

A photograph of two people riding bicycles on a wooden pier at sunset. The sun is low on the horizon, creating a warm, golden glow. The pier is made of wooden planks, and the ocean is visible in the background. The overall mood is peaceful and serene.

Demystifying Recent Provider Relief Fund and Reporting Requirements

February 12, 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Welcome

- Thank you to all of you for joining us
- To our attendees on the frontlines, thank you for your work and the impact you are making for your Patients, Residents, Families, Employees and Communities
- There are still unknowns related to Provider Relief Funds. Our goal is to assist you in understanding what we do know and provide relevant tips or insights



Disclaimers

The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting, or tax advice or opinion provided by CliftonLarsonAllen LLP to the user. The user also is cautioned that this material may not be applicable to, or suitable for, the user's specific circumstances or needs, and may require consideration of non-tax and other tax factors if any action is to be contemplated. The user should contact his or her CliftonLarsonAllen LLP or other tax professional prior to taking any action based upon this information. CliftonLarsonAllen LLP assumes no obligation to inform the user of any changes in tax laws or other factors that could affect the information contained herein.

Overview

- Provider Relief Funds
- Consolidated Appropriations Act of 2021 Impact
- HHS PRF Reporting Guidance – as of 1/15/2021
- Examples of HHS PRF FAQs
- PRF Reporting Portal
- Next Steps



Provider Relief Funds Recap



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Provider Relief Fund (Allocations through 2020)

General Distribution Phase 1	General Distribution Phase 2	General Distribution Phase 3	Uninsured	Targeted Distributions
<p>First \$30 billion – went to providers/suppliers who received Medicare FFS reimbursement in 2019. Allocation formula: (2019 FFS/\$484 B) x \$30 B = expected distribution.</p> <p>Additional \$20 billion to these providers/suppliers based on revenues from cost report data on file with HHS.</p> <p>Combined these two distributions, originally referred to as Tranche 1 & 2, are designed to add up to 2% of 2018 net revenues.</p>	<p>On June 9 and in early July, HHS announced the release of \$15 billion to those that participate in Medicaid/CHIP and then dental providers.</p> <p>On August 10, HHS announced Phase 2 applications would also be opened up to address certain situations where providers were ineligible, failed to apply for or rejected funds.</p> <p>On September 2, HHS announced assisted living facilities were eligible for this distribution.</p> <p>Phase 2 applications are accepted through September 13.</p> <p>Roughly \$18B distributed.</p>	<p>On Oct. 1, HHS announced a third round of general distribution. This distribution is to ensure all providers have received 2% of their patient revenues and then develop a formula for an add-on payment beyond that. Eligible providers are essentially all who were eligible previously plus two additional situations: changes in ownership and additional behavioral health providers.</p> <p>On Oct. 22, HHS announced additional provider categories are eligible.</p> <p>Applications are accepted for Phase III through Nov. 6 at: https://cares.linkhealth.com/#/</p> <p>Note: Phase 3 distributions are currently still going out. Roughly \$25B being distributed.</p>	<p>These are claims-based reimbursements for dates of service or admittance on or after Feb. 4, 2020.</p> <p>Reimbursements will be made for qualifying testing for COVID-19 and treatment and services with a primary COVID-19 diagnosis. Full details at www.hrsa.gov/covid/uninsuredclaim</p>	<ul style="list-style-type: none"> • Rural Distributions (\$12B). Rural hospitals (CAHs, rural PPS), Rural Health Clinics (RHC), & Community Health Centers (CHC or FQHC) in rural areas received a distribution on May 10. Another \$1 billion was released on July 10 to 500 other special rural Medicare designation hospitals in urban areas and in small but non-rural communities. • High Impact (\$22B – Round 1, 2). Targeted at hospitals in areas heavily impacted by COVID. Using hospital-submitted data, HHS awarded Round 1 on May 1 to 395 hospitals that provided inpatient care for 100 or more COVID-19 patients through April 10. The distribution formula was based on a fixed amount per COVID-19 inpatient admission, with an additional amount (\$2 B total) distributed by taking into account those hospital's Medicare/Medicaid disproportionate share and uncompensated care payments. Round 2 was released on July 17 to 969 hospitals that had 161 COVID patients by June 10 and received \$50,000/patient • Skilled Nursing Facilities (\$9.9B). On May 21, HHS released \$4.9 billion to SNFs with at least 6 or more beds. Each SNF received \$50,000 plus \$2,500 per bed. On July 22, HHS announced an additional \$5 billion -- \$2.5 B was released on Aug. 27. Another \$2B being released via incentive payment program with \$500M/month (Sept. – Dec.) • Indian Health Services (\$500M). On May 22, Indian Health Services, tribal, and urban Indian health programs, including IHS and Tribal hospitals received funds • Safety Net Hospitals (\$12.8B + \$1.4B). On June 9, HHS announced the release of \$10 billion to certain hospitals and on July 10, another \$3 billion was distributed. All total, 958 hospital received these funds. On Aug. 14, HHS announced the release of \$1.4 billion to roughly 80 free-standing children's hospitals.

