Applying for Phase 4 of the Provider Relief Fund & the ARP Rural Distribution

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Will this be recorded? Can I get slides?

• Yes!
• All of our Technical Assistance webinar recordings, slides, and transcripts are available here:
  • https://www.narhc.org/narhc/TA_Webinars1.asp
  • www.NARHC.org > Resources > TA Webinars
Agenda

- **ARP Rural and Phase 4 PRF Funding Opportunities**
- Application assistance
- Q&A
- **Lost revenues calculation** (if time permits)
- Q&A
HRSA Webinars on Phase 4

Thursday, September 30, 3:00 – 4:00 p.m. QR code →
Tuesday, October 5, 3:00 – 4:00 p.m.
Wednesday, October 13, 3:00 – 4:00 p.m.
Thursday, October 21, 3:00 – 4:00 p.m.

https://www.hrsa.gov/provider-relief/future-payments
PRF Reporting Resources


• Reporting Resource Guide

• Webinar we hosted discussing the concept of unreimbursed expenses: https://www.narhc.org/Document.asp?DocID=10905

• Other Resources: Provider Support Line (866-569-3522) & NARHC
# Provider Relief Fund Timelines

<table>
<thead>
<tr>
<th>Period</th>
<th>Payment Received Period (Payments Exceeding $10,000 in Aggregate Received)</th>
<th>Deadline to Use Funds</th>
<th>Reporting Time Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period 1</td>
<td>From April 10, 2020 to June 30, 2020</td>
<td>June 30, 2021</td>
<td>July 1 to September 30, 2021</td>
</tr>
<tr>
<td>Period 2</td>
<td>From July 1, 2020 to December 31, 2020</td>
<td>December 31, 2021</td>
<td>January 1 to March 31, 2022</td>
</tr>
<tr>
<td>Period 3</td>
<td>From January 1, 2021 to June 30, 2021</td>
<td>June 30, 2022</td>
<td>July 1 to September 30, 2022</td>
</tr>
<tr>
<td>Period 4</td>
<td>From July 1, 2021 to December 31, 2021</td>
<td>December 31, 2022</td>
<td>January 1 to March 31, 2023</td>
</tr>
</tbody>
</table>
Provider Relief Funding Phase 4 & ARP Rural

• Applications open now! RHCs/parent organizations can apply for both funding sources on ONE application

• Due October 26th @ 11:59 pm – get started now!
Total Program Amounts

**PRF Phase 4**
- $17 Billion for all providers who apply and are eligible

**ARP Rural**
- $8.5 Billion for rural providers who apply and are eligible
How much funding will I receive?

- Variable
  - Everyone will receive different amounts
- Will depend on number of entities that apply
- Will depend on patient revenues, and volumes of Medicare/Medicaid/CHIP patients
- Methodologies are published, but you won’t need to do the math, HRSA will do that for you
How much funding will I receive?

PRF Phase 4 Methodology
• Amounts **based on** providers’ change in operating expenses from **July 1, 2020 to March 31, 2021**
  • 75% calculated based on changes to revenues/expenses
  • 25% bonus payments based on services provided to Medicaid/CHIP/Medicare patients
How much funding will I receive?

ARP Rural Distribution Methodology

• Amounts **based on** the amount and type of Medicare, Medicaid, and CHIP services provided to rural patients between **January 1, 2019 and September 30, 2020**

• Providers serving patients in FORHP defined rural areas will receive a minimum payment
When will this funding go out?

- HRSA has verbally indicated “Late November” for the ARP Rural and “December” for Phase 4.
After I receive the funds what can I spend them on?

**BOTH Programs**

- Lost revenues or eligible (unreimbursed and related to COVID) expenses incurred between **January 1, 2020 through December 31, 2022**
Time Period Based On:
• **ARP Rural:** January 1, 2019 - September 30, 2020
• **PRF Phase 4:** July 1, 2020 - March 31, 2021

Time Period When Funds Can Be Spent:
• January 1, 2020 - December 31, 2022 (3 year period)
The Application – cares.linkhealth.com/#/
Set up One Healthcare ID

1. If you do not have an One Healthcare ID
You will need to create an One Healthcare ID to access the portal, start registration here to begin.

