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

Fri, 10/1/21 11:00AM 😷 1:21:02

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SPEAKERS

Sarah Hohman, Nathan Baugh,

Sarah Hohman 00:02
Okay, we will go ahead and get started. Welcome, everyone. Thank you for joining us today for our webinar on applying for phase four of the provider Relief Fund, and the American rescue plan rural distribution. My name is Sarah Holman and I am the Deputy Director of Government Affairs at narc. And Nathan Ba, the director of Government Affairs at Mark and I are here to walk you through this new funding opportunity as well as the application and some nuances we found since the application opened yesterday. So thank you for joining us today. We as always encourage you to help us spread the word about these free webinars by encouraging anyone who may benefit from this information to sign up to receive information about the webinars on the narc website. As you see the Q&A box is open for today's presentation, we ask that you use the Q&A box as opposed to the chat box just so that we can all stay in the same space and get to your questions at the end of the presentation. While the Q&A box will be open throughout the presentation, we ask that you give us some time to get through the content of the presentation and save your questions for the end whenever possible. As with all webinars, we're at the mercy of good bandwidth. And we all know that connectivity can fluctuate throughout a presentation. So if you have any audio or visual issues, please just leave the webinar and come back in. But Nathan, if you can go to the next slide. As always, our webinars are recorded and available on our website. Kate also put the slides in the in the chat for you. So all of these resources are available to you following today's presentation. Okay, so today, as I said, we will talk through the AARP rural and phase four provider Relief Fund funding opportunities that the application just opened for yesterday. We'll also walk through that application, and then open it up for Q&A, to hear your questions and to get you the answers or resources on those. We'll also if time permits, talk about lost revenues calculations. This mainly applies to the reporting on the provider Relief Fund. Phase One, two and three that you may have previously received. So if we have time, we will talk about lost revenues calculations and then also answer questions on those. But we just wanted to put it out there that our priority today is the these new funding opportunities. There are lots of loss revenues resources available. So we'll focus on these new funding opportunities, but get to that if time permits. Okay, so speaking of resources available to you on these new funding opportunities. We, as we mentioned, this application just opened yesterday. So we prepared this webinar and this content for you. Based on what we've learned from the application so far, hersa has also created a webinar content for you. The first of which is this afternoon at 3pm. Eastern Time, the QR code on your screen right now will take you directly to register for that webinar. We have spent time learning the application as best as possible in the last day and will continue to do so. These webinars will be a more formal presentation of the application and these funding opportunities. So if that's the type of content that you would prefer, we also encourage you to check those out. But we hope that today's presentation that we provide is valuable to you as well. But these resources are available to you. Okay, so like I said we're going to spend the majority of today's webinar talking about these new funding opportunities. But we also
wanted to touch on provider Relief Fund reporting, as that initial deadline for phase one closes today. Now there is a 60 day grace period that begins tomorrow for that reporting. So don’t panic if your reporting is not complete yet. We have lots of resources available to you on reporting provider Relief Fund money. So we hosted a webinar with hersa on the reporting portal. There’s also our reporting resource guide linked here. There’s a webinar where we discuss the concept of unreimbursed expenses that also applies to provide a relief fund and then there’s lots of other resources on ours website that are linked on the COVID page of the narc website. I’ve also listed the provider support line here, if you have any questions for them, and I’ve talked to many of you, and we Nathan and I will continue to be a resource for you as well. Okay, next slide. Alright, so as always, with the various funding buckets available to you right now, it’s important to clarify the program that we’re talking about, and the timeline that applies to that program. So on your screen right now, you’ll see the provider Relief Fund timeline, specifically, just it. Another thing to note, this does not include the Rh C COVID-19 testing, or testing and mitigation programs. Those are separate from this as well. But these are provider relief and two timelines. There are four different phases that you’ll see on your screen here. And period four is what we’ll be talking about primarily today. Just important to note these timelines, we talked about the reporting time period for phase one that technically ends today, but you do have that grace period. And then these other windows for payment received periods, the deadline to use funds, and the reporting time period. So we will talk more about those different periods and the deadlines to use funds. But we wanted to, again, clarify these timelines. And I think that Nathan,

Nathan Baugh 06:32

Sir, thanks. Yeah, so so the phase four, and the RP world distribution is going to be period four, and unless for somehow it slips into 2022, we expect it to be a period for payment. So again, what we’re talking about today, you will apply for it, the deadline to use that is the end of 22. And then you’ll report the the how you use the funds that you’re applying for this month, all the way in 2023. So just just make sure you understand the timelines, there are timelines that apply to the testing and testing and mitigation money as well. But those are again, separate them provide a refund.

Sarah Hohman 07:22

Okay, so as we mentioned, the applications for provide early funding phase four, and the AARP rural allocations are open now they opened yesterday, or its use in their parent organizations can apply for both funding sources on one application. We’ll talk through exactly what that looks like in a little bit. This application is not open for very long. It’s due October 26, at 11:59pm, Eastern time. So because of the various steps, it’s important that you get started now, so we’ll provide the resources today for you to get started on that.