Providers must attest/certify to a set of terms and conditions for each distribution.

Compliance For PRF

- PRF distribution Terms & Conditions
 - [CARES Act Provider Relief Fund: For Providers | HHS.gov](#)
- Full series of HHS PRF FAQs
 - [provider-relief-fund-general-distribution-faqs.pdf \(hhs.gov\)](#)
 - Currently 60 pages
- HHS PRF Reporting Requirements
 - [Reporting Requirements and Auditing | HHS.gov](#)
- Single/Program Audit Requirements (when above \$750,000 in federal expenditures). Applies to PRF
 - [Office of Federal Financial Management | The White House](#)

2020 Chronology (Sept-Nov): HHS Reporting Requirements, FAQs

DATE	Action
September 19	First release of long-awaited HHS Post-Payment Notice of Reporting Guidance
October 22	HHS revision to the Sept. 19 HHS Post-Payment Notice of Reporting Guidance <i>Main change: lost revenues calculation</i>
October 28	HHS release of new FAQs (61 references in the FAQs with a 10/28/20 date) <i>Many FAQs attempt to elaborate or provide examples related to Post-Payment Notice of Reporting Guidance</i>
November 2	HHS third revision to reporting guidance (and accompanying release of an FAQ) <i>Main change: clarifying whether to net COVID expense from lost revenues calculation</i>
November 18	HHS release of three new FAQs <i>Main changes to capital expenses</i>



2020 Chronology (Dec) Updates

DATE	Action
December 4	HHS release of 9 new or modified FAQs with a 12/4/20 date <i>New FAQ allowing fundraising as lost revenue if would have been used for patient care plus others</i>
December 11	HHS release of 13 new or modified FAQs with a 12/11 reference date <i>Returning funds, vendor-related expenses are eligible costs taxes required due to PRF may be paid from PRF dollars</i>
December 18	HHS release of 3 new FAQs <i>Related to receiving a 1099 forms</i>
December 27	Consolidated Appropriations Act of 2021 Enacted <i>Major changes to lost revenues calculation, targeted distributions</i>
December 28	HHS release of 4 FAQs <i>Related to PRF Phase 3 distribution, Nursing Home Infection Control, 45 CFR 75</i>



2021 Chronology (Jan) Updates

DATE	Action
January 12	HHS release of 9 new or modified FAQs with a 1/12/21 date <i>Related to modifying several single audit, Phase 3 FAQs, plus a new FAQs and several modified ones related to Nursing Home Infection Control distribution</i>
January 15	<ul style="list-style-type: none">• HHS revised Post-Payment Notice of Reporting Guidance again• HHS opens PRF Reporting Portal (registration only)• HHS releases Reporting Portal User Guide, portal FAQs• HHS delays February 15, 2021 reporting deadline• HHS releases 2 new FAQs – one related to the opening of the portal, one related to Phase 3 distributions





Consolidated Appropriations Act of 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Consolidated Appropriations Act of 2021 – Funding

- Massive government funding and economic relief law
- Enacted December 27, 2020
- Included \$900 Billion in COVID stimulus funds
 - Additional funds and changes to Paycheck Protection Program, among many other policies
 - Over \$50 billion for other health-care related items, like vaccines and preparedness, PRF

Consolidated Appropriations Act of 2021 – PRF Funding

- \$3 Billion for Provider Relief Fund Added
- Statutory language added governing remaining PRF dollars

“not less than 85 percent of (i) the unobligated balances available as of the date of enactment of this Act, and (ii) any funds recovered from health care providers after the date of enactment of this Act, shall be for any successor to the Phase 3 General Distribution allocation to make payments to eligible health care providers based on applications that consider financial losses and changes in operating expenses occurring in the third or fourth quarter of calendar year 2020, or the first quarter of calendar year 2021, that are attributable to coronavirus”

Note: CLA does not expect HHS to open the application process for additional distributions at this time. Phase 3 distributions are still in process plus the Administrations are changing.