2. If you have an One Healthcare ID already
You can access the portal at the top right of the webpage to sign in or sign in with One Healthcare ID here.

Sign In With Your One Healthcare ID

One Healthcare ID or email address
Password

Sign In

Additional options:
Create One Healthcare ID
Manage your One Healthcare ID
What is One Healthcare ID?

Forgot One Healthcare ID | Forgot Password

Welcome to One Healthcare ID (formerly known as Optum ID).
Please use your existing Optum ID username and password to log in.
What You Need

1. Validate Taxpayer Identification Number (TIN)
   This should be the organization TIN ("Filing TIN") you will use in applying for relief funds. An Organization TIN may not necessarily be Medicare or Medicaid directly. The Organization TIN may have one or more subsidiaries that do not file tax returns (disregarded or consolidated entities). The Organization TIN should complete an application by listing all of the subsidiary TINs in the applicable field within the application form. TIN Validation can take 1-2 business days to process.

   Important! Only one person can serve as the program administrator per TIN. This administrator accepts responsibility to act on behalf of their organization and must agree to make their name available to others within their organization. This person may reassign or transfer their administrator role to a new individual in their organization with an One Healthcare ID at any time by calling (866) 559-3522; for TTY dial 711. New administrator processing can take 1-2 business days to complete.

2. Confirm Revenue and Tax information
   You will need to provide specific revenue and tax information through the portal once TIN Validation is complete.

3. Receive and Attest to Payment
   Within 90 days of receiving this payment, you must sign an attestation confirming receipt of the funds and agreeing to the Terms and Conditions of payment. Should you choose to reject the funds, you must also complete the attestation to indicate this. The HRSA Provider Relief Fund Payment Attestation Portal will guide you through the attestation process to accept or reject the funds. Not returning the payment within 90 days of receipt will be viewed as acceptance of the Terms and Conditions.
Step 1 – TIN Validation

- You will need: TIN, TIN Entity Name, Tax Classification, Business Address, NPI, NPI Effective Date, Contact Person, Provider Type, CCN(s), Medicaid ID
- Comprehensive Listing of Billing and Subsidiary TINs: Applicants must include **all** billing TINs under the filing TIN that provide patient care.
- If you do not have subsidiary TINs, you must **re-enter** your TIN and select EIN or SSN in the comprehensive list field.

**Up to 10 days for TIN validation!**

Must exactly match name as listed on W-9
Start your TIN validation TODAY!
Phase 4 General Distribution and American Rescue Plan (ARP) Rural Distribution.

Organization TIN Dashboard
Please see status details and complete any actions required below.

Organization Tax ID Number: xxxxx4699©, Provider Name: the Medical Center

- Action Required For This TIN:
  - Revenue and Tax Information
- Not Available Yet
- Advance Payment and Terms
- Update TIN Verification
- Update TIN

- Validate TIN
  - Complete
- Revenue and Tax Information
  - Available Now
- Attach to Payment and Terms
  - Not Available TIN

You will receive an email confirmation from DocsSign when you complete your revenue and tax information submission. The "Get Started" message above will be updated when your submission is processed and payment determination is made.

Add Another Organization TIN

*Required Fields
Step 2 – Confirming Revenue and Tax Information

• Can’t be done in the portal until after your TIN is validated but you should get started now compiling the following information:

• Total annual revenues 2018, 2019, or 2020 from tax returns or audited financial statements or if you don’t have either of those documents, internally generated financial statements

• Distinguish total annual revenues from net patient care revenues

• Operating revenues and expenses from patient care for 6 specific quarters

• “Supporting documentation” that justifies the patient care revenues and patient care expenses from those 6 quarters

• Banking Information
Important Resources

- Application Instructions
  - Step by step requirements to apply

Field 1

Contact Person Name

Enter the first and last name of a contact person who is authorized to submit the application and who can be contacted if HRSA has additional questions or needs to follow up. The application must be completed by an authorized representative of the applicant entity.