Nathan Baugh 08:03

Yeah, I would just comment that, I don’t think I wouldn’t expect this to get extended somehow. Let last second, because I do think that the way they set it up, they want to get the money out in period four. So that means I have to get it out. But by the end of the year, so extending the application deadline is probably not something I would bank on. So I would I would operate has a hard and fast October 26 deadline. Just in terms of the total program amounts, what we’re talking about here is phase four of the provider Relief Fund might also be referred to as a phase four general allocation, there have been three previous general allocations. Rh C’s got definitely almost certainly the first phase one general allocation and then some may may have gotten phase two. Some may have gotten phase three, but even even less, then now we’re in phase four. So this is the general distribution of the provider relief funds. Congress last in the cares act, approved $175 billion for the provider Relief Fund, and then they’ve added a little bit of money since the cares act. And HHS and hersa have not allocated that full amount yet. And even after the allocation here, I think there’s some money left over. But that is where this $17 billion is coming from is actually from
the cares act, funding that is still with you know, waiting, in terms of the AARP rural distribution that came from as the name suggests the American rescue plan and we You've may have seen, and this is a link to an article that we wrote about the American rescue plan when that was passed by Congress and oh, was it February, February or March? And the yeah, certainly the press and the reports were that Senator Manchin, who's pictured there was largely responsible for getting sort of at the last minute, eight and a half billion for rural providers. And so that's where this is coming from, if you were waiting to hear how that money is, is going to be used? Well, this is now this is the answer. This is how it's going to be spent. How much funding will I receive a variable? The answer here is variable, everyone is going to receive a different dollar amount. It's going to depend on a number of factors. Perhaps most significantly, it's going to depend on the number of other rural and other healthcare entities that apply for the program. It does depend on your patient revenue, and your volumes and things like that. So larger facilities might get a little bit more, smaller facilities might get a little bit less, but herson notes in the methodologies that, proportionally speaking, smaller providers actually do better. So they're, they're not trying to penalize you for being low volume provider, they actually help you, proportionally speaking, of course, we're not we're going to get into the methodology a little bit. They are published if you want to do some of the math, but you're not going to do that math in the application, you're basically going to provide the numbers to herson herson will do the math on two programs for you, and then calculate how much you're going to get. So this is the cliff notes version of the methodology. Again, it's we don't want to focus too much on this because quite frankly, it gets really complex. And there's also unknown variables that, you know, make it really difficult to predict, again, how much money you'll receive. But just a very high level overview for phase four. The general distribution, it's going to be based on a change in your operating expenses, from July 120 20 to march 31 2021 75%, will be based on the changes to your revenues slash expenses. And 25% will be based on the sort of volume of patients that you have that are on Medicaid, Chip and Medicare. Again, I wouldn't fixate too much on these methodologies. The rural distribution is not based on a changes of expenses or anything, but it will be based purely on the the number the volume the volume of Medicare, Medicaid and CHIP services provided to rural patients. And the good news here is that the government already has this data they already know based on claims data, how many rural patients you serve in Medicare, Medicaid, and chip. Next question is okay, so we already answered, how much will you get? We can't say we don't know exactly. Honestly, I can't even ballpark it. Is it 2050 100? It's really going to depend on the number of valid applications that the government gets. When will this funding go out? This isn't written anywhere, but in a verbal presentation about two weeks ago or a week ago, herson did indicate late they're targeting late November for the AARP rural and sometime in December for phase four. Again, that would be period four in the provider Relief Fund, because it's all what in 2021. Right. So I think their goal is to get the money out this year in period four. So certainly, I would expect that but it's notable that they will not go At the same time you apply for both programs at the same time, but you're not going to get money for both programs at the same time. All right, after you receive the funds, what can you spend them on. So for both programs, you can spend the money or use the money to cover lost revenues, or eligible and by eligible, we mean unreimbursed and related to COVID expenses that you have incurred in a three year period, basically, anytime and 2020 2021 or next year in 2022. Okay, so this, quite frankly, threw us off for a little bit. Because initially, it was sort of described as you're going to get money based on your unreimbursed or lost revenues. And in this nine month window, and we thought, Okay, well, then you're going to have to use those, that money to cover those exact expenses, right? That is not how this is getting set up. Okay, so we, we are D linking, how much you're going to get is based on information that you're going to provide on the application, after you get it. You don't have to spend that money on those unreimbursed expenses that you're providing information about, you can spend it on any unreimbursed expense or lost revenue in the three year period. Okay, so you're reporting some information about your revenues, and your expenses and how that is fluctuated. And what you report there, again, is not how you have to spend the money. They're their de length. And that's what we're trying to show here. Hopefully, that makes sense. Certainly, we'll spend more time on that I presume in the q&a. Alright, so where's the application, the application is the same portal that you used to attest to the various buckets of money. Most of you probably, I hope attest it. Some of you may not have attested because you kind of defaulted to attestation of the various buckets of money. So if you're in that camp, you will have to create a new healthcare ID. However, I suspect most of the folks on this call have attested on this attestation portal already in the last year and already do have an account. However, after I think 90 days, they make you create a new password. So I fully expect that most of you haven't logged in for quite some time and we'll have to create a password when you get to that portal. So the process what will you need. First,
you got to validate your attend. And this is somewhat straightforward, but you should do it immediately. Then the meat of the process is you have to confirm revenue and tax information and we’re going to spend a lot of time on step two. But you cannot proceed to Step Two without doing step one. And then finally after get after you receive the funding, you’ll have to come back into this portal and attest to the payments. But obviously you can’t do that until you receive the funding. So step 110 validation things you’re gonna need right off the bat, your 1010 entity name, tax classification, business address, MPI MPI effective date, contact person, etc. So this is all very should be pretty simple. They do note that the 10 entity name is the most common issue here. You gotta want to make sure that your 10 entity name is as listed on the on the W nine okay so just make sure that that is the exact same thing as whatever your the W nine says is your name could take up to 10 days for 10 validation I noticed on the previous page it said one to two. That’s probably the most what you should expect but I think worst case scenario could take a while. So we want you to apply immediately. Oh, real, real quick. There is for folks that have complicated 10 arrangements where there’s a maintain and subsidiary 10s and things like that, this gets a little bit trickier. Both in this step and in step two, we for the sake of clarity, we’re not going to focus too much on folks that are have complicated 10 arrangements. However, there is a recognition that that there are people out there with complicated tin arrangements, and there are resources, you know, as you proceed through the application to help you sort navigate the fact that you have a complicated tense situation. So just because we’re not focusing on it today doesn’t mean that there isn’t information out there that sort of helps you figure out how to do both step one and step two, if you have