



LeadingAge Ohio

Updates & Overview of HHS PRF Changes

June 29, 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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

Agenda Today

- Quick recap of changes
- New timeframes for using Provider Relief Funds (PRF)
- New reporting deadlines
- New/modified PRF FAQs released
- Revised Reporting Registration Guide for Updated Portal
- Single Audit changes and updates
- Next steps – What you should do now
- **Sigh* - Take a deep breath!*



Provider Relief Fund Changes

4 reporting periods created. These are based on actual date provider receives a PRF distribution

Deadline to use funds based on the time period 1-4. This is also called the “period of availability.”

At the end of “period of availability,” providers have 90 days to complete reporting

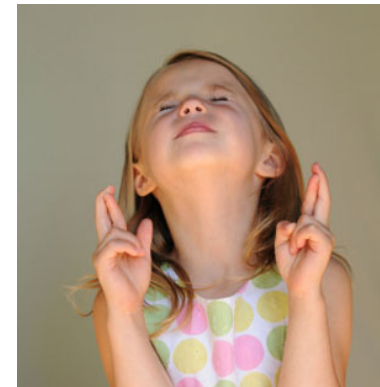


	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Deadline to Use Funds	Reporting Time Period
Period 1	From April 10, 2020 to June 30, 2020	June 30, 2021	July 1 to September 30, 2021
Period 2	From July 1, 2020 to December 31, 2020	December 31, 2021	January 1 to March 31, 2022
Period 3	From January 1, 2021 to June 30, 2021	June 30, 2022	July 1 to September 30, 2022
Period 4	From July 1, 2021 to December 31, 2021	December 31, 2022	January 1 to March 31, 2023



Take-Aways from New Deadlines

- Date of PRF receipt dictates time period for use, reporting.
- Depending on how many PRF distributions received, you may have to report in 1, 2, 3, or even 4 reporting periods
- For PRF payments received during Period 1 (April-June 2020), these must all be used by June 30, 2021 (one day away)
- HHS indicates portal will open by July 1



6 Steps For Reporting (in order)

1. Interest earned on PRF
2. Other assistance received
3. **Nursing Home Infection Control Distribution** on expenses
4. Use of General and Targeted Distributions on expenses
5. Net unreimbursed expenses attributable to COVID
6. Lost revenues

There is uncertainty with how this process will actually work and whether there is interplay between 2, 4, 5, 6 in the current reporting period and/or if there is some roll over into subsequent reporting periods.

