

TYPES NOT MAPPED YET October 26, 2020 | TTR not mapped yet | Nicole K. Jobe

Provider Relief Fund updates: Phase 3 distribution and reporting requirements

As of October 28, we have updated Health Law Checkup with new guidance regarding Provider Relief Funds, [available here](#).

Phase 3 distribution

As reported on our prior blogs, the CARES Act has made available billions of dollars in Provider Relief Funds for certain health care providers impacted by the COVID-19 pandemic.

Most recently, the Department of Health and Human Services (HHS) has opened the portal for Phase 3 which will include an additional \$20 billion in distributions. The Phase 3 distributions will be made available to an expanded group of providers including those who already received Provider Relief Fund payments, providers that began practicing between January 1, 2020 and March 1, 2020 and behavioral health providers.

Eligible providers will be considered for payment according to the following criteria:

- Applicants who have not received prior payments or who received payments less than 2% of patient care revenue will receive payments that, when combined with any prior distributions, will equal 2% of the provider's patient care revenue.
- Applicants who already received payments equaling 2% of patient care revenue are still eligible to receive supplementary payments. However, these payments will not be determined until after all applications have been submitted and reviewed.

Providers have until November 6, 2020 to apply. Additional information about eligibility and the application process can be found on the HHS website.

Provider Relief Fund reporting requirements

Additionally, on September 19, 2020, HHS released detailed [guidance](#) regarding the reporting requirements for providers who received Provider Relief Fund distributions through the CARES Act. As required in the Provider Relief Fund Terms and Conditions, recipients that accepted one or more payments exceeding \$10,000 in the aggregate must submit the following information using the Provider Relief Fund reporting system:

- Demographic Information: This will include the reporting entity's tax identification number, national provider identifier (NPI), fiscal year-end date and federal tax classification.
- Expenses Attributable to Coronavirus: Recipients will be required to report health care related expenses attributable to coronavirus which includes, but is not limited to, expenses incurred in treating confirmed or suspected cases of coronavirus, preparing for possible or actual coronavirus cases, and maintaining healthcare delivery capacity. Recipients are required to report expenses that were not reimbursed through other sources (e.g., payments from insurance, patients or other state and federal funds). Recipients who received \$500,000 or more in the aggregate will be required to submit more detailed information regarding their spending including, for example, information about mortgage/rent payments, personnel, and supplies and equipment.
- Lost Revenues Attributable to Coronavirus: Recipients will be required to submit financial data to HHS to illustrate lost revenues 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.

Providers should pay close attention to this new guidance because some concepts have changed or include additional details that may have significant implications such as the new formula for lost revenue and how the phrase “not reimbursed through other sources” is interpreted.

As previously reported in our prior [blog](#), the Provider Relief Fund reporting portal will open on January 15, 2021, and the first deadline for submission of reports is February 15, 2021. If recipients have any unused funds after December 31, 2020, they have until June 30, 2021 to use those funds and until July 31, 2021 to submit a final report to HHS.

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