Consolidated Appropriations Act of 2021 – PRF Policy

Among the many policy-related provisions, there are two significant PRF changes:

1. Lost Revenue Calculation
2. Targeted PRF distributions

Consolidated Appropriations Act of 2021

PRF/Lost Revenue Calculation

- The law restores earlier guidance issued by HHS in June of 2020. Statutory language reads that providers:

“may calculate such lost revenues using the Frequently Asked Questions guidance released by the Department of Health and Human Services in June 2020, including the difference between such provider’s budgeted and actual revenue budget if such budget had been established and approved prior to March 27, 2020.”

...The term “lost revenues that are attributable to coronavirus” means any revenue that you as a health care provider lost due to coronavirus. This may include revenue losses associated with fewer outpatient visits, canceled elective procedures or services or increased uncompensated care. Providers can use Provider Relief Fund payments to cover any cost that the lost revenue otherwise would have covered, so long as that cost prevents, prepares for or responds to coronavirus. Thus, these costs do not need to be specific to providing care for possible or actual coronavirus patients, but the lost revenue that the Provider Relief Fund payment covers must have been lost due to coronavirus. HHS encourages the use of funds to cover lost revenue so that providers can respond to the coronavirus public health emergency by maintaining health care delivery capacity, such as using Provider Relief Fund payments to cover:

- *Employee or contractor payroll*
- *Employee health insurance*
- *Rent or mortgage payments*
- *Equipment lease payments*
- *Electronic health record licensing fees*

You may use any reasonable method of estimating the revenue during March and April 2020 compared to the same period had COVID-19 not appeared. For example, if you have a budget prepared without taking into account the impact of COVID-19, the estimated lost revenue could be the difference between your budgeted revenue and actual revenue. It would also be reasonable to compare the revenues to the same period last year...

Excerpt from Modified June 19 PRF FAQ

You may use any reasonable method of estimating the revenue during March and April 2020 compared to the same period had COVID-19 not appeared. For example, if you have a budget prepared without taking into account the impact of COVID-19, the estimated lost revenue could be the difference between your budgeted revenue and actual revenue. It would also be reasonable to compare the revenues to the same period last year....



Consolidated Appropriations Act of 2021

PRF/Targeted Distributions

- Allows flexibility for a parent entity to transfer and/or use the PRF distributions of its eligible subsidiaries, including targeted distributions

“That for any reimbursement by the Secretary from the Provider Relief Fund to an eligible health care provider that is a subsidiary of a parent organization, the parent organization may, allocate (through transfers or otherwise) all or any portion of such reimbursement among the subsidiary eligible health care providers of the parent organization, including reimbursements referred to by the Secretary as ‘Targeted Distribution’ payments, among subsidiary eligible health care providers of the parent organization except that responsibility for reporting the reallocated reimbursement shall remain with the original recipient of such reimbursement”



Trying To Pull It All Together

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

HHS Reporting Guidance From 1/15/2021

PRF reports will include FIVE data elements:

1. Demographics of entity (TIN etc)
2. Additional provider payment information (interest earned on PRF)
3. Health care expenses attributable to COVID
 - Entities receiving \$10,001 - \$499,999: Expenses attributable to coronavirus not offset by some other payment/reimbursement which are then aggregated into two buckets: (1) G&A expenses and (2) other healthcare related expenses.
 - Entities receiving \$500,000 and up will be required to detail out the expenses included under G&A and other health care expenses
4. Lost revenues attributable to COVID
5. Additional data (facility, staffing, CHOWs and other assistance received)