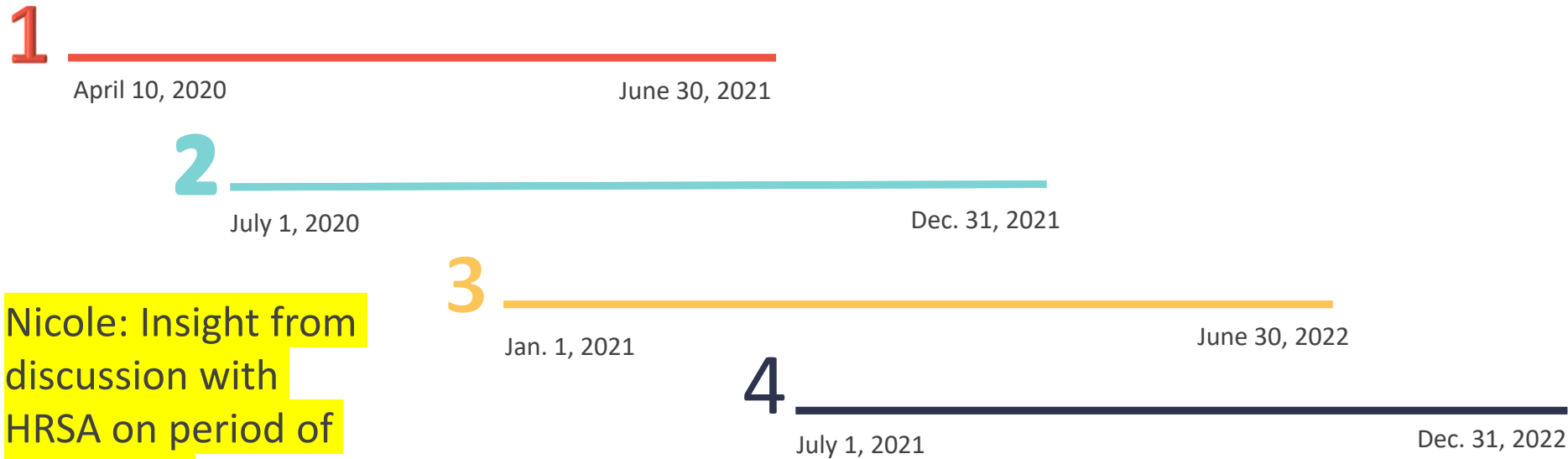


6 Steps For Reporting (Con't)

- Reporting entities will report on their use of funds using their normal basis of accounting (e.g. cash basis, accrual basis)
- The reporting requirements outlined apply to all past and future PRF receipts received



Visual: Reporting Periods/Period of Availability



Nicole: Insight from discussion with HRSA on period of availability

	2020									2021									2022																		
PERIOD 1	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June																						
PERIOD 2				July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec																
PERIOD 3										Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June										
PERIOD 4																July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec				



12 Data Elements

1. Reporting entity overview
2. Subsidiary questionnaire
3. Acquired, divested subsidiaries
4. Interest earned on PRF payments
5. Tax and single audit information
6. Other assistance received
7. Use of SNF Infection Control Payment
8. Use of General/Targeted Payment
9. Net unreimbursed expenses attributable to COVID
10. Lost revenues attributable to COVID
11. Personnel, patient, facility metrics
12. Survey



New/Modified FAQs - Documentation

How does a Reporting Entity determine whether an expense is eligible for reimbursement through the Provider Relief Fund? (Added 6/11/2021)

To be considered an allowable expense under the Provider Relief Fund, the expense must be used to prevent, prepare for, and respond to coronavirus. Provider Relief Fund payments may also be used for lost revenues attributable to the coronavirus. Reporting Entities are required to maintain adequate documentation to substantiate that these funds were used for health care-related expenses or lost revenues attributable to coronavirus, and that those expenses or losses were not reimbursed from other sources and other sources were not obligated to reimburse them. The burden of proof is on the Reporting Entity to ensure that adequate documentation is maintained.



New/Modified FAQs – Marginal Increases

How do I determine if expenses should be considered “expenses attributable to coronavirus not reimbursed by other sources?” (Modified 6/11/2021)

Expenses attributable to coronavirus may include items such as supplies, equipment, information technology, facilities, personnel, and other health care-related costs/expenses for the period of availability. The classification of items into categories should align with how Provider Relief Fund payment recipients maintain their records. Providers can identify their expenses attributable to coronavirus, and then offset any amounts received through other sources, such as direct patient billing, commercial insurance, Medicare/Medicaid/Children’s Health Insurance Program (CHIP); other funds received from the federal government, including the Federal Emergency Management Agency (FEMA); the Provider Relief Fund COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured (Uninsured Program); the COVID-19 Coverage Assistance Fund (CAF); and the Small Business Administration (SBA) and Department of the Treasury’s Paycheck Protection Program (PPP). Provider Relief Fund payments may be applied to the remaining expenses or costs, after netting the other funds received or obligated to be received which offset those expenses. The Provider Relief Fund permits reimbursement of marginal increased expenses related to coronavirus provided those expenses have not been reimbursed from other sources or that other sources are not obligated to reimburse.



New/Modified FAQs – Change in Ownership

Who is responsible for reporting use-of-funds in the event of a change of ownership after receipt of a Provider Relief Fund payment? (Modified 6/11/2021)

In the case of a change in ownership after receipt of a Provider Relief Fund payment, the responsibility for reporting in the Provider Relief Fund Reporting Portal is dependent on whether funds were from the General or Targeted Distribution.

