations: Lighting, cooling/ventilation, cleaning, or additional third party vendor services not included in "Personnel".
- Other G&A Expenses: Costs not captured above that are generally considered part of overhead structure.



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Healthcare Related Expenses

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- Supplies: Expenses paid for purchase of supplies used to prevent, prepare for, or respond to the coronavirus during the reporting period. Such items could include: personal protective equipment (PPE), hand sanitizer, or supplies for patient screening
- Equipment: Expenses paid for purchase of equipment used to prevent, prepare for, or respond to the coronavirus during the reporting period, such as ventilators, updates to HVAC systems, etc.

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Healthcare Related Expenses (continued)

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- Information Technology (IT): Expenses paid for IT or interoperability systems to expand or preserve care delivery during the reporting period, such as electronic health record licensing fees, telehealth infrastructure, increased bandwidth, and teleworking to support remote workforce
- Facilities: Expenses paid for facility-related costs used to prevent, prepare for, or respond to the coronavirus during the reporting period, such as lease or purchase of permanent or temporary structures, or to modify facilities to accommodate patient treatment practices revised due to coronavirus
- Other Healthcare Related Expenses: Any other actual expenses, not previously captured above, that were paid to prevent, prepare for, or respond to the coronavirus

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Lost Revenue

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- Lost revenues attributable to coronavirus, represented as a negative change in year-over-year (2019 and 2020) actual revenue from patient care related sources
- Reported on a calendar year basis
- Reported patient care revenue is net of uncollectible patient service revenue recognized as bad debts
- Recipients that reported increased revenue from patient care in 2020 as compared to 2019, are eligible to use Provider Relief Fund payments toward expenses attributable to coronavirus not reimbursed by other sources, however, they would not be considered to have lost revenues attributable to coronavirus for the initial reporting period

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Non-Financial Data

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- **Facility, Staffing and Patient Care**
 - Personnel Metrics: Total personnel by labor category (full-time, part-time, contract, other: recipient must define), total re-hires, total new hires, and total personnel separations by labor category
 - Patient Metrics: Total number of patient visits (in-person or telehealth), total number of patients admitted, and total number of resident patients
 - Facility Metrics: Total available staffed beds for medical/surgical, critical care, and other beds

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Other Provisions

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- Increased flexibility of Parent entity with allocation of general distribution funds within control group
- Reporting requirements do not apply to the Nursing Home Infection Control distribution or the Rural Health Clinic Testing distribution
- Two-step process
 - Step 1 – Expenses attributable to coronavirus
 - Step 2 – Unused funds applied to Lost Revenue
- Interest earned on Provider Relief Fund funds considered a reportable revenue source to HHS
- Details on how to return unused amounts will be provided in advance of the second 2021 reporting deadline, which is July 31, 2021

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Other Provisions

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- **Single Audit requirement**
 - Single Audit in conformance with the requirements under 45 CFR 75 Subpart F
 - Audit reports must be submitted to the Federal Audit Clearinghouse electronically at <https://harvester.census.gov/facides/Account/Login.aspx>

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Sample Facility		MSL CPAs & ADVISORS	
Sample Provider	2019	2020	
Beds Available	120	120	
Occupancy	95%	85%	
Net Patient Service Revenue	\$ 12,500,000	\$ 12,000,000	
Operating Expenses	\$ 11,500,000	\$ 11,800,000	
Net Income (Loss)	\$ 1,000,000	\$ 200,000	
Lost Revenue		\$ 500,000	
Provider Relief Funds Received		\$ 900,000	

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Requirements from FAQ




Auditing and Reporting Requirements

Are Provider Relief Fund payments fund payment to non-Federal entities (states, local governments, Indian tribes, institutions of higher education, and nonprofit organizations) subject to Single Audit? (Modified 7/30/2020)

Provider Relief Fund General and Targeted Distribution payments (CFDA 93.498) and Uninsured Testing and Treatment reimbursement payments (CFDA 93.461) to non-Federal entities are Federal awards and must be included in determining whether an audit in accordance with 45 CFR Part 75, Subpart F is required (i.e., annual total federal awards expended are \$750,000 or more).


Audit reports must be submitted to the Federal Audit Clearinghouse electronically at <https://harvester.census.gov/facides/Account/Login.aspx>.



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Requirements from FAQ




Are Provider Relief Fund payments to commercial (for-profit) organizations subject to Single Audit in conformance with the requirements under 45 CFR 75 Subpart F? (Modified 7/30/2020)

Commercial organizations that receive \$750,000 or more in annual awards have two options under 45 CFR 75.216(d) and 75.501(i): 1) a financial related audit of the award or awards conducted in accordance with Government Auditing Standards; or 2) an audit in conformance with the requirements of 45 CFR 75 Subpart F.

Provider Relief Fund General and Targeted Distribution payments (CFDA 93.498) and Uninsured Testing and Treatment reimbursement payments (CFDA 93.461) must be included in determining whether an audit in accordance with 45 CFR Subpart F is required (i.e., annual total awards received are \$750,000 or more).

Audit reports of commercial organizations must be submitted directly to the U.S. Department of Health and Human Services, Audit Resolution Division at AuditResolution@hhs.gov.




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Preparing for Your First Single Audit 

STEP ONE: Increase Knowledge About Single Audits!


- ✓ AICPA and GAQC offer great resources: [AICPA Single Audit Tools, Practice Aids and Other Resources for Auditees](#)
- ✓ Listen to the AICPA 2020 OMB Compliance Supplement and Single Audit Update here (it's free): [Audio Playback of GAQC 2020 Compliance Supplement and Single Audit Update](#)
- ✓ Ask questions of your audit executive

STEP TWO: Gather and all federal grant information

- ✓ Summarize all federal awards received and expended during the fiscal year being audited.
- ✓ Include the appropriate CFDA number
 - CFDA – Catalog of Federal Domestic Assistance
 - 93.498 Provider Relief Program


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Preparing for Your First Single Audit *(continued)* 

STEP THREE: Draft your SEFA

- ✓ What the heck is a SEFA? Schedule of Expenditures of Federal Awards
- ✓ This is what the auditor will be auditing!
- ✓ If you have multiple programs, this is used as the basis to determine which programs are "major" (i.e. tested)
- ✓ Reminder: Only programs subject to the single audit should be included on the SEFA. So, any PPP loans should not be listed.


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Preparing for Your First Single Audit *(continued)* 

STEP FOUR: Understand the applicable compliance requirements

- ✓ Understanding the terms of the grant and applicable compliance requirements will ensure compliance and avoid audit findings!
- ✓ Issued in two parts this year with part one issued on 8/18/20.
- ✓ Two accessible versions:
 - ✓ Single PDF: [OMB Single PDF of Compliance Supplement](#)
 - ✓ GAQC By Section: [GAQC Posting of 2020 Supplement by Section](#)
- ✓ Part two addendum will cover many new COVID-19 programs
 - ✓ Currently expecting a December release
 - ✓ Addendum should list the compliance requirements that are subject to audit

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Recommendations

- ✓ Document, document, document!!!
- ✓ Identify & document expenses attributable to coronavirus
- ✓ Ensure appropriate internal controls are in place and documented!
- ✓ Ensure that funding sources (PPP loan, Provider Relief Funds, etc.) are allocated to the expenses and no double dipping is occurring
- ✓ Focus on allowable expenses first
- ✓ Start preparing your quarterly reporting information for current and prior year
- ✓ Discuss with MSL (especially if you have more than \$750,000)
- ✓ Be alert for more changes!!!

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Thank You

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