



# What You Need to Know About Provider Relief Funds (Stimulus Reporting)

Barry Pennybaker, CPA

John Hill, CPA

Lee Ann Watters, CPA

Steve Schultz, CPA

Jennifer Thomas, CPA

# Introduction

- Welcome - Barry Pennybaker
- Who is on the call from MCM
- Overall Agenda





# On-line Reporting

# Provider Relief Funds On-line Reporting

- Key Dates
  - July 1, 2021 - On-line portal to go live
    - Register at <https://prfreporting.hrsa.gov/s/>
    - Compatible with Edge, Chrome and Mozilla Firefox
  - Recipients will have 90 days to complete reporting
  - Recipients are required to report for each Payment Received Period in which they received one or more payments exceeding in the aggregate \$10,000. Providers that don't report within the respective reporting time period are out of compliance with payment terms and conditions and may be subject to recoupment by HRSA.



# Provider Relief Funds On-line Reporting

## Summary of Reporting Requirements

	<b>Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)</b>	<b>Deadline to Use Funds</b>	<b>Reporting Time Period</b>
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



# Provider Relief Fund

## On-line Reporting

- PRF funds are used in the following manner and *order*:
  - Expenses attributable to the coronavirus
    - General and administrative\*\*
    - Healthcare-related
  - Lost revenues
    - Revenue/net charges from patient care
    - Revenue by patient care payor mix

\*\* Additional detail required for providers expending \$500,000 or more.



# Provider Relief Fund On-line Reporting

- General and Administrative Expenses
  - Mortgage/Rent
  - Insurance
  - Personnel
  - Fringe Benefits
  - Lease Payments
  - Utilities/Operations
  - Other General Administrative Expenses



# Provider Relief Fund On-line Reporting

- Healthcare Related Expenses
  - Supplies
  - Equipment
  - Information Technology
  - Facilities
  - Other Healthcare Related Expenses





# Provider Relief Fund On-line Reporting

- Lost Revenue
  - Revenue/net charges from patient care (prior to netting with expenses)
  - Reported by calendar quarter
  - Reported by payor mix
    - Medicare Part A or B
    - Medicare Part C
    - Medicaid/Children's Health Insurance Program
    - Commercial Insurance
    - Self-pay (No insurance)
    - Other



# Lost Revenue

## Three categories

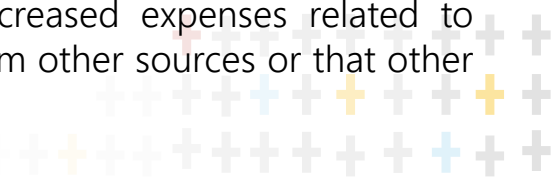
- **Option I:** of the difference between actual patient care revenues.
- **Option II:** of the difference between budgeted (prior to March 27, 2020) and actual patient care revenues.
- **Option III:** calculated by any reasonable method of estimating revenues.



# Provider Relief Fund

## On-line Reporting

- 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”)
    - 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.





# Single Audit Considerations

# When is a Single Audit Required?

---

- Federal awards  $\geq$  \$750,000 in a fiscal year
- Nonfederal entities
  - Not-for-profit
  - Higher education
  - State or local government
- For profit entities - Program audit or Single Audit (if entity received grants from more than one federal program)



# What is a Single Audit?

- Audit of financial statements
- Obtain an understanding/perform testing of internal controls
- Test compliance with terms and conditions of federal awards that have a direct and material effect on each major program
- Subject to 3 layers of audit requirements
  - Generally Accepted Auditing Standards
  - Generally Accepted Government Auditing Standards
  - Uniform Guidance



# Provider Relief Funds Compliance Requirements

- Identified in OMB 2020 Compliance Supplement Addendum
  - [https://www.whitehouse.gov/wp-content/uploads/2020/12/2020-Compliance-Supplement-Addendum\\_Final.pdf](https://www.whitehouse.gov/wp-content/uploads/2020/12/2020-Compliance-Supplement-Addendum_Final.pdf)

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	N	N	N	N	Y	N	N



# Provider Relief Funds Compliance Requirements

- Activities Allowed or Unallowed
  - Prevent, prepare for and respond to coronavirus
  - Lost revenues
  - Out-of-network considerations
  - Retaining payment for 90 days
  - Must provide diagnoses, testing or care or prevented spread of COVID-19
  - No double dipping allowed





# Allowable Costs/Cost Principles

- Allowable costs
  - Supplies
  - Equipment
  - Workforce training
  - Developing and staffing emergency operations centers
  - Reporting COVID-19 test results
  - Building/constructing/leasing temporary structures
  - Information technology
  
- Cost Principles
  - Supplies



# Allowable Costs/Cost Principles

- Cost Principles
  - 2 CFR 200.306
  - Cost allowable as defined by federal regulations
  - Cost must be allocable
  - Cost must be necessary
  - Cost must be reasonable
  - Cost must be adequately documented



# Reporting

---

- Special reporting
  - Provider relief fund on-line portal reporting
  - Applicable to time periods related to receipt of funds



# Internal Controls over Compliance

- Provide *reasonable* assurance over compliance with grant terms
  - Allowable Activities and Allowable Costs
    - Staff training
    - Approved purchase order required
    - Matching approved purchase order to vendor invoice
    - Lost revenue calculation is reviewed and approved
  - Reporting
    - Tracking system that reminds staff when reports are due
    - Review of report prior to submission





# Schedule of Expenditures of Federal Awards

# General SEFA Requirements

- Supplemental schedule to financial statements
- Recaps expenditures by federal agency and program
- Provider Relief Fund CFDA number - 93.498
- Auditors utilize SEFA:
  - Determine if a Single Audit is necessary
  - Identify “major program(s)”
- In-relation opinion



# General SEFA Requirements

- List of awards by federal agency and program
- CFDA # and official program name
- Pass-through entities and identifying number - if applicable
- Amount of expenditures
- Federal award clusters - if applicable
- Awards for R&D activities - if applicable



# SEFA - PRF Specific

- CFDA No. 93.498 - Provider Relief Fund
- Includes allowable expenditures *and* lost revenue
- Not required until fiscal years ending December 31, 2020
  - Should agree to on-line portal reporting
- Prior fiscal years?
  - Report expenditures and lost revenue on 2021 SEFA
  - GAAP Financial Statements and SEFA will differ
  - May require reconciliation
  - Additional guidance on SEFA reporting - 2021 Compliance Supplement







# Single Audit Reporting Package

# Single Audit Reporting Package

- Audited financial statements
- SEFA
- Reporting on internal control over financial reporting
- Report on compliance and internal control over compliance
- Schedule of findings and questioned costs
- Summary schedule of prior audit findings
- Corrective Action Plan if applicable