a complicated 10 situation. So if it’s not clear already, start your 10 validations. Today, if you’re interested at all, in applying for this funding, start your 10 validation today. As Sarah mentioned, deadlines, October 26, we don’t expect that to get pushback, you know, if there are 10 issues, I’m not sure they can be resolved quite quickly. But certainly, the sooner you start, the better you’ll be, especially if it does take a while for your tend to get validated. Now, we worked with a rural health clinic yesterday and went through the process of validating the 10. I think indicated to us, when we went through that process, it said okay, you know, it might take up to 10 days, it ended up being 24 hours, because this morning, we were we got an email, or she got an email that said that her 10 has been validated. So in our specific example case, if you will, it only took 24 hours. So apply, validate your 10 check your email, within 24 or 48 hours, I would expect it to be validated. Hopefully there aren’t any issues. This is what the dashboard looks like after you log in to the, the the portal before you get your 10 validated, it will it will ask you to say it’ll say available now here under the validate 10 step. And it’ll sort of prompt you to do that you won’t be able to do any of the revenue and tax information, you won’t even be able to sort of fill out that form ahead of time until that 10 is validated. Alright, step two, confirming revenue and tax information. This is the meat of this application process. Okay. It’s I don’t want to scare anyone, it’s, I think, entirely doable. And totally worth any, quite frankly, any sort of money that you get out of it, it’s probably worth it. But it is a little bit nuanced. And we’re gonna try to go through that today. Certainly, our understanding of it is about 24 hours of understanding. We will do our best to learn as much as we can between now and the deadline and help out as many folks as we can get through this process. Again, you can’t do this until you’re 10 is validated, but they do post, essentially what you will see after your 10 is validated online, okay, and that’s a lot of what we’re using here today. So if you submit your 10 today and you want to get started on this other stuff, you can get started on it and and see what the application is going to look like you just won’t be able to actually do that. And we actually have a QR code for the application instructions later in this presentation. Some of the things that you’re going to need for step two is a tax return if you’re if you pay taxes. If you don’t pay taxes, you want your most recently audited financial statement and if you do pay taxes, it’s your most recently filed tax return. Okay, if you don’t have either of those documents, you can use what they’re calling an internal newly generated financial statement. But certainly I think the other two, the the audited financial statement and or a tax return is preferred. So you’re going to need that. That’s step one. Step two, is you’re going to need to distinguish total annual revenues from net patient care revenues. Which, if you’re filing a tax return is essentially done for you, you just have to take one line and subtract it from another line. And that will give you your net patient care revenues. If you’re doing an audited financial statement, it’s not as clear cut, you might have to identify in that statement, exactly where your your net patient care revenues are, we’ll get more into this distinction in a second or in a few slides. Okay, so that that’s what I would consider the easy part. The hardest part is that you’re going to need to compile operating revenues, and expenses from patient care for six, very specific quarters, calendar year quarters, okay, revenues and expenses from patient care for six very specific quarters. You will also need to support that documentation. Okay, our support what you’re claiming with documentation, I should say, nobody files a tax return
or an audited financial statement on a quarterly basis, right. So you’re basically going to need to use the internally generated financial statements to justify your operating revenues and expenses from patient care. This is the trickiest part, we’re going to talk more about in a second, of course, you’re gonna need your banking information that’s just so hard to compare you. Here is the application instructions, we also put a QR code there for you, that will take you to what we think is the best. Well, it is the the resource right now in terms of really laying out how the step by step of how you need to apply. So I will leave that up just for a bit. For folks that are unfamiliar with a QR code, all you got to do is take your camera, put it on the screen, and it should prompt you to open a link. And that link should take you straight to this resource that we use really to create the next several slides. Alright, so I know there’s a ton of text on this. And Sarah likes to give me a hard time for putting too much text on a on a PowerPoint slide, which is fair. But, and there’s no easy way to talk about all these different fields and what you need to do. Okay, this is my cliff notes version of what you can find online by scanning that QR code or googling it. The key thing that I will note on this whole situation is that there are some Excel sheets that they have available online. You only need to do those Excel sheets, if you need to fill out field 16 and field 17. And in my view, there’s no need to do that if your documentation supports the figures that you’re reporting and field 10 and field 12. So let me say that another way, you’re going to report a number and field 10 it’s your total annual revenues. Okay. And field 15 you will upload a document, either the tax return or the audited financial statement that justifies that total annual revenue. Okay, if it is the same number, then you don’t have to do field 16. Okay, I don’t know why you would report a different number on field 10 knowing that your documentation says something else. But perhaps there’s something that I’m not privy to. And so they do have this ability to upload an Excel sheet if your supporting documentation says something different than what you’re reporting. Okay. Hopefully that makes sense. Likewise, on annual net patient care revenues. If you have if your supporting documentation for annual net patient care revenues isn’t specific enough or it’s not clear that the figure that you reported here is fully justified by your supporting documentation, then you’re going to have to upload another excel sheet and field 17. Okay, so I don’t want people to get too intimidated by this. If your numbers match up and align your, you’re not going to have to upload these Excel sheets. If your documentation supporting what you’re claiming doesn’t necessarily align, that’s when you’re going to need to provide more information. So that’s what I’m going to pull out, again, for field 18. Here. This is for you folks that have complicated 10 situations. If the supporting documentation says tax ID, you know what, you know, whatever. But that’s not that accurate tax ID because I don’t know you switched your tax ID, you were purchased, you emerge, there’s some sort of 10 off change between you know, your taxes in 2020, and your current 10, for example, then you’re going to have to do feel 18 and basically provide a narrative or explanation as to what’s going on here. With the 10 change. Again, we don’t want to focus too much on that, because while I know there are definitely people in that situation, most of you, I would presume, are not in that situation. So not going to focus too much on that. Okay. Also, I’m near those instructions. There’s a little actually like a little mini, I don’t know, Table of Contents there. And one of the other things that you’ll see is definitions, right definitions for us. So if you click on that, it defines things like patient care revenue, patient care expenses, it also defines quarters. Okay. q1 is January one to march 30 123. July one’s through September 30. q4 is October one through December 31. Some of you might be saying, Well, what about q2, right? And is q2 those other three months? I would say probably yes, it is. Those are the three months. This is not rocket science, right. But it’s just very odd that q1 three and four is defined. However, the reason q2 as far as I can tell is not defined is because q3 is not a quarter that will be used for in the application. Okay. Let me say that, again, q2 is not a quarter that will be used to compare revenues and expenses from patient care. And this application. I said earlier, six specific quarters to calculate patient care revenue and patient care expenses that you have to report. Okay. It’s not entirely logical to me that it’s these six quarters, but these are the quarters. So it’s, let’s look at this q1 of 2019. So well before the pandemic, okay, then we take three months off that q2, q4 is not defined, right? We’re not we’re not doing q2, then it’s the back half of 2019, six month period, then the first six months of 2020 are also not going to be evaluated. And then it’s the nine month period, closing out 2020 and the first three months of 21. So those are your six quarters, okay? It’s a little not intuitive, which is why I’m spending so much time defining or not defining quarter two. But those are the quarters that you need to provide information on. Okay, so again, there’s a lot of texts on this screen, I’m not going to read all of this. The key thing to know is in those definitions, where it’s q1, q3, and q4 is defined, you’ll also see this information about the finding what is patient care, revenue, patient care, revenue, and patient. What that doesn’t entail. Right. So I think this is somewhat obvious. Your patient care revenue is going to be you know, like reimbursement you receive for patient services delivered, okay? It’s not going to be let’s say you have
