

If a provider returns a Provider Relief Fund payment to HHS, must it also return any accrued interest on the payment? (Added 10/28/2020)

Yes, for Provider Relief Fund payments that were held in an interest-bearing account, the provider must return the accrued interest associated with the amount being returned to HHS. However, if the funds were not held in an interest-bearing account, there is no obligation for the provider to return any additional amount other than the Provider Relief fund payment being returned to HHS. HHS reserves the right to audit Provider Relief Fund recipients in the future to ensure that payments that were held in an interest-bearing account were subsequently returned with accrued interest.

Can Provider Relief Fund payments be used to support COVID-19 vaccine distribution? (Added 10/28/2020)

Yes. Provider Relief Fund payments may be used to support distribution of a COVID-19 vaccine licensed or approved by the Food and Drug Administration (FDA). Funds may also be used ahead of an FDA-licensed or approved vaccine becoming available. This may include using funds to purchase additional refrigerators, personnel costs to provide vaccinations, and acquiring doses of a vaccine (including transportation costs not otherwise reimbursed).

Can Provider Relief Funds be used to pay for vaccination, including doses and administration fees, for Medicare, Medicaid, or CHIP beneficiaries? (Added 10/28/2020)

No. In line with the Terms and Conditions, funds may not be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are *obligated* to reimburse, which includes, but is not limited to, Medicare, Medicaid, and CHIP.

What is included in use of funds for salaries and employee compensation? (Added 10/28/2020)

Direct employee (full and part-time), contract labor, and temporary worker expenses are eligible expenses provided they are not reimbursed from other sources, or only the incremental unreimbursed amounts are claimed.

The Terms and Conditions associated with each Provider Relief Fund payment do not permit recipients to use Provider Relief Fund money to pay salaries 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 Provider Relief Fund payments and other HHS awards. An organization receiving Provider Relief Fund payments may pay an individual's salary amount in excess of the salary cap with non-federal funds.

An example of how this Executive Level II Salary cap is applied to aggregated personnel expenses is shown below. Reimbursement from other sources is applied in Step Two. Providers should apply reasonable assumptions when estimating the portion of personnel costs that are reimbursed from other sources.

Step One

Personnel Category	Number of Personnel	Personnel Expenses	Personnel Expenses (Below Salary Cap)	Ineligible for Federal Reimbursement
Medical Director	1	\$250,000	\$197,300	\$52,700
Registered Nurses	25	\$1,250,000	\$1,250,000	0
Security	2	\$80,000	\$80,000	0
	28	\$1,580,000	\$1,527,300	\$52,700

Step Two

Personnel Expenses (Below Salary Cap)	Less FEMA Reimbursement	Less Reimbursement from other sources	Eligible Personnel Expenses
\$1,527,300	\$(50,000)	\$(1,000,000)	\$477,300

Are fringe benefits for both patient care staff and General and Administrative (G&A) staff considered Provider Relief Fund eligible expenses under the “expenses attributable to coronavirus not reimbursed by other sources”? (Added 10/28/2020)

Yes, fringe benefits associated with both types of personnel may be eligible if not reimbursed by other sources.

When reporting my organization’s healthcare expenses attributable to coronavirus, how do I calculate the “expenses attributable to coronavirus not reimbursed by other sources”? (Added 10/28/2020)

Healthcare related expenses attributable to coronavirus may include items such as supplies, equipment, information technology, facilities, employees, and other healthcare related costs/expenses for the calendar year. The classification of items into categories should align with how Provider Relief Fund recipients maintain their records.

Providers can identify their healthcare related expenses, and then apply any amounts received through other sources, such as direct patient billing, commercial insurance Medicare/Medicaid/Children’s Health Insurance Program (CHIP), or other funds received from 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, and the Small Business Administration (SBA) and Department of Treasury’s Paycheck Protection Program (PPP) that offset the healthcare related expenses. Provider Relief Fund payments may be applied to the remaining expenses or cost, after netting the other funds received or anticipated to offset those expenses.

The Provider Relief Fund permits reimbursement of marginal increased expenses related to coronavirus. For example, assume the following:

A \$5 increase in expense or cost to provide an office visit is calculated by pre-pandemic cost vs. post-pandemic cost, regardless of reimbursement source:

- Pre-pandemic average expense or cost to provide an office visit = \$80
- Post-pandemic average expense or cost to provide an office visit = \$85

Examples of reimbursed amounts may include, but not be limited to:

Example 1

Medicaid reimbursement: \$70 (Report $\$85 - \$80 = \$5$ as expense attributable to coronavirus but unreimbursed by other sources)

Example 2

Medicare reimbursement: \$80 (Report $\$85 - \$80 = \$5$ as expense attributable to coronavirus but unreimbursed by other sources)

Example 3

Commercial Insurance reimbursement: \$85 (Report \$5, commercial insurer did not reimburse for \$5 increased cost of post-pandemic office visit)

Example 4

Commercial Insurance reimbursement: $\$85 + \5 insurer supplemental coronavirus related reimbursement (Report zero since insurer reimbursed for \$5 increased cost of post-pandemic office visit)

Example 5

COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured: \$80 (Report \$5 as expense attributable to coronavirus but unreimbursed by other sources)

When reporting my organization's G&A expenses attributable to coronavirus, how do I calculate the "expenses attributable to coronavirus not reimbursed by other sources"? (Added 10/28/2020)

Providers should calculate incremental G&A expenses incurred that were attributable to coronavirus and then estimate the portion of those expenses that were not covered through operational revenues, other direct assistance, donations or other sources.