Field 2

Contact Person Title

Enter the title of the contact person listed in Field 1. If the applicant is an individual, enter "Individual."

Field 3

Contact Person Phone Number

Enter the phone number where the contact person listed in Field 1 can best be reached. Do not include extensions.
• Field 10 – Total Annual Revenues
• Field 12 – Annual Net Patient Care Revenues
• Field 15 – Documentation supporting the figures in Field 10 and 12 (2018, 2019, or 2020 tax return or audited financial statement)
• Field 16– only required if your documentation shows a significantly different number than what you report in field 10
  • The Total Annual Revenues (Field 10) is more than 5% greater than or 50% less than the total annual revenues in the supporting documentation uploaded in this field.
  • The Annual Net Patient Care Revenues (Field 12) is more than 5% greater than or 50% less than the annual patient care revenues in the supporting documentation uploaded in this field.
• Why would you report a number that contradicts your documentation? I am not sure.
• Field 17 only required if your documentation supporting the annual net patient care revenues is not clear…
• Field 18 only required if you have changed TINS and your applicant TIN doesn’t match the TIN in your supporting documentation you submitted in Field 15.
Definition of Quarters

https://www.hrsa.gov/provider-relief/future-payments/phase-4-arp-rural/definitions

• Q1, Q3, and Q4
• “Q1” refers to January 1 – March 31.
• “Q3” refers to July 1 – September 30.
• “Q4” refers to October 1 – December 31.
6 Quarters to Evaluate

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</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
</tr>
</tbody>
</table>

Highlight = A Quarter that will be used to compare revenues and expenses from patient care for PRF Phase 4
“Patient Care” Revenues by Quarter

• Operating revenues from patient care” means revenues that represent amounts received for the delivery of health care services directly to patients. Operating revenues from patient care include:
  • Revenues for patient services delivered;
  • Prescription sales revenues derived through the 340B program; and
  • Interest and depreciation on building and equipment used in the provision of patient care.

• The following are not considered patient care revenues and must be excluded from the reported patient care revenues figures:
  • insurance settlements;
  • retail, or real estate revenues (exception for nursing and assisted living facilities’ real estate revenues where resident fees are allowable);
  • prescription sales revenues (exception when derived through the 340B program);
  • grants or tuition;
  • contractual adjustments from all third-party payors;
  • charity care adjustments;
  • bad debt;
  • any gains and/or losses on investments;
  • prior PRF payments received; and
  • other pandemic assistance received, including Rural Health Clinic COVID-19 Testing funds.
“Patient Care” Expenses by Quarter

• “Operating expenses from patient care” means the operating expenses incurred as part of the delivery of care, including:
  • Salaries and benefits;
  • Contracted and/or employed physicians;
  • Medical supplies; and
  • Interest and depreciations on building and equipment used in the provision of patient care.

• The following are not considered patient care expenses and must be excluded from the reported patient expenses figures:
  • Any non-operating expense such as costs incurred on any rental property not used for direct patient care (e.g., nursing and assisted living facilities’ real estate costs where resident costs are allowable),
  • Contributions made; and
  • Gains and/or losses on investments.
Supporting Documentation

- Guidelines for Supporting Documentation: For Fields 19 and 20, applicants must upload supporting documents substantiating operating revenues and expenses...Examples of supporting documents include internally-generated financial statements or a classified trial balance groupings report.
- Internally-generated financial statements or a classified trial balance groupings report must clearly reconcile themselves to the claimed amounts in the application and include the following:
  - Patient Care Operating Revenues
    - Net patient service revenues (gross charges minus contractual adjustments)
    - Exclude “other operating revenue” and non-operating revenue, such as investment income, joint venture income, etc.
  - Patient Care Operating Expenses:
    - Salaries and benefits
    - Supplies
    - Professional services
    - Administrative
    - Depreciation
    - Interest
  - If support is broken down by individual months within a quarter, applicants must ensure the total is equal to the respective quarterly amount.
Field 21 ~ ARP Rural Provider Application

• (21) Select “Yes” if your organization would like to be considered for an additional ARP rural payment.