insurance and flood insurance and you. But revenues because you got flooded and the insurance payment came through. That’s an insurance settlement, that would not be patient care revenue. A lot of these things are pretty self explanatory. I will know. They explicitly list of course, your COVID-19 testing funds and your testing and mitigation funds, we’re not counting that as patient care revenue by quarter, right. So you don’t have to include that. Again, I’m not going to read through all of these know that this, this definition is pulled straight from that definition section. And you have to evaluate what your patient care is, for those six quarters that I highlighted. Okay, that’s what you’re going to need when you’re doing step two of this process. Similarly, you’re going to need to do your patient care expenses for those six quarters. Okay, so there’s, there’s literally 12 fields on the application, six, for revenues, six for expenses. And you need to put in a figure, okay? Your patient care expenses are also defined in the definitions. We’re looking at salaries and benefits, things like that. But any sort of loss you have on an investment or something like that would not count. As a patient care expense. It’s an expense, but not a patient care expense. So hopefully, this is pretty clear. This is again, pulled straight from those definitions. All right. All right. So again, I know there’s a lot of texts on this screen, the the thing that I want to highlight here is that whatever number you come up with, for those six quarters, you need to have supporting documentation. Okay. And you’re going to need to upload that supporting documentation in the application process, okay. The supporting documentation is not going to be in this case, your your taxes, right, because your taxes aren’t broken out like that on a quarterly basis. Right? It’s almost, it’s almost certainly going to be what they’re calling an internally generated financial statement. They also use this accounting term called a classified trial balance groupings report, I googled it. I don’t know, it’s like an accounting term. Maybe some of you know what it is, I couldn’t really figure it out, internally generated financial statement is essentially what I’m going with, you have some sort of documentation that shows your patient care revenues for that quarter, and your patient care expenses for that quarter. Okay. They have to reconcile themselves that hersa is very clear on this. Okay. So the number at sort of the end of your financial statement needs to be very explicitly clear, like I don’t want you shouldn’t have like three different numbers, that all could theoretically be your patient care operating revenues, okay, the figures add up to a single number and make sure that everything adds up? Because if it doesn’t add up versus hersa, has essentially indicated that they’re that they’re not going to pay your application. So yeah, I can’t make that any clearer. You have to have the numbers add up to exactly what you’re reporting. In the, in this 12 different fields, right. So you’re going to upload those documents and field 19 and 20, which is after you sort of list the the numbers that you’re claiming. One last thing before we move on to the good news. For newer entities that don’t go back, let’s say they don’t have they didn’t weren’t existence and 2019. And so therefore don’t have q1 2019 revenues or expenses, you can still apply. Okay. And sort of like the complicated 10 situation. We’re not going to get into that. I know some of you are definitely in that situation. If so, know that on the port in the portal. It tells you exactly what to do. If you opened in 2019, it tells you exactly what to do. If you opened in 2020, maybe even later than that. So just go through the process, look for those special instructions for you as a new provider and follow those. Instead, it’s it’s similar, it’s not totally different than what everyone else is going to have to do. But they do recognize that not everyone has history back to 2019. Okay, good news. I alluded to this earlier sort of spoiled this already. But the rural portion of this the rural, the 8.5 billion that Senator Manchin was able to get in, that everyone in our community is happy about. The good news is that you don’t have to do anything extra to apply for the rural. Okay. All you have to do is hit yes. It’s it’s literally one question yes or no? You hit yes. Okay. Now, I don’t think you can not apply for phase four. And just and just hit yes. On this. I that. That could be the case. It’s something we haven’t explicitly asked. But I suspect that if you left all that other stuff blank, and just hit yes, on question 21. Because you’re not interested in phase four, you just want the rural? I I’m guessing that it won’t let you apply. But I haven’t verified that. But it’s super easy. Now, what’s the bad news about this? Is that there’s basically no downside for anyone to not hit yes. Right. So the AARP rural distribution is going to go to, it can go to entities that are in cities, I believe, have up to 500,000 people, which of course, is not rural, right. But if, for example, you have a hospital in a city of, I don’t know, 100,000 people, that hospital can get some of the rural money based on the number of rural patients that they see. So anyone that comes from that $100,000 City to see them isn’t going to get calculated, but anyone from sort of the surrounding area that perhaps goes to that hospital for care, they will be calculated in the rural out. And this and this, so essentially, everyone that’s going to complete phase four, I mean, is probably going to hit yes, because you’re not even saying that you should get it you just want to be considered. So that means that, you know, you’re gonna have more applicants for the rural piece of this. And potentially the the amount of money will be less because again, it’s 8.5 billion, that’s the maximum out that is going to go out. So how
much anyone gets is very dependent on the amount of people who hit yes here. So little good news, little bad news there. But hopefully, that’s pretty clear. What we have here, so with that, I’m looking at the time, it’s already 1144 or 45. We’re gonna go straight to questions, right now. And if we, if we think it’s a good idea, we can talk about lost revenues. But where I would, I think we should jump into questions now and really hammer out phase four, first, and then maybe we can talk about lost revenues. As many of you know, we do tend to go over so you know, we’ll probably go to maybe 1215 to 20, depending on how it’s going. Well, real quick, before we get into the questions just on terms of lost revenues. Again, everything that we really have in these slides can be found in this lost revenues Guide, which we also have a QR code for. The lost revenue concept, as Sara alluded to, in the beginning, is not really applicable to this application. Right? As I just went through, we’re talking about patient care expenses, patient care revenues in those six quarters, not lost revenue. Okay. That’s the application. Okay. After you get the money though, it is the money is supposed to be used for unreimbursed expenses and or lost revenue that you incurred anytime in 2021 or 22. So lost revenue is applicable as a concept to phase four, but not the phase where applica it’s a, it’s applicable once you get the money. Certainly lost revenue is also very, very applicable for folks that are doing the provider Relief Fund reporting, which is due but sort of not due today. But any will be applicable and something that you need to understand whenever you do the reporting for phase four. But for in terms of the application, it’s not really based on lost revenue. So I got a little quote here, it is a sign of strength, not a weakness to admit they don’t know all the answers. So if I don’t know something, I’ll just say, I don’t know it. I’m not ashamed to admit because I mean, this thing has been out for 48 hours. So I’m not an expert in it. But we did spend the last 48 hours looking at all this stuff and try to pull out the information. That is important. All right. I’ve talked enough, Sarah, let’s get into the Q&A. What do we got?