Note:

Consult if you did have a Change in Ownership as this can be complex in how to report and reporting requirements



Reporting: Parent and Subsidiaries

- **Parent entity may report on its subsidiaries' General Distribution** payments regardless of whether the subsidiary TINs received the General Distribution payments directly from HRSA or whether General Distribution payments were transferred to them by the parent entity. The parent entity may report on these General Distribution payments regardless of whether the parent or the subsidiary attested to the Terms and Conditions.
- **The original recipient of a Targeted Distribution payment is ALWAYS the Reporting Entity**
- **Parent entity may not report on its subsidiaries' Targeted Distribution** payments. The original recipient of a Targeted Distribution must report on the use of funds in accordance with the CRRSA Act. This is required regardless of whether the parent or subsidiary received the payment or whether that original recipient subsequently transferred the payment.
- A Reporting Entity that is a subsidiary must indicate the payment amount of any of the Targeted Distributions it received that were transferred to/by the parent entity, if applicable.



Reporting Guidelines
(June 11, 2021)

©2021 CliftonLarsonAllen LLP





Lingering questions & uncertainties

Updated PRF reporting based on June 2021 updates

WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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

Questions we have??

HHS Guidance:

Provider Relief Fund recipients must only use payments for eligible expenses, including services rendered, and lost revenues attributable to coronavirus before the deadline that corresponds to the **relevant Payment Received Period**.

These deadlines are based on the date the payments are received, as indicated in the table below – **all funds will be available for at least 12 months and a maximum of 18 months**. The payment is considered received on the deposit date for automated clearing house (ACH) payments or the check cashed date. **Providers must follow their basis of accounting** (e.g., cash, accrual, or modified accrual) **to determine expenses**.

CLA Questions:

Does unreimbursed lost revenue carry forward to future reporting periods (i.e. from period 1 to period 2?), or is it finished at the end of the reporting period?

- **Example:**
 - Phase 3 General Distribution application process opened in ~ September of 2020, and providers were paid based on their “COVID losses”; calculated by comparing Q1 & Q2 of 2020 revenues and expenses to 2019.
 - Under the reporting guidance, Q1 & Q2 of 2020 fall into the first reporting period from April 2020 to June 30 2021.
 - PRF payments for Phase 3 didn’t start coming out until ~ October of 2020, and still being disbursed through May of 2021.
 - This creates an inherent mismatch of timing for reporting lost revenues; receipt of PRF payments landing in reporting period 2 or 3, but based on financial impact from reporting period 1.



Questions we have??

HHS Guidance:

Net Unreimbursed Expenses Attributable to Coronavirus

The Reporting Entity **will report on unreimbursed expenses** attributable to coronavirus (**net after other assistance received and PRF payments are applied**) by quarter for the period of availability, broken out as General and Administrative and/or other Health Care-Related Expenses.

Other Assistance Received

The Reporting Entity must enter other assistance received **by quarter during** the period of availability. If the Reporting Entity is reporting on behalf of subsidiaries, the assistance received for each category must be aggregated across each of the subsidiaries included in the report.

- a. Department of the Treasury (Treasury) and/or **Small Business Administration (SBA)** Assistance
- b. Federal Emergency Management Agency (FEMA) Programs
- c. HHS CARES Act Testing
- d. Local, State, and Tribal Government Assistance
- e. Business Insurance
- f. Other Assistance

CLA Questions:

Will “Other Assistance Received” be used to offset lost revenue in situations where the assistance received exceeds identified COVID expenses, resulting assistance being greater than COVID expenses?



Questions we have??

HHS Guidance:

Lost Revenues Reimbursement

PRF payment amounts (excluding Nursing Home Infection Control Distribution payments) not fully expended on health care-related expenses attributable to coronavirus may then be applied to patient care lost revenues, if applicable. Recipients may choose to apply PRF payments toward lost revenues using one of three options, **up to the amount**:

Option i: **of the difference between actual patient care revenues;**

Option ii: of the difference between budgeted (prior to March 27, 2020) and actual patient care revenues.