HHS Reporting Requirements

Applies To	Does <u>NOT</u> Apply To
General Distribution Phase 1	<ul style="list-style-type: none"> • COVID Uninsured Program (Claims-Based)* • Rural Health Clinic Testing Distribution* • Nursing Home Infection Control Distribution* • Those receiving less than \$10,000 in PRF payments combined
General Distribution Phase 2	
General Distribution Phase 3	
Targeted Distributions <ul style="list-style-type: none"> - Rural - Skilled Nursing Facilities - COVID High impact - Safety Net Hospitals - Tribal Health Care Facilities 	

**HHS indicates additional reporting requirements may apply in the future*

Data Element #1: Demographics

- **Reporting Entity**
- **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).
- **National Provider Identifier (NPI) [optional]:** The unique 10-digit numeric identifier for covered healthcare providers.
- **Fiscal Year-End Date:** Month in which the recipient reports its fiscal year-end financial results.
- **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

HHS Guidance on Reporting Entity

Current HHS Language on Reporting Entity (Jan 15, 2021)

a. **Reporting Entity:**

Type of PRF 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
General Distribution with no parent organization or subsidiaries except PRF recipients that received Phase 1 General Distributions only	Entity (at the Tax Identification Number (TIN) level) that received one or more General Distribution payments totaling more than \$10,000 in aggregate
General Distribution recipient with one or more subsidiaries that received payments in Phases 1-3	Entity that meets the following three criteria: <ol style="list-style-type: none">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, and3. Is an entity that can otherwise attest to the Terms and Conditions.
Targeted Distribution recipient	Entity (at the Tax Identification Number (TIN) level) that received Targeted Distribution payments totaling more than \$10,000 in aggregate

“If a parent organization has subsidiary TINs that either received General Distribution payments directly from HRSA or which were transferred to them by their parent organization, the parent entity may report on the use of these General Distribution payments. This requirement stands regardless of whether the parent or the subsidiary attested to accepting the payments. The entity reporting on the funds becomes the Reporting Entity. The original Targeted Distribution recipients, regardless of whether the parent or subsidiary received the payment and regardless of whether that original recipient subsequently transferred it, becomes the Reporting Entity and must report on the use of funds in accordance with the CRRSA”

Questions Remain

- How does the Targeted Distribution recipient report on dollars it may not have used or did not use in full when those are transferred to the parent?
- Exactly what defines a “parent-subsiary” relationship for purposes of redistribution of PRF? Will this be on a tax basis (ie: consolidated 990) or legal basis or some other definition? **QUESTION ANSWERED – LEGAL BASIS**
- How does entity handle situations where it received some distributions directly but parent received others for multiple entities? **QUESTION ANSWERED – ENTITY WHICH RECEIVED FUNDING REPORTS**

HHS will still need to address many issues in guidance

Pulling It All Together: TINs Matter, Distributions Matter

- HHS has made PRF payments to Parent/Reporting TINs and Subsidiary TINs
- For organizations with multiple TINs and/or subsidiaries, need to understand how those all fit together to utilize the funds where most needed and then how to report on those funds
 - *Biggest unanswered question is still how parent/subsidiary relationship is defined*
- HHS allowed for General Distributions and Targeted distributions to be moved within a parent/subsidiary
- If moving Targeted Distributions within a parent entity, it will now be very important to understand (and communicate with) the TIN that received the targeted distribution(s) since it is responsible for reporting regardless.



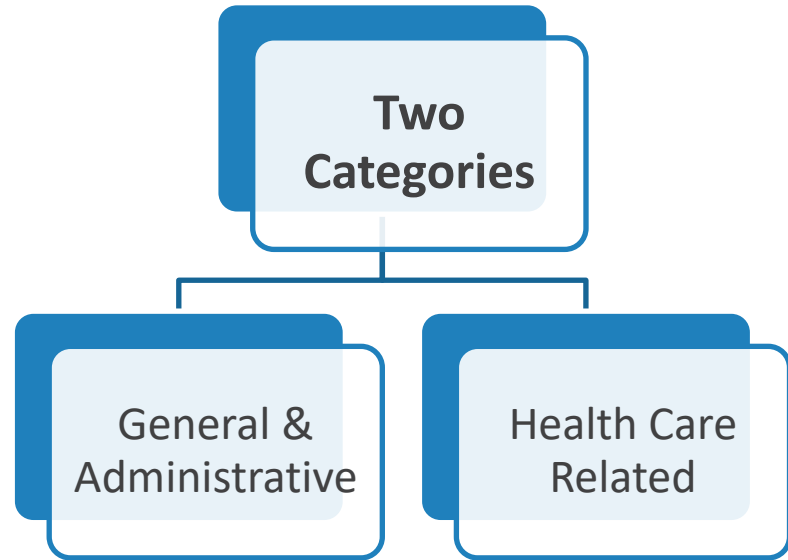
Data Element #2: *Additional Provider Payment Information*