Sarah Hohman 46:04

Okay. Um, the first question is, if we have 1 TIN, but multiple NPIs? How does that work?

Nathan Baugh 46:12

Um, I don’t think the NPI’s are a part of the application at all. So I don’t think it really changes much.

Sarah Hohman 46:27

You do need to enter your NPI in the validation? Yes, in the 10 validation. I, we’re not looking at like a direct specific application right now. So I am hopeful that they will prompt you in that TIN validation section. Kind of what, what that process should be? Yeah, you need to list your NPI and NPI effective date. So I’m hopeful that they will prompt you when you’re doing that. If not, we will seek additional clarification for you on what to do in that situation.

Nathan Baugh 47:08

Um, yeah, I believe they allowed you to enter in multiple NPI’s in that step when we did it yesterday.

Sarah Hohman 47:15

Okay. Yeah, I couldn’t remember exactly, yeah. Okay. But
Nathan Baugh  47:21
yeah, it shouldn't change much outside of the TIN validation process. Yeah. Okay. Next question.

Sarah Hohman  47:29
while participating in phase four, impact FEMA or cares dollars already received by our sponsor and hospital, if we
are a provider based RHC

Nathan Baugh  47:39
Um. Little bit potentially, there are certain things that kick in when you cross annual thresholds of funding received.
So there's the single audit threshold of $750,000. There's also the in the provider refund reporting portal, if you go
above $500,000. In any given year, you have to do a little bit more. So that's the implication that I'm thinking of.
There could be others that I'm not thinking of. Sarah, do you have anything to add?