Option iii: **calculated by any reasonable method of estimating revenues.**

CLA Questions:

What is the baseline for comparing revenues in 2020 under Option i and iii? CLA is assuming it is 2019, but the updated HHS guidance never specifies this.



Questions we have??

HHS Guidance:

Steps for Reporting on Use of Funds

Reporting entities will report on their **use of funds** using their **normal basis of accounting** (e.g. cash basis, accrual basis). Reporting Entities will submit consolidated reports.

CLA Questions:

If Provider can demonstrate COVID expenses and lost revenue sufficient to cover PRF received, but haven't fully recognized the PRF payments as revenue at the reporting due date, are they are risk for payback of PRF to HHS?

- Example:
 - Provider receives \$5M in PRF during April 10, 2020 through June 30, 2020.
 - Provider illustrates \$500K of COVID expenses, and \$7M of lost revenue, plus \$1M of Other Assistance Received.
 - Provider has fully offset COVID expenses with \$500K of the \$1M of Other Assistance Received, and recognized this \$500K as revenue, leaving unrecognized Other Assistance of \$500K.
 - Provider has recognized \$3M of the \$5M of PRF received to offset a portion of the \$7M of lost revenue, but deferred revenue recognition of the remaining \$2M due to ongoing lost revenue.
 - If provider has the \$2M in a deferred revenue account at June 30, 2021, will HHS deem the provider as not having "used" the PRF funds, and therefore ask for repayment?



Questions we have??

HHS Guidance:

Personnel, Patient, and Facility Metrics

Reporting Entities will report on the following personnel, patient, and facility metrics by quarter for CY 2019 through the current period of availability.

- a. Personnel Metrics:** Total number of clinical and non-clinical personnel by labor category (full time, part time, contract, furloughed, separated, hired).
- b. Patient Metrics:** Total number of inpatient admissions, outpatient visits (in-person and virtual), emergency department visits, and facility stays (for long-term and short-term residential facilities).
- c. Facility Metrics:** Total number of staffed beds for medical/surgical, critical care, and other.

Survey

Reporting entities will answer questions regarding the impact of payments during the period of availability in the following categories.

- a. Overall operations**
- b. Maintenance of solvency and prevention of bankruptcy**
- c. Retention of staff and prevention of furlough**
- d. Re-hire or re-activation of staff from furlough**
- e. Facilitation of changes needed to operate during the pandemic**
- f. Ability to care for and/or treat patients with COVID-19 (for applicable treatment facilities)**
- g. Impact on business or patient services (narrative statement) *[optional]***

CLA Questions:

Is this required for general information gathering, or will it be used in some calculation or formula to determine “reasonable” of either use of or payments received from the PRF (or both)?



Questions we have??

HHS Guidance:

General and Administrative Expenses Attributable to Coronavirus

c. Personnel: Workforce-related actual expenses paid to prevent, prepare for, or respond to coronavirus during the reporting period, such as workforce training, staffing, temporary employee or contractor payroll, overhead employees, or security personnel.

d. Fringe Benefits: Extra benefits supplementing an employee's salary, which may include hazard pay, travel reimbursement, and employee health insurance.

CLA Questions:

Aren't "COVID expenses", specified as the "incremental" expenses incurred due to COVID?





