

Healthcare Law Alert: Mandatory Reporting for HHS Provider Relief Fund Recipients To Begin January 15

1/15/2021

Beginning January 15, 2021, the Department of Health and Human Services (HHS) online portal will open for healthcare providers, who received one or more Provider Relief Fund payments exceeding \$10,000 in the aggregate, to report their use of the funds through December 31, 2020. If providers did not fully expend their Provider Relief Fund payments by December 31, they will have until June 30, 2021 to use any remaining funds.

The key reporting dates and actions are as follows:

- **January 15, 2021:** Reporting system opens for providers
- **February 15, 2021:** First reporting deadline for all providers on use of Provider Relief Funds through December 31, 2020
- **July 31, 2021:** Final reporting deadline for providers who did not fully expend their Provider Relief Funds prior to December 31, 2020

As required by the Terms and Conditions to which all providers attested in obtaining the payments, the Provider Relief Funds may only be used for the following purposes:

Expenses attributable to coronavirus. These are expenses that another source has not reimbursed and is not obligated to reimburse, which may include general and administrative expenses or healthcare-related operating expenses.

Providers should be prepared to report the following expense data on the portal:

Healthcare-related expenses include, but are not limited to, the following examples:

- Supplies, such as masks, gowns, thermometers, or cleaning agents;
- Equipment, such as ventilators, HVAC systems or improved filtration for infection control, or lab and radiology diagnostic equipment;
- Information technology, such as telehealth software and hardware, improved internet services, or new Electronic Medical Record modules;
- Facilities, such as retrofits to accommodate COVID-19 patients or other patients, or enhancements for improved infection control;
- Reimbursement of marginal increased expenses related to coronavirus. For example, a \$5 increase in expense or cost, post-pandemic, to provide an office visit and the \$5 is not reimbursed by a payor;
- Taxes imposed on Provider Relief Fund payments; and
- Any other actual expenses, not previously captured above, that were paid to prevent, prepare for, or respond to the coronavirus.

General and Administrative expenses include, but are not limited to, the following examples:

- Mortgage/rent, such as rent for a clinical setting, medical office building, etc.;
- Insurance, such as property, malpractice, or other business insurance;

- Personnel, such as direct employee, contract labor or temporary employee compensation for staff such as nurses, administrators, or support personnel;
- Fringe benefits, such as health insurance, childcare assistance, overtime pay, hiring bonuses, or retention payments to expand or maintain patient care capacity;
- Lease payments, such as for diagnostic equipment or clinical care software;
- Utilities/operations, such as HVAC services, environmental services for cleaning, or food and nutrition services; and
- Other costs not captured above that are generally considered part of overhead.

For recipients of over \$500,000 in aggregate Provider Relief Fund payments, providers should be prepared to report a detailed expense breakdown of these General and Administrative expenses.

Lost Revenue. Provider Relief Fund payments that are not fully expended on expenses attributable to coronavirus may then be applied to lost revenues, represented as a negative change in year-over-year actual revenue from patient-care-related sources. Revenues and expenses include all lost patient-care revenues and the impact of patient-care costs.

Providers should be prepared to report the following lost revenue data on the portal:

- Revenue/net charges from patient care (net of uncollectible bad debt *but prior to netting with expenses*) for the calendar years 2019 and 2020, entered by quarter. Also includes:
 - Interest earned on Provider Relief Funds held in an interest-bearing account
 - Fundraising revenues, grants, or donations if used to fund patient care
- Revenue by patient care payor mix, including Medicare, Medicaid/CHIP, commercial insurance, self-pay, and any other sources.
- Total calendar-year expenses for 2019 and 2020, by quarter, for healthcare-related expenses and general and administrative expenses.

Providers will also need to report certain additional data, including: basic organizational information; other assistance received in 2020; non-financial information about employees, patients, and facilities; and any changes in ownership.

The portal link is expected to be posted on the following [webpage](#), where up-to date information on reporting requirements can also be found.

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

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