Sarah Hohman  48:20
I don't. I did want to mention, though, that I heard from someone in the chat that you can't, you cannot enter
multiple rpis in the application. You can enter multiple Medicaid IDs, but not multiple rpis. So we will look into that.
Yeah, I don't know what's going on there. Exactly. Yeah. Um, it would patient care expenses include overhead
expenses.

Nathan Baugh  48:56
Patient care? Well, let's look at the definition. This is the full definition that's listed on our online for this. I'm reading
it. The following are not considered patient care expenses, non operating expenses, such as costs incurred on any
rental property not used for direct patient care. contribution smase gained in investment. That by it's not explicitly
listed here as overhead. But by sort of talking about the rental costs for non direct patient care areas, I assume that
direct patient care areas, the costs of operating those, which I think we you and I would call up overhead costs could
be included. So my analysis of This definition is yes, it does count as a patient care expense.

Sarah Hohman  50:09
Can we use some of the money to pay taxes on this money since we'll get it so late in the year and won't be able to
have time to spend it, but it will be treated as income and be taxable.

Nathan Baugh  50:23
So when you get the money, the money can be used for unreimbursed expenses related to COVID or lost revenues. I
don't believe your tax bill is a unreimbursed expense related to COVID. But I will reserve the right to research that a
little bit more. Yeah, that's that's my answer. I mean, I know it's counted as taxable income. Because this will be
treated like the provider Relief Fund buckets where it is counted for for those of you that file taxes, it is treated as
revenue, or taxable income. So theoretically, it could increase your tax bill. A little bit. But yeah, so that's, that's my
answer there.
Okay, a few questions about fiscal years versus calendar year quarters. Yeah. Can you talk more about that? Yeah. Do you use calendar, your quarters? Can we use fiscal year quarters? They don't match up?

May? My interpretation is yes, you have to use calendar year quarters. Full stop. That is why there's no other definition or alternative definition of q1, q3 and q4. q1 is always January, one to March 31, q3, July, once through September 30th. And q4 October, one through December 31. There's no mention of, well, if your fiscal years, if your quarters are different, then, you know, you can do something else. So right now, I'm gonna say, no, you're gonna need to generate an internal statement, internal financial statement for those months, okay. Whether that, if that crosses over from one fiscal quarter to another fiscal quarter for you, then so be it, you're going to have to break it out on a month by month basis. And in show that,

Okay, in order to get net patient revenue, we have to estimate that info from a variety of system reports and from to EHR systems, we have everything and Excel files that we will use to calculate those figures. What do you think the Excel file data to compile the data be sufficient supporting documentation? Then they would select to audit data calculations, we could then pull any various computer system generated reports where the data was pulled, pulling all that data upfront to submit with the application, we'll take a significant amount of time.

Yeah, so I don't think you have to pull the data. I do think the Excel sheet would work. Certainly make sure those numbers add up. They're not asking for receipts. They're asking for what they're calling, internally generated financial statements. Okay. I'm beaming your Excel sheet and internally generated financial statement. Okay. They're not asking for all the receipts. Okay. They're asking for a financial statement that you generate. That covers that quarter. Okay, so, so yes, yeah, I think pretty clearly that Excel sheet is going to work. Now. Of course, you got to make sure the numbers add up. And, of course, if you got audited, I'm sure people would might ask you to justify your financial statement. But they're not going to ask you to do all that work on this application.

Great. Okay, next question. If we submit our application next week, but they change or clarify the rules before the deadline, will we have the opportunity to update our application info if it seems warranted,

um, I believe they have come out and said that you can't update an application. You've already submitted. But I also read somewhere that if multiple applications are submitted on the same 10, the last one is what will be looked at. So technically, you can't read resubmit the same application, you'd have to, I think, maybe do a full new application under the same 10. And they'll, they'll look at the later one. But my recommendation is, if you can have it all ready to
go and not hit Submit until the very end, just in case they do change the rules. I don’t anticipate they changed the rules too much. They might clarify some things. But you know, I think maybe best practices you submitted on October 25, the day before it’s due, but have it all ready to go. But you can hold off if you want. Yeah. Okay.

Sarah Hohman  56:00

where they capture our medicare medicaid chip payments, will that include Medicare Advantage, and Medicaid managed care payments?

Nathan Baugh  56:08

Yeah, that’s a good question. I’m about I’m gonna put my percentage of confidence here at about 97% confident that they’re going to capture that. But I don’t know if I’ve read that explicitly anywhere. It just says medicare medicaid chip. So that’s my answer.

Sarah Hohman  56:34

Okay. Do you have a detailed definition of insurance settlements?

Nathan Baugh  56:43

A detailed definition of insurance settlements? Yeah, it’s it’s not it’s not any reimbursement you receive? Okay. I’ll tell you a personal story. My upstairs neighbor flipped, but you know, three inches of water on there for, right. So we filed an insurance claim with with his insurance and got paid to, you know, fix all the water damage of cars in our apartment. That is my definition of an insurance settlement. So you, as a clinic, probably have various types of insurance. Right? If that insurance pays out to you. That’s not, that’s not patient care revenues. That’s an insurance claim that is being paid to you. Right? So if you have vehicles and the clinic, insures them through car insurance, then and so somebody, God forbid, gets in a crash and you got paid to purchase a new vehicle, that settlement wouldn’t count. So that’s my, I don’t think there’s a definition. There’s certainly not a definition further than that listed online, in this section.