PRF Portal

Key insights into portal registration

WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

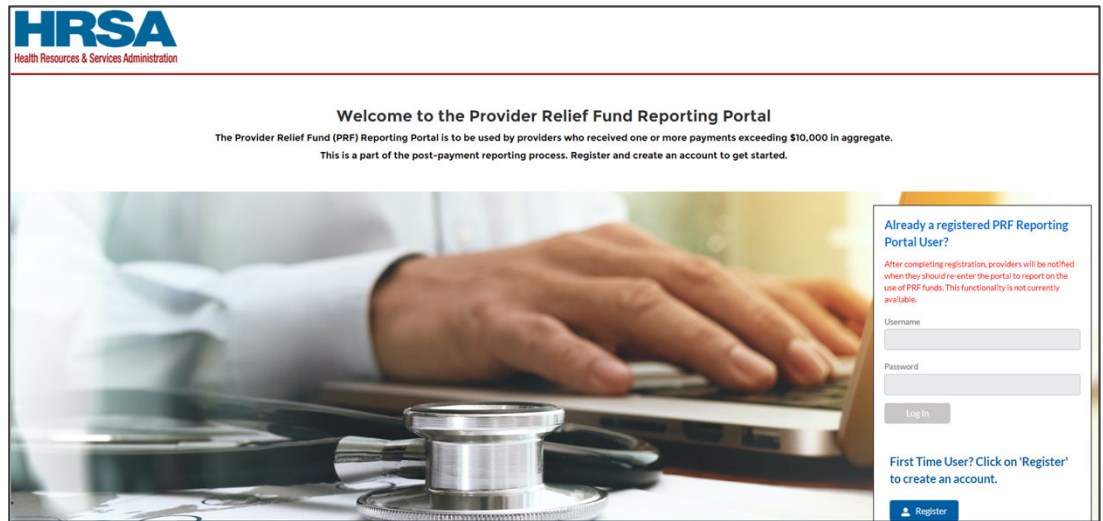
Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor

PRF Reporting Portal

Client Tip

Make sure Providers understand this is a completely new portal

Any other previous portal registrations are different portals; that information does not carry over to the Reporting Portal



- Opened on 1/15/2021
- Registration only
- User guide released (updated on 06/11/2021)
- Portal FAQs released (updated on 06/11/2021)

Reporting Portal: Helpful Insights

- Reporting requires a two-step process:
 - Step 1: Register as users
 - Step 2: Complete reporting on the use of PRF fund
 - Website: <https://prfreporting.hrsa.gov>
- The functionality necessary to complete Step 2 is not yet available, once registered providers will receive notification when it is.
- HHS estimates registration will take **20 minutes** - must be **completed in one session** (there is **no “save” function** to come back at a later time, so assemble everything you need before you begin to register)




Reporting Portal: Navigation Tips

1. Once registered, will need username and password used in setup to complete reporting.
2. When registering for the first time, click on the blue box to complete.
3. Helpful links to various guidance released by HHS.
4. Once completed will receive a confirmation email from PRFReporting-NoReply@hrsa.gov

Provider Relief Fund (PRF) Reporting Portal is only compatible with the most current stable version of Edge, Chrome and Mozilla Firefox.

Health and Human Services
HRSA
Health Resources & Services Administration

Welcome to the Provider Relief Fund Reporting Portal
The Provider Relief Fund (PRF) Reporting Portal is to be used by providers who received one or more payments exceeding \$10,000 in aggregate. This is a part of the payment reporting process. Register and create an account to get started.



1 Already a registered PRF Reporting Portal User?
After completing registration, providers will be notified when they should re-enter the portal to report on the use of PRF funds. This functionality is not currently available.
Username:
Password:

2 First Time User? Click on 'Register' to create an account.

3 Resources:

PRF Resources and Key Links	PRF Reporting Portal Resources
Reporting and Auditing Requirements	Portal FAQs
Frequently Asked Questions (FAQs)	Registration User Guide
Terms and Conditions	
General Information	

Client Tip: Should I Register?

One TIN, One Or More Distributions

- Yes, there is no reason not to have clients register if there is only one TIN.
- Even if the client received more than one PRF distribution – either General Targeted or both – that TIN will be the Reporting Entity regardless.



Client Tip: Should I Register?

Multiple TINs, Multiple Distributions

If your client has a parent TIN with subsidiary TINs, here is a suggested approach to registering:

- Register any subsidiary TINs that received a “Targeted Distribution” since these will always be a Reporting Entity
- Register the Parent TIN
 - If the Parent TIN wants to report on one or more subsidiary TINs’ General Distributions, indicate “yes” when registering (it’s a yes/no question).
 - If org structure is very complicated, simply input one or two subsidiary TINs (see FAQs at right)

21. What if I realize after I submit my registration that I did not submit subsidiary Tax Identification Numbers (TIN)s for all of the subsidiaries on whose behalf I will report?