NEW

- Interest Earned on PRF Payment
 - For Reporting Entities that held the PRF payment(s) being reported on in an interest-bearing account, the dollar value of interest earned on those PRF payment(s) must be reported. The total reportable use of PRF distributions will be inclusive of the interest earned on those PRF distributions.

Data Element #3: Healthcare Related Expenses Attributable to Coronavirus Not Reimbursed by Other Sources

“Healthcare related expenses attributable to coronavirus that another source has not reimbursed and is not obligated to reimburse, which includes General and Administrative (G&A) and/or other healthcare related expenses....”



General & Administrative

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.
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 General and Administrative Expenses	Costs not captured above that are generally considered part of overhead structure

Health Care Related Expenses

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.
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.
Any Other Healthcare Related Expense	Any other actual expenses, not previously captured above, that were paid to prevent, prepare for, or respond to the coronavirus.

Quick Look At Several COVID Expense FAQs

- Expenses need to be incremental (Oct. 28 FAQ)
- Some flexibility for parent to allocate overhead costs to subs (Oct. 28 FAQ)
- PRF payments are applied to COVID expenses after netting out other reimbursements/funds that were obligated or intended to be obligated to offset those expenses (Dec. 11 FAQ)
- Make sure to keep the salary cap of \$197,300 in mind (Oct. 28 FAQ)
- HHS provides multiple examples on how to think through expenses and other reimbursements received
- HHS much more flexible on capital expenses (Nov. 18 FAQ)
- HHS allows PRF-related taxes to be paid by PRF (Dec. 11 FAQ)

Data Element #4: Lost Revenues Attributable to COVID

HHS altered the lost revenues calculation several times between September 19 and November 2, 2020. It went from net patient care operating margin to a net patient revenues look comparing 2019 actual to 2020 actual.

With enactment of the CAA 2021, in their 1/15/21 guidance, HHS provides three options for lost revenue calculation.

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

- a. **Medicare Part A or B:** Actual revenues/net charges received from Medicare Part A or B for patient care for the calendar year.
- b. **Medicare Part C:** Actual revenues/net charges received from Medicare Part C for patient care for the calendar year.
- c. **Medicaid/Children's Health Insurance Program (CHIP):** Actual revenues/net charges received from Medicaid/CHIP for patient care for the calendar year.
- d. **Commercial Insurance:** Actual revenues/net charges from commercial payers for patient care for the calendar year.
- e. **Self-Pay (No Insurance):** 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:** Actual gross revenues/net charges from other sources received for patient care services and not included in the list above for the calendar year.

Providers will still need to report on the above on a quarterly basis

HHS Guidance on Lost Revenues Calculation Options

Current HHS Options On Lost Revenue Calculation (1/15/2021)

Additional Revenue Information

In addition to providing 2020 actual patient care revenue, Reporting Entities will need to provide additional revenue information, depending on which of the lost revenue calculation options they select:

- Reporting Entities electing to calculate lost revenues attributable to coronavirus using the difference between their 2019 and 2020 actual patient care revenue must also submit Revenue from Patient Care Payer Mix as outlined above for the 2019 calendar year (by quarter).
- Reporting Entities electing to calculate lost revenues attributable to coronavirus using the difference between their 2020 budgeted and 2020 actual patient care revenue must submit their 2020 budgeted amount of patient care revenue. Recipients must also submit: 1) a copy of their 2020 budget, which must have been approved before March 27, 2020, and 2) an attestation from the Reporting Entity's Chief Executive Officer, Chief Financial Officer, or similar responsible individual, attesting under 18 USC § 1001 that the exact budget being submitted was established and approved prior to March 27, 2020.
- Reporting Entities electing to calculate lost revenue attributable to coronavirus using an alternate methodology must submit a description of the methodology, a calculation of lost revenues attributable to coronavirus using that methodology, an explanation of why the methodology is reasonable, and a description establishing how lost revenue was in fact a loss attributable to coronavirus, as opposed to a loss caused by any other source.