• Yes

• No
Questions on Phase 4 Application Process?

"It is a sign of strength, not of weakness, to admit that you don't know all the answers."
Provider Relief Fund (PRF) recipients who received one or more payments exceeding $10,000, in the aggregate, during a Payment Received Period are required to report in each applicable Reporting Period, as specified in the PRF Post-Payment Notice of Reporting Requirements, June 11, 2021.

This Guide is for information purposes as providers consider their options to account for lost revenues in the reporting process. When reporting lost revenues, providers do not need to account for a specific expense to “use” funding by the deadline, instead they need to be able to document that the loss occurred during the relevant time period. Explained in more detail below, there are three options to account for lost revenues. This Guide aims to convey the flexibility and range of options for documenting lost revenues. It is not intended as legal advice. Reference the PRF Reporting webpage and lost revenues-specific Frequently Asked Questions for more reporting information.
Lost Revenues Reimbursement

PRF payment amounts (excluding Nursing Home Infection Control Distribution payments) may be applied to patient care lost revenues. “Patient care” means health care, services and supports, as provided in a medical setting, at home/telehealth, or in the community.

The following chart shows items not considered patient care - including (but not limited to):

- Insurance
- Non-Patient Care Dining Services
- Fundraising Events
- Prescription sales revenues
- Grants or tuition
- Amounts of charity care adjustments
- Bad debt
- Retail, auxiliary, or parking services
- Real estate revenues (exception for nursing and assisted living facilities’ real estate revenues where resident fees are allowable)
- Amounts of contractual adjustments from all third party payers
- Any gains and/or losses on investments
### Option 1 – 2019 Actual Revenue

**Difference between actual patient care revenues.**

<table>
<thead>
<tr>
<th>Base Period</th>
<th>Calculation Method</th>
<th>Frequency of Calculation</th>
<th>Duration of Lost Revenues Period</th>
<th>Information Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Actuals vs. Actuals</td>
<td>Quarterly</td>
<td>Each quarter during the period of availability</td>
<td>• Actuals for each quarter during the period of availability • Actuals for 2019</td>
</tr>
</tbody>
</table>
Is option 1 for me?

- Your actual revenues from 2019 are comparable to 2020 and 2021
- **Example**: 2019 quarterly patient care revenues = $500,000. Revenues dropped in 2020 and the first 2 quarters of 2021 to $400,000/quarter. Clinic includes all patient care revenues in the PRF report and the report will calculate lost revenues of $100,000 a quarter for all of 2020 and the first two quarters of 2021 for a total amount of lost revenues which can be applied towards PRF payments of $600,000.
HRSA Option 1 Example

### 123 Hospital Lost Revenues Calculation = (Actual 2020 - Actual 2019)

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual 2019 patient care revenues*</td>
<td>5,741,470</td>
<td>6,510,785</td>
<td>6,456,168</td>
<td>5,543,586</td>
</tr>
<tr>
<td>Actual 2020 patient care revenues*</td>
<td>4,713,922</td>
<td>6,857,066</td>
<td>5,879,121</td>
<td>6,419,246</td>
</tr>
<tr>
<td>Calculation</td>
<td>(1,027,548)</td>
<td>346,281</td>
<td>(577,047)</td>
<td>875,650</td>
</tr>
</tbody>
</table>

* Aggregate of all patient care revenues sources

### 123 Hospital Lost Revenues 'eligible' for reimbursement using PRF payment

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>(1,027,548)</td>
<td>0</td>
<td>(577,047)</td>
<td>0</td>
<td>(1,604,595)</td>
</tr>
<tr>
<td>2021</td>
<td>(888,963)</td>
<td>(1,421,777)</td>
<td></td>
<td></td>
<td>(2,310,740)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$ (3,915,335)</strong></td>
</tr>
</tbody>
</table>
Option 2 – 2020 Budgeted Revenue

Difference between budgeted and actual patient care revenues.