You will be able to update your list of subsidiary TINs when you return to the portal to report on the use of funds.

22. I am a parent reporting on behalf of many subsidiaries. Do I need to submit payment information for each of these subsidiaries during the registration process?

A parent reporting on behalf of many subsidiaries will only be required to submit payment data for one of the payments made to their own Tax Identification Number (TIN) or a subsidiary TIN. The payment information is only used for identity verification purposes.

“You will be able to update your list of subsidiary TINs when you return to the portal to report on the use of funds.”

Source: PRF Portal FAQs





What updates do we know about Single Audits on PRF

Updated PRF reporting based on June 2021 updates

WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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

Single Audit Insights

Draft compliance supplement for PRF (CFDA 93.498) released in June

- **The draft compliance supplement is subject to change**
- Potential compliance areas remain consistent with 2020 compliance supplement
 - A/B – Activities allowed or unallowed/Allowable Costs
 - L – Reporting – consists mainly testing reporting to HHS portal
 - N – Special Tests and Provisions - NEW - currently proposed testing of one additional provision
- Address single audit timing requirements based on HHS periods of reporting



Single Audit Insights

- Many proposed changes and clarification requests submitted to HHS on the draft compliance supplement
- Potential concerns and changes
 - Confusion on lost revenue calculations and allowable expenses from HHS FAQs also impacts single audit testing
 - Single audit timing requirements are based on HHS reporting periods, but don't address all year ends
 - Single audit periods may result in multiple single audits
 - Proposed special tests and provisions require clarifications



Single Audit Insights

- Potential concerns and changes (cont.)
 - The current compliance supplement does not address all HHS reporting periods as they cross multiple years. Future reporting periods will be subject to future compliance supplements
 - The initial period for PRF awards subject to single audit is not consistent with single audit periods under the existing compliance supplement.
- The 2020 compliance supplement addendum applies unless changed by the 2021 compliance supplement
- PRF is currently subject to single audit for 12/31/20-6/29/21 YE's but will this change?
- 12/31/20-6/29/21 single audits with material PRF awards cannot be released yet - IMPACT for HUD Projects





Next Steps

WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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

What Can Providers Do Now?

- Gather data and prepare it to be input beginning July 1, 2021
 - Organizational data, including subsidiary TINs, if any
 - Summary of acquired or divested TINs, including dates of transactions, if any
 - Quantify interest earned, if any, on PRF funds
 - Summarize “Other Assistance Received” by quarter
 - Identify dates and (exact) dollar amounts of PRF payments to understand what period to report to HRSA in
 - Separate PRF payments into General Distributions & Targeted Distributions (i.e. SNF Infection Control, Rural Hospital, etc.)
 - Personnel, patient, & facility metrics
- Summarize COVID expenses and gather supporting documentation
- Evaluate lost revenue calculations among the 3 different options and prepared supporting documentation



Resources

- HHS/PRF links
 - HHS [Press Release](#) Announcement
 - HHS PRF [Revised Reporting Guidance](#)
 - HHS [PRF Revised FAQs](#)
 - HHS Reporting [Portal Revised FAQs](#)
 - HHS Reporting Portal [Revised Registration Guide](#)



National LeadingAge Webinar

LeadingAge national webinar entitled, “Complying with New Provider Relief Fund Reporting Requirements” and will be presented by Jennifer Boese and Sean Morrison from CLA.

- Tuesday, July 27
- 2-3:30p ET
- To Register, click [here](#)



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.



THANK YOU!!

Chad D. Kunze, CPA

Principal

630-954-8166

Chad.Kunze@claconnect.com

Nicole O. Fallon

VP, Health Policy & Integrated Services

LeadingAge Director, Center for Managed

Care Solutions & Innovations

LeadingAge

202-508-9435

nfallon@LeadingAge.org

CLAconnect.com



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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