“Note that if a Reporting Entity expends all of its PRF distributions on healthcare related expenses attributable to coronavirus, the Reporting Entity will still need to submit 2020 actual patient care revenue and 2019 actual patient care revenue.”

CAUTION ON OPTION 3:

*“All recipients seeking to use an alternate methodology face an **increased likelihood of an audit by HRSA**. HRSA will notify a recipient if their proposed methodology is not reasonable, including because it does not establish with a reasonable certainty that claimed lost revenues were caused by coronavirus. If HRSA determines that a recipient's proposed alternate methodology is not reasonable, the recipient must resubmit its report within 30 days of notification using either 2019 calendar year actual revenue or 2020 calendar year budgeted revenue to calculate lost revenues attributable to coronavirus.”*

Key Lost Revenue Changes From 11/2/20 Version

- Three options for lost revenue calculation to address CAA 2021
- Other assistance received (PPP, FEMA etc) is moved out of this data element and placed under a different data element
- Reporting on total expenses (using G&A, health care expense categories) has been removed
- Two options for 2021 lost revenue calculation (Jan-June)
 - Cannot exceed the difference between 2019 Q1/Q2 actual and 2021 Q1/Q2 actual revenue
 - Cannot exceed the difference between 2020 Q1/Q2 budgeted revenue and 2021 Q1/Q2 actual revenue

Quick Look At Several Lost Revenues FAQs

- PRF applied to COVID expenses first then lost revenues (Oct. 28 FAQ)
- Other assistance (FEMA, PPP etc) received is considered as operating revenues, factored into lost revenues calculation (Oct. 28 FAQ)
- Entrance fee amortization as operating revenue on financial statements is considered revenue associated with patient services (Oct. 28 FAQ)
- Settlements or third-party payments should be excluded from patient revenue payments if not connected to care provided in 2019 or 2020 (Nov. 18 FAQ)
- Fundraising losses may be included if would have been used for patient care (Dec. 4 FAQ)



Questions Remain

- Are other sources of assistance (PPP, FEMA etc) still included in the lost revenue calculation?
- For 2021 lost revenue using 2020 budgeted, is that option only available for those with approved budgets by March 27, 2020 or not?
 - If so, this means that for a variety of recipients, there will be only 1 calculation option for 2021 lost revenues

Data Element #5: Additional Data

- 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, total personnel separations by labor category.
 - Patient Metrics: Total number of patient visits (in-person or telehealth), total number of patients admitted, total number of resident patients.
 - 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, whether the related TIN was acquired or divested, providing the following data points for each relevant TIN:
 - Date of acquisition/divestiture
 - TIN(s) included in the acquisition/divestiture
 - Percent of ownership for acquisition/divestiture
 - Did/do you hold a controlling interest in this entity? (Y/N)

Data Element #5: Additional Data

Relocated (from lost revenues)	New
<p>Other Assistance Received</p> <ul style="list-style-type: none">• Treasury, SBA, PPP• FEMA• CARES Act Testing• Local, State, Tribal Government Assistance• Business Insurance• Other Assistance	<p><i>“Transfer of Targeted Distributions</i> <i>Reporting Entities that received a Targeted Distribution and are a subsidiary of a parent organization must report on the use of each Targeted Distribution received, consistent with the instructions above. However, the subsidiary’s parent organization may transfer the subsidiary’s Targeted Distribution to another subsidiary of the parent organization, to be used by that other subsidiary. The subsidiary that is the Reporting Entity must indicate the amount of any of the Targeted Distributions it received that were transferred to the parent entity. Transferred Targeted Distributions face an increased likelihood of an audit by HRSA.”</i></p>