Examples may include expenses such as:

Hiring additional security personnel, increased hazard pay, increased cost of utilities to operate temporary facilities, or similar items attributable to the coronavirus that were not normally incurred.

When reporting my organization's other healthcare related expenses attributable to coronavirus, how do I calculate the "expenses attributable to coronavirus not reimbursed by other sources"? (Added 10/28/2020)

Providers first calculate their expenses for supplies, equipment, IT, facilities, employees, and other healthcare related costs/expenses for calendar years 2019 and 2020, calculate the change in year over year expenses and identify the portion that is attributable to coronavirus. Provider will then apply reasonable assumptions to determine the amount of their "Total Revenue /Net Charges from Patient Care Related Sources" and "Other Assistance Received" that applies to each type of healthcare expense attributable to coronavirus.

For example:

PPE Supplies in 2019 = \$1,000

PPE supplies in 2020 = \$4,000

$\$4,000 - \$1,000 = \$3,000$ in expenses over and above normal operations attributable to coronavirus

Of that \$3,000, approximately \$2,500 was attributable to coronavirus, and of that \$2,500 approximately \$1,000 was reimbursed, leaving a balance of \$1,500 in unreimbursed healthcare related expenses attributable to coronavirus.

Do providers report total purchase price of capital equipment or only the depreciated value? (Added 10/28/2020)

Providers who use accrual or cash basis accounting may report the relevant depreciation amount based on the equipment useful life, purchase price and depreciation methodology otherwise applied.

Providers may report an expense for items purchased with a useful life of 12 months or less if in accordance with their existing accounting policies.

Can providers allocate parent overhead costs to the entities that received CARES Act Provider Relief Funds? (Added 10/28/2020)

Yes, providers that already have a cost allocation methodology in place, may allocate normal and reasonable overhead costs to their subsidiaries which may be an eligible expense if attributable to coronavirus and not reimbursed from other sources.

When reporting use of funds, how will my organization's "lost revenues attributable to coronavirus" be calculated? (Added 10/28/2020)

Lost revenues attributable to coronavirus are calculated based upon a calendar year comparison of 2019 to 2020 actual revenue/net charges from patient care (prior to netting with expenses). The amount of lost revenues eligible for reimbursement through the Provider Relief Fund is capped at the change in 2019 to 2020 actual revenue from patient care related sources, less the Provider Relief Fund amount used to cover healthcare expenses attributable to coronavirus not reimbursed by other sources.

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 and expenses for January 1–June 30, 2021.

Note: Reported patient care revenue is net of uncollectible patient service revenue recognized as bad debts.

What is the maximum allotment of my organization's Provider Relief Fund amount that can be allocated to lost revenue in 2020? (Added 10/28/2020)

Unreimbursed expenses attributable to coronavirus are considered first in the overall use of funds calculation. Provider Relief Fund payment amounts not fully expended on unreimbursed healthcare related expenses attributable to coronavirus are then applied to lost revenues for 2020, which is capped at the change in 2019 to 2020 actual revenue from patient care (i.e., patient care revenue in 2019 less patient care revenue in 2020).

Recipients that reported increased revenue from patient care in 2020 as compared to 2019, are eligible to use Provider Relief Fund payments toward expenses attributable to coronavirus not reimbursed by other sources, however, they would not be considered to have lost revenues attributable to coronavirus for the initial reporting period.

Is interest earned on Provider Relief Fund funds considered a reportable revenue source to HHS? (Added 10/28/2020)

Yes, if funds were held in an interest-bearing account. Interest earned would then be reported in "Other Assistance." If interest is earned on Provider Relief Fund disbursements that the Reporting Entity expended in full, the interest amounts may be retained and applied toward a reportable use of funds.

If interest is earned on funds that are only partially expended, the interest on remaining unused funds must be calculated, reported and returned if not applied to a permissible use of funds.

Can I use 2020 budgeted revenues as a basis for reporting lost revenues? (Added 10/28/2020)

No. When reporting use of Provider Relief Fund money toward lost revenues attributable to coronavirus, Reporting Entities must report actual patient care revenues and expenses for 2019 and 2020, to allow for a year-over-year calculation of change in revenue. In cases where funds are not fully expended by December 31, 2020, the Reporting Entity must report actuals from January 1-June 30, 2021 to be compared against the same six-month period in 2019.

How does “other assistance received” factor into my reported expenses? (Added 10/28/2020)

Other assistance received is reported as operating revenue and used in the calculation of year over-year change in patient care related revenue.

What is considered when calculating “Total Revenue/Net Charges?” (Added 10/28/2020)

Revenue from Patient Care Payer Mix (2019 and 2020, and for some recipients, 2021 where applicable):

- 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 received 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.
- Note: All sources of patient care revenue should be reported net of uncollectible patient service revenue recognized as bad debts.

How does cost reimbursement relate to my Provider Relief Fund payment? (Added 10/28/2020)

Recipient must follow CMS instructions for completion of cost reports. Under cost reimbursement, the payer agrees to reimburse the provider for the costs incurred in providing services to the insured population. In these instances, if the full cost was reimbursed based upon this method, there is nothing eligible to report as an expense attributable to coronavirus because the expense was fully reimbursed by another source. In cases where a ceiling is applied to the cost reimbursement and the reimbursed amount does not fully cover the actual cost due to unanticipated increases in providing care attributable to coronavirus, those incremental costs that were not reimbursed are eligible for reimbursement under the Provider Relief Fund

What are the documentation retention requirements for the Provider Relief Fund? (Added 10/28/2020)

Providers need to retain original documentation for three years after the date of submission of the final expenditure report, in accordance with 2 CFR 200.333.