<table>
<thead>
<tr>
<th>Base Period</th>
<th>Calculation Method</th>
<th>Frequency of Calculation</th>
<th>Duration of Lost Revenues Period</th>
<th>Information Needed</th>
</tr>
</thead>
</table>
| 2020 or 2021 | Budget vs. Actuals | Quarterly                | Each quarter during the period of availability | • Actuals for each quarter during the period of availability  
• Budgets for each quarter during the period of availability  
• Copy of the budget approved before March 27, 2020  
• Executive-level attestation |
Is option 2 for me?

- You had an (executive level attestation) approved budget(s) prior to March 27, 2020 that covers the entire period of availability
- Your budgeted revenues are comparable to 2020 and 2021 actual revenues
- May be a better option for entities that were experiencing significant revenue growth prior to COVID
HRSA Option 2 Example

### XYZ Medical Company - Lost Revenues Calculation

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted 2020 patient care revenues</td>
<td>63,933</td>
<td>65,842</td>
<td>107,267</td>
<td>94,571</td>
</tr>
<tr>
<td>Actual 2020 patient care revenues</td>
<td>103,970</td>
<td>78,532</td>
<td>52,245</td>
<td>49,534</td>
</tr>
<tr>
<td>Calculation</td>
<td>40,037</td>
<td>12,690</td>
<td>(55,022)</td>
<td>(45,037)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted 2021 patient care revenues</td>
<td>67,677</td>
<td>57,919</td>
</tr>
<tr>
<td>Actual 2021 patient care revenues</td>
<td>57,377</td>
<td>64,298</td>
</tr>
<tr>
<td>Calculation</td>
<td>(10,300)</td>
<td>6,379</td>
</tr>
</tbody>
</table>

### XYZ Medical Company - Lost Revenues 'eligible' for reimbursement using PRF payments

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0</td>
<td>0</td>
<td>(55,022)</td>
<td>(45,037)</td>
<td>(100,059)</td>
</tr>
<tr>
<td>2021</td>
<td>(10,300)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(10,300)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ (110,359)</td>
</tr>
</tbody>
</table>
### Option 3 – Alternative Reasonable Methodology

Any reasonable method of estimating revenues.

<table>
<thead>
<tr>
<th>Base Period</th>
<th>Calculation Method</th>
<th>Frequency of Calculation</th>
<th>Duration of Lost Revenues Period</th>
<th>Information Needed</th>
</tr>
</thead>
</table>
| Not prescribed | Not prescribed | Quarterly | Each quarter during the period of availability in which lost revenues were determined | • A narrative document describing the methodology, including an explanation of why the methodology is reasonable for the circumstances, and a description establishing how lost revenues were attributable to coronavirus (as opposed to a loss caused by any other source);  
• A calculation of lost revenues attributable to coronavirus using the methodology described in the narrative document. |
Is option 3 for me?

- You added a new service that made revenue appear higher than an apples-to-apples comparison
- Major changes in response to COVID prevented planned changes that would have generated more revenue
- Will use the same approach in subsequent reporting periods
- You are not afraid of justifying to auditors that your methodology is “reasonable”
- Consistent policies and procedures across all sources of funding
HRSA Best Practices for Option 3

- Maintain source documentation that fully supports narrative and methodology for 3 years after submission
- No double-dipping = the calculated amount of lost revenues must not be included in the lost revenues calculation for another Federal program
- Give consistent treatment (e.g., (1) if using the fiscal year as a baseline, estimate lost revenues over the course of a fiscal year, (2) if patient care revenues are consolidated in your financial statements you should report the consolidated amount in your PRF report)
CEU for CRHCP
Only:
HQ2X6

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Thank You!