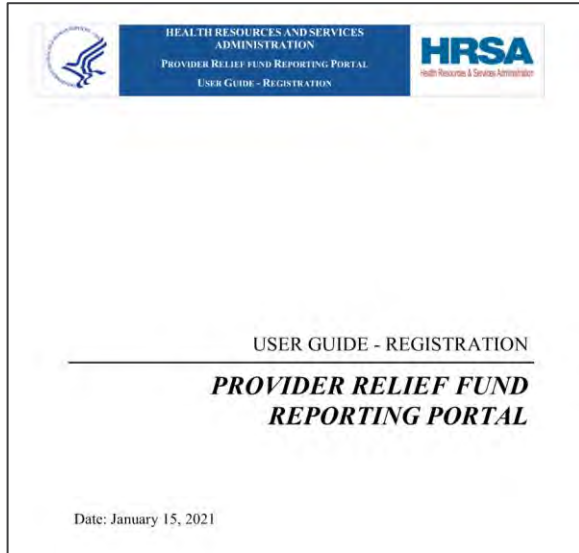
You will also still need to indicate if you are subject to single audit requirements



Questions Remain

- What is the purpose of collecting this information?
- How will HHS use this information?
- How will recipients report on divestitures/acquisitions, especially since this can impact expenses, lost revenue calculations
- Will “other assistance received” still be included as revenue in lost revenue calculation or not?

PRF Reporting Portal



<https://prfreporting.hrsa.gov/s/>

- Opened on 1/15/2021
- Registration only (no deadline to register given)
- User guide released
- Portal FAQs released

Next Steps?

- Review new reporting requirements
- Review portal, FAQs, registration user guide
- Continue preparing your reports
- Watch for additional HHS FAQs, information
- Consult legal counsel when in doubt
- Ensure you have documentation/justification for PRF decisions
- Remember there are still PRF funds yet to be distributed at some future point. Those will relate to lost revenues and expenses for CY 2020 Q3/Q4 and CY 2021 Q1
- Keep June 30, 2021 in mind as final deadline to use PRF
- **Contact CLA if we can assist; watch for our webinars, blog posts, resources**

CLA Resources



The screenshot shows the CLA website's resource page. At the top, there are navigation links: Locations, Directory, Contact Us, About Us, and Client Login. Below this is a header with 'Industries Services Resources Events Careers'. The main content area features a blue banner for 'COVID-19 Relief: Demystify Reporting Requirements' with an image of two business professionals. To the left is a 'Health Care Innovation and Insight Blog' section with a 'Read the Latest' button. Below the main banner, there is a paragraph of text and a 'SHARE' button with social media icons for LinkedIn, Facebook, Twitter, and Email.

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND CONSULTING

Health Care
Innovation and
Insight Blog

Read the Latest

**COVID-19 Relief:
Demystify Reporting
Requirements**

Meet your regulatory, tax, and single audit reporting requirements with CLA's synchronized approach. COVID-19 continues to create many uncertainties for organizations. If you've received federal or state funding, CLA can help you navigate the complex and continuously changing reporting requirements. A coordinated approach to documenting funds received and funds expended is critical in order to meet all the regulatory, tax, and single audit reporting requirements.

CLA can help clear the uncertainties

Our tailored approach covers all regulatory programs to simplify processes

SHARE

Provider Relief Funds (PRF) Reporting and Compliance

Understand compliance guidelines, gain clarity on filing requirements, obtain helpful tools, and gain confidence knowing that you're working with a resource that is keeping up with everchanging guidance.

Single Audit Readiness and Assistance

Receive meaningful guidance on single/grant audit requirements and get help preparing or even have CLA provide your single audit for your organization. *Experience counts: CLA performs almost 1,100 single audits annually – more than any other firm in the country.*

Paycheck Protection Program (PPP) and Forgiveness

Identify ways to access the next round of PPP and complete PPP forgiveness applications.

Tax Planning

Navigate the current and long-term tax implications brought by COVID-19 relief funding.

<https://www.claconnect.com/general/covid19-relief-demystify-reporting-requirements-form>



Health Care Innovation and Insight | HI²

<http://blogs.claconnect.com/healthcareinnovation>



Create Opportunities

Questions

Sean Morrison, CPA
Principal – Health Care
sean.morrison@CLAconnect.com
617-984-8185



[CLAconnect.com](https://www.claconnect.com)



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

©2021 CliftonLarsonAllen LLP

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor