

General and Targeted Distribution

Post-Payment Notice of Reporting Requirements

September 19, 2020

Post-Payment Reporting Requirements

Purpose

The purpose of this notice is to inform Provider Relief Fund (PRF) recipients who received one or more payments exceeding \$10,000 in the aggregate of the data elements that they will be required to report as part of the post-payment reporting process. This is a supporting document to the July 20, 2020 Post-Payment Notice of Reporting Requirements.

Please note that these reporting requirements do not apply to the Nursing Home Infection Control distribution or the Rural Health Clinic Testing distribution. Separate reporting requirements will be announced for these distributions. These reporting requirements also do not apply to reimbursement from the Health Resources and Services Administration (HRSA) Uninsured Program. Additional reporting may be announced in the future for these payments.

Overview

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) and the Paycheck Protection Program (PPP) and Health Care Enhancement Act (P.L. 116-139), appropriated funds to reimburse eligible healthcare providers for healthcare related expenses or lost revenues attributable to the coronavirus. These funds were distributed by HRSA through the CARES Act PRF program. Recipients of these funds agreed to Terms & Conditions, which require compliance with reporting requirements as specified by the Secretary of Health and Human Services in program instructions.

On July 20, 2020, HRSA released a public notice informing PRF recipients of the timing of future reporting requirements for those providers that accepted one or more payments exceeding \$10,000 in the aggregate. The reporting notice advised recipients that additional details regarding data elements would be provided by August 17, 2020; HRSA subsequently revised this date to allow for additional time to consider provider feedback.

This notice informs recipients of the categories of data elements that recipients must submit for calendar years 2019 and 2020 as part of the reporting process. HRSA plans to offer Question & Answer Sessions via webinar in advance of the reporting deadline, and as needed, HRSA will also issue Frequently Asked Questions to aid in the reporting process.

Reporting Guidance on Use of Funds

Recipients will report their use of PRF payments by submitting the following information:

1. Healthcare related expenses attributable to coronavirus that another source has not reimbursed and is not obligated to reimburse, which may include General and Administrative (G&A) or healthcare related operating expenses (further defined within the data elements section below).
2. PRF payment amounts not fully expended on healthcare related expenses attributable to coronavirus 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 healthcare related expenses attributable to coronavirus

calculated under step 1. Recipients may apply PRF payments toward lost revenue, up to the amount of their 2019 net gain from healthcare 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.

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 coronavirus but not reimbursed by other sources, or to apply toward lost revenues in an amount not to exceed the 2019 net gain. For example, the reporting period January – June 2021 will be compared to the same period in 2019.

Data Elements

The following data elements in the PRF Reporting System will allow HRSA and the U.S. Department of Health and Human Services (HHS) to assess whether recipients properly used PRF payments, consistent with the Terms & Conditions associated with payment.

1. Demographic Information

- a. **Reporting Entity:** Entity (at the Tax Identification Number (TIN) level) that received one or more PRF payments. If the entity has subsidiary TINs 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. However, if a subsidiary TIN received a Targeted Distribution payment,¹ the subsidiary TIN must report use of funds for that payment, and the parent organization that reports on a subsidiary's General Distribution payment cannot also report on (or transfer) the subsidiary's Targeted Distribution payment.
- b. **Tax Identification Number (TIN):** Reporting Entity's primary TIN associated with the provider who received the funds and accepted the PRF payment during attestation (the recipient). For some recipients, this may be analogous to Social Security number (SSN) or Employer Identification Number (EIN).
- c. **National Provider Identifier (NPI) [optional]:** The unique 10-digit numeric identifier for covered healthcare providers.
- d. **Fiscal Year-End Date:** Month in which the recipient reports its fiscal year-end financial results.
- e. **Federal Tax Classification:** Designated business type associated with the Reporting Entity's primary TIN used for filing taxes. Classifications include Sole Proprietor, Limited Liability Corporation (LLC), Partnership, C Corporation, S Corporation, Trust or Estate, or a tax-exempt organization or entity.