Sarah Hohman  58:08

Okay, thanks. And I also just wanted to kind of go back to editing your application after you submitted you, this is a limited time window. And so we are hopeful that a lot of this information won’t change. So if if you want to pull everything together, and be ready to submit, we still do recommend that you submit at least three days before the due date, just in case there are any issues that that you are able to correct or any technical issues. So I just wanted to put that disclaimer out there. Okay. Next question. We have 110 for the hospital or hc, and clinics. When we enter NPI for our hc, would we then enter the revenue, as reported on our audited financial statement for the entire organization, as the Rh C is not broken out?

Nathan Baugh  59:14

Yeah. This year, I think you’re applying 10 wide here, right? Because your other your other facilities in your 10 aren’t eligible for phase four. Right. And most of that baseline setting and things like that is is applicable for the entire 10
and is not even borough specific. So yes, you’re going to do 10 wide audited financial statements and you’re going to apply as a 10 organization.

Sarah Hohman  59:50
We receive patient revenue from quality initiatives from various health plans. These are not EOB or patient visit specific reimbursements. We count these funds as patient revenue. Sorry, say the first part of that, again, that we receive patient revenue from quality initiatives from various health plans.

Nathan Baugh  1:00:10
Um, maybe you could call that a contractual adjustment from a third party payer. But I don’t think that that’s where they’re going with that. I think that that would be considered part of your normal revenue for patient services delivered.

Sarah Hohman  1:00:36
Yeah, I would agree with that. Okay, if we did not lose any revenue, are we eligible to apply?

Nathan Baugh  1:00:47
Yes, because again, it’s not based on lost revenue, we’re dealing King it, right? lost revenue, is what you need to spend it on or unreimbursed expense. And you can you could incur lost revenue next year and use this money on that. Okay, so that does not make you ineligible. The amount of money you get depends on the numbers, you report for those six quarters. Okay. So it might, whatever happened in your situation might lead to you not getting quite as much, but I don’t think it would make you ineligible. Yeah, so again, the methodology of how much money you’re going to get is, is convoluted, but it’s it’s based on if we go back here on Minnesota, this is based on operating revenues and expenses from patient care for six specific quarters. Okay, so that’s not lost revenue. It’s its operating revenues and expenses for patient care for six specific quarters. And the formula does account for sort of the change in operating revenues and expenses, sort of pre COVID and during COVID. So if your revenues go up, and your expenses go down, during COVID, for some reason, then I suspect that you might not get as much money, but I don’t know if it’s going to quick completely disqualify you.

Sarah Hohman  1:02:30
Great. Well, the PRF fund report reporting be used as a part of the phase four application, we were worried that taking the 60 day grace period for reporting would affect our phase four application,

Nathan Baugh  1:02:44
completely separate things. completely separate things. Phase period one PRF reporting, you report lost revenue. You report unreimbursed expenses, things like that. Do you use a different portal? I mean, it’s all on hearses website, but it’s a different portal. This is completely D linked. This is specific quarters, right? operating patient care expenses, and operating patient care revenue. So, so very different.
Sarah Hohman 1:03:30
lost revenue after use in the PRF process is what we can use phase four, for correct. Also, can last revenue be transferred from a parent to subsidiaries?

Nathan Baugh 1:03:45
Ah, I think I followed that question. Once you get the money, it's basically like a provider really fun. bucket. Okay. It's the same as the general distribution, one, General distribution, two, three, is the same concept as the rural targeted allocation that everyone got in 2020. Same concept of what you can spend the money on after you get it. Okay. That's not relevant to the application process. But once you get the money, yes, it's the same concept in terms of last revenue unreimbursed expenses? I don't think that answered their question. I'm not sure.

Sarah Hohman 1:04:32
Are they looking at for the net revenues minus expenses? And if we lost more in the three recent quarters than the three previous quarters, will that determine how they allocate phase four to us? What if we have a small profits in the recent quarters? Does that make us ineligible for phase four?

Nathan Baugh 1:04:54
Anything after q1 of 2021 is irrelevant for this. These are this Exact quarters, there's no deviating from these six quarters. Okay, so any revenue or expenses that have happened at, you know, after q1 of 21 is irrelevant. So, yeah, I think that that answers there. I think there was another aspect of that question that I might be forgetting.

Sarah Hohman 1:05:27
What if we had a small profit in the recent quarters? Does that make us ineligible for phase four?

Nathan Baugh 1:05:33
No. Even if you had a profit, and the quarters of these six quarters, or you had a in q3 for q1, if you had a profit, I'm not sure that that makes you ineligible. It just, it just tweaks how the formula will be applied to you. Yeah. Okay. So we'll keep going. I know, we're just in the q&a process here. Hopefully, people are finding this helpful, where obviously, we're not going to get into lost, lost revenue. That is definitely a concept that has been discussed by many others before. So we do that we'll leave those slides in there. But we'll do maybe about 10 more minutes of q&a, get to as many questions as we can. And then, of course, we'll be available to help folks between now and October 26. Get this, get this application through? The number one thing, what do you all have to do today? Go validate your 10 get that process started, if you're at all interested, at least get that ball rolling. And then you can start looking at compiling the patient care revenues and expenses and the supporting documentation after that, but do the 10 validation, I would say immediately if you have those figures, so again, about 10 more minutes of q&a and then we'll then we'll wrap it up because it's lunchtime here.
Sarah Hohman 1:07:16
Okay. When you are putting in dollars from your financial statements, do you leave out the other PRF PPP and RHc funding we received over the past 18 months? Yeah. Other words, do you exclude this type of income?

