

Provider Relief Fund Reporting Requirements

On September 19, 2020, the Health Resources and Services Administration (HRSA) issued the long-awaited reporting requirements ([the Notice](#)) for recipients of general and targeted distributions from the Provider Relief Fund (PRF). The Notice provides more detailed information on the available uses of the distributed funds and the necessary reporting that will be required from recipients.

There are two categories for which the funds can be used: healthcare-related expenses attributable to coronavirus that have not been, and are not obligated to be, reimbursed from another source; and, lost revenues. While these two categories are not new to recipients, the detail provided for each category and the manner of calculation is new.

Healthcare-related expenses include both general and administrative expenses and actual healthcare-related expenses attributable to coronavirus. The specific items that can be included in each category (provided they are in excess of what has been reimbursed by other sources) are as follows:

General and Administrative Expenses

- Mortgage/rent
- Insurance
- Personnel costs
- Fringe benefits
- Lease payments
- Utilities/operations
- Other costs generally considered overhead

Healthcare Related Expenses

- Supplies (i.e. PPE, hand sanitizer)
- Equipment (i.e. ventilators, HVAC systems)
- IT (i.e. telehealth, teleworking)
- Facilities (expenses to accommodate patient treatment)
- Other costs paid to prevent, prepare for, and respond to coronavirus

If the PRF funds cannot be fully allocated to the above expenses, a recipient may allocate such amounts to lost revenues, which prior to the issuance of the Notice were ambiguous. Now, lost revenues must be represented as a negative change in patient care operating income from 2019 to 2020, less any of the healthcare-related expenses set forth above that have already been taken into consideration.

In addition to providing the above detail on the appropriate expense and revenue calculation, the Notice also outlined the data information that will be necessary for any report. First, a recipient must provide their demographic information to include name, tax identification number, fiscal year-end and federal tax classification. Then, the expenses attributable to coronavirus must be provided. For recipients that received less than \$500,000, the two categories above can be aggregated. However, for recipients that received more than \$500,000, the expenses must be broken down to the indicated subcategories.

If the expenses do not account for the full amount of the PRF funds, then lost revenues should be detailed. Lost revenue will be patient care-related-revenue (broken down by payor mix) and compared from 2019 to 2020 represented as the negative change in net operating income. Finally, there will be some nonfinancial data that will be collected based on the recipient entity.

The reporting system will be opened on January 15, 2021 and the first reporting deadline is February 15, 2021. Then, any recipient that did not fully expend funds by December 31, 2020 must complete a second and final report by July 31, 2021. HRSA is planning to provide updates and issue frequently asked questions to continue to assist with the reporting process. As applicable information is released, updates to this memo will be provided.

At this time, all recipients should begin to gather the necessary financial information so they can adequately account for the use of PRF funds and report by the deadline.

If you have any questions regarding the Notice or anything else related to PRF, please contact [Samuel P. Burgess](#) or the attorney in the firm with whom you are regularly in contact.



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