2. Expenses Attributable to Coronavirus Not Reimbursed by Other Sources (2020 only)

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.

¹ Rural Distribution; COVID-19 High-Impact Distributions; Skilled Nursing Facilities Allocation and Distribution; Allocation for Tribal Hospitals, Clinics, and Urban Health Centers; Safety Net Hospitals Distributions; Certain Children's Hospitals Distribution Link to [Targeted Distribution Timeline](#)

In this section, Reporting Entities that received **between \$10,000 and \$499,999 in aggregated PRF payments** are 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 and (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 in PRF payments** are required to report healthcare related expenses attributable to coronavirus, net of other reimbursed sources, and they must do so by reporting more detailed information within the two categories of G&A expenses and other healthcare related expenses, according to the following sub-categories of expenses:

General and Administrative Expenses Attributable to Coronavirus²

The actual G&A expenses incurred over and above what has been reimbursed by other sources.

- a. **Mortgage/Rent:** Monthly payments related to mortgage or rent for a facility.
- b. **Insurance:** Premiums paid for property, malpractice, business insurance, or other insurance relevant to operations.
- c. **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.³
- d. **Fringe Benefits:** Extra benefits supplementing an employee's salary, which may include hazard pay, travel reimbursement, employee health insurance, etc.
- e. **Lease Payments:** new equipment or software lease.
- f. **Utilities/Operations:** Lighting, cooling/ventilation, cleaning, or additional third party vendor services not included in "Personnel".
- g. **Other General and Administrative Expenses:** Costs not captured above that are generally considered part of overhead structure.

Healthcare Related Expenses Attributable to Coronavirus²

The actual healthcare related expenses incurred over and above what has been reimbursed by other sources.

- a. **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.
- b. **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.

² As noted above, expenses attributable to coronavirus may be incurred in both direct patient care 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.

³The Terms and Conditions associated with each PRF payment do not permit recipients to use PRF money to pay any salary at a rate in excess of Executive Level II which is currently set at \$197,300. For the purposes of the salary limitation, the direct salary is exclusive of fringe benefits and indirect costs. The limitation only applies to the rate of pay charged to PRF payments and other HHS awards. An organization receiving PRF may pay an individual's salary amount in excess of the salary cap with non-federal funds.

- c. **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.
- d. **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.
- e. **Other Healthcare Related Expenses:** Any other actual expenses, not previously captured above, that were paid to prevent, prepare for, or respond to the coronavirus.

3. Lost Revenues Attributable to Coronavirus

In this section Reporting Entities provide information used to calculate lost revenues attributable to coronavirus, represented as a negative change in year-over-year net operating income from patient care related sources. Once revenue information is provided, cost/expense impacts will be calculated based upon a calendar year comparison of 2019 to 2020 healthcare expenses to determine net operating income. Revenues and expenses in this section include all lost patient care revenues and patient care cost/expense impacts.

Total Revenue⁴/Net Charges⁴ from Patient Care⁵ Related Sources (2019 and 2020): Revenue/net charges from patient care (prior to netting with expenses) for the calendar years 2019 and 2020. Calendar year actual revenues will be entered by quarter (e.g., January–March 2019, April–June 2019, etc.).

Note: Reporting Entities with unused funds after December 31, 2020, must submit a second and final report no later than July 31, 2021 that includes patient care related revenue amounts earned January 1–June 30, 2021.

Revenue from Patient Care Payer Mix (2019 and 2020)

- a. **Medicare Part A+B:** The actual revenues/net charges received from Medicare Part A+B for patient care for the calendar year.
- b. **Medicare Part C:** The actual revenues/net charges received from Medicare Part C for patient care for the calendar year.
- c. **Medicaid:** The actual revenues/net charges received from Medicaid/Children’s Health Insurance Program (CHIP) for patient care for the calendar year.
- d. **Commercial Insurance:** The actual revenues/net charges from commercial payers for patient care for the calendar year.
- e. **Self-Pay (No Insurance):** The actual revenues/net charges received from self-pay patients, including the uninsured or individuals without insurance who bear the burden of paying for healthcare themselves, for the calendar year.
- f. **Other:** The actual gross revenues/net charges from other sources received for patient care services and not included in the list above for the calendar year.

