

Healthcare Law Alert: HHS Issues Guidance on Eligible Expenses and Lost Revenues to be Reimbursed with Provider Relief Funds

June 3, 2020 – HHS has issued guidance to clarify what expenses or lost revenues are considered eligible for reimbursement with the Provider Relief funds. The Terms and Conditions for the Provider Relief funds state that “The Recipient certifies that the Payment will only be used to prevent, prepare for, and respond to coronavirus, and that the Payment shall reimburse the Recipient only for health care related expenses or lost revenues that are attributable to coronavirus.”

HHS explains that “*health care related expenses attributable to coronavirus*” is a broad term that may cover a range of items and services purchased to prevent, prepare for, and respond to coronavirus, including the following:

- Supplies used to provide healthcare services for possible or actual COVID-19 patients;
- Equipment used to provide healthcare services for possible or actual COVID-19 patients;
- Workforce training;
- Developing and staffing emergency operation centers;
- Reporting COVID-19 test results to federal, state, or local governments;
- Building or constructing temporary structures to expand capacity for COVID-19 patient care or to provide healthcare services to non-COVID-19 patients in a separate area from where COVID-19 patients are being treated; and
- Acquiring additional resources, including facilities, equipment, supplies, healthcare practices, staffing, and technology to expand or preserve care delivery.

With respect to “*lost revenues that are attributable to coronavirus*,” HHS clarifies that this means any revenue that a healthcare provider lost due to coronavirus, including revenue losses associated with fewer outpatient visits, canceled elective procedures or services, or increased uncompensated care. Providers may 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. These costs do **not** need to be specific to providing care for possible or actual COVID-19 patients. It is only the lost revenue that the Provider Relief Fund payment covers which must have been lost due to COVID-19. Such costs include:

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

If you have any questions about this alert or any other Healthcare Law issue, please contact:

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