Other Assistance Received (2020)

⁴ Net of uncollectible patient service revenue recognized as bad debts.

⁵ “Patient care” means health care, services and supports, as provided in a medical setting, at home, or in the community. It should not include: 1) insurance, retail, or real estate values (except for SNFs, where that is allowable as a patient care cost), or 2) grants or tuition.

- a. **Treasury, Small Business Administration (SBA) and the CARES Act/Paycheck Protection Program (PPP):** Total amount of coronavirus-related relief received from Treasury, SBA, and CARES Act/PPP by the Reporting Entity as of the reporting period end date.
- b. **FEMA CARES Act:** Total amount of coronavirus-related relief received from FEMA by the Reporting Entity as of the reporting period end date.
- c. **CARES Act Testing:** Total amount of relief received from HHS for coronavirus testing-related activities.
- d. **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 as of the reporting period end date.
- e. **Business Insurance:** Paid claims against insurance policies intended to cover losses related to various types of healthcare business interruption as of the reporting period end date.
- f. **Other Assistance:** Total amount of other federal and/or coronavirus-related assistance received by the recipient and the other TINs included in its report as of the reporting period end date.

Total Calendar Year Expenses for 2019 and 2020, in the following categories, with quarterly break down (e.g., January–March 2019, April–June 2019, etc.):

General and Administrative Expenses (2019 and 2020)

G&A expenses may include items such as monthly payments related to mortgage or rent for facility where reporting entity provides patient care services, other monthly finance charges for real property and/or property taxes, insurance premiums for property, employee health insurance, or malpractice insurance, overhead salaries, healthcare and contractor salaries, fringe benefits, lease payments, lighting, cooling/ventilation, cleaning, vendor services purchased from third party vendors, consulting support, legal fees, audit and accounting services, food preparation and supplies, logistics and transport or other costs not captured above, such as debt financing, for the relevant calendar year.⁶

Healthcare Related Expenses (2019 and 2020)

Healthcare related expenses may include items such as supplies, equipment, IT, facilities, employees, and other healthcare related costs/expenses for relevant calendar year.

4. Additional non-financial data will also be collected (per quarter):

Facility, Staffing and Patient Care

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

Change in Ownership

Reporting Entities that acquired or divested of related subsidiaries indicate the change in ownership,

⁶ **Note:** The Terms and Conditions associated with each PRF payment do not permit recipients to use PRF money to pay any salary at a rate in excess of Executive Level II which is currently set at \$197,300. For the purposes of the salary limitation, the direct salary is exclusive of fringe benefits and indirect costs. The limitation only applies to the rate of pay charged to PRF payments and other HHS awards. An organization receiving PRF may pay an individual's salary amount in excess of the salary cap with non-federal funds.

whether the related TIN was acquired or divested, providing the following data points for each relevant TIN:

- a. Date of acquisition/divestiture
- b. TIN(s) included in the acquisition/divestiture
- c. Percent of ownership for acquisition/divestiture
- d. Did/do you hold a controlling interest in this entity? (Y/N)

Note: If the Reporting Entity itself was acquired or divested, it should self-report the change in ownership to HRSA.

Single Audit Status

Reporting Entities that expended \$750,000 or more in aggregated federal financial assistance in 2020 (including PRF payments and other federal financial assistance) are subject to Single Audit requirements, as set forth in the regulations at 45 CFR 75.501. Recipients must indicate if they are subject to Single Audit requirements in 2020, and if yes, whether the auditors selected PRF payments to be within the scope of the Single Audit (if known at the time the Reporting Entity submits report).