Nathan Baugh 1:07:33
Yes, for when you’re calculating patient care revenues, it’s right here. It’s this last bullet point. There pandemic assistance received, including Rural Health Clinic COVID-19 testing funds. So yes, you would exclude those in the quarterly evaluation. In terms of the the annual tax, remember, because we are focusing a lot on those six quarters, but there is this annual total annual revenues field that you have to complete. I suspect that your taxes we already talked about the provider Relief Fund, it does show up as taxable income, right. So that’s, of course going to affect your, your, your tax filing. So I’m sure it did, it’s going to impact your annual numbers that you report in tenant 12. But it’s not going to impact the quarter, because it’s not patient care. Revenues or expenses is probably actually not going to affect field 12 either. But it will affect field 10. Hopefully that makes sense.

Sarah Hohman 1:08:49
Are they using the same data points for revenue for the PRF reporting that was originally due this week? It looks like what I have already completed for the PRF reporting in terms of quarters and revenue.

Nathan Baugh 1:09:03
Um, I Sarah, can you confirm? I don’t know. They’re only asking for these kind of oddly selected quarters and PRF?

Sarah Hohman 1:09:19
My, I don’t believe that that’s the case. I don’t believe those. Yeah, those definitions of quarters are part of PRF reporting.

Nathan Baugh 1:09:30
Yeah, so maybe, but probably not. I mean, it’s literally a separate portal with a separate login. So I doubt that it’s linked in any way. I mean, if it was linked, they would have linked it. But they did it through the attestation portal. Not your provider Relief Fund reporting portal. Okay. So I doubt whatever you reported, coming out into September 30, on period one is going to impact phase two in any way,

Sarah Hohman 1:10:06
seeing several questions about Medicaid IDs, that’s a, that’s a piece of the tin validation part. And the example that they show is that you should have your state abbreviation, a hyphen, and then the ID number. I’m seeing some folks that have supposedly tried that format, and it’s not working. So we will see if we can figure more out about that. It seems like people are trying that method and it’s not working.
Nathan Baugh  1:10:50
I mean, we’re a national organization, right. So that’s going to be my excuse. But I’ve been working for rural with rural health clinics, as you know, for like six and a half years now. I’ve never heard of a Medicaid ID until, you know, yesterday. So you guys are probably know more about that than I do. So I don’t have much to say.

Sarah Hohman  1:11:13
You Yes, I’m okay. But we will, we will see if we can find out any more information about that. Okay. Can you please clarify about the testing revenue that is not included in patient care revenues? Are these the payments we received for doing tests? Or whatever grants we received for testing? Or both? Okay, repeat.

Nathan Baugh  1:11:35
that.

Sarah Hohman  1:11:37
Can you clarify about the testing revenue? That is not included in patient care revenue? Are these the payments we received for doing tests, or whatever grants we received for testing or above?

Nathan Baugh  1:11:51
Um, I guess I disagree with the premise most testing services you provide would be considered patient. Right, you know, you should get revenue for that. And that’s a patient service that you delivered. So there’s some edge scenarios like if the patient is completely uninsured, and you’re not in you, as a clinic aren’t participating in the uninsured program, where you would provide testing and not get reimbursed for it. But I guess I think that any test that you do, is reimbursed. Now, it’s reimbursed different ways for different payers. Medicare is not a jet doesn’t generate an encounter. It’s Do you get a bill it it’s it’s complicated, but you either got a bill to part B, on a 1500, or you bill it through the hospital, if you’re doing the lab portion, in addition to the specimen collection, if you just do specimen collection, you don’t really build it at all, it just counts as an allowable expense that goes on your cost report that is obviously weedy and nuanced. The bottom line is that generally speaking, theoretically, you are reimbursed for testing. So I would count it as patient care revenues. For any given quarter. Yeah.

Sarah Hohman  1:13:18
Thank you to everyone in the chat, and the qa box that’s giving some more clarification on Medicaid IDs. Someone mentioned, they called Medicaid ID and got the appropriate IDs. And that worked. Some used the format with the abbreviation and the number, but left off the last letter, that should also work for you. So try those options. If you’re still having issues with some of those technical pieces of the application, the provider support line should be able to help you. In addition to the resources that we have, of course.

Nathan Baugh  1:13:51
that did happen to us yesterday, when we did our example. We the Medicaid ID number ended in a G and they didn’t have the correct number for that. So that’s why we didn’t get reimbursed. But if you’re calling the provider support line they will help you.
take it and then we took off the G and internet a number. And it worked. So that’s, I’m guessing that might be

Sarah Hohman  1:14:12
okay, so, um, Nathan, should we take a few more should we should we wrap up?

Nathan Baugh  1:14:20
I mean, if you it’s really whatever we want to do. If you see any last questions we could we could even maybe take
one over the I think can we take it over the audio? I’m not sure. He said we’re new. We’re new to zoom. Thank you for
staying with us. Let’s let’s just see if we can pull it off.

Cate Visser  1:14:49
Yeah, Nathan, this is Cate Visser. They raised their hand and then it shows in the attendee list and then you should
have the option to allow them to talk.

Nathan Baugh  1:14:57
Okay, let’s do that. Tommy. Hey, Hazlewood has raised his hand. Let’s try to get Tommy in here. A lot of talk. Tommy,
Tammy, Tammy. Sorry. Tammy, you are unmuted Tammy, are you there? Tammy, we are not getting any audio,
unfortunately, from you. So we are going to put you back on mute and go to Carrie Anthony. So we’re going to allow
you to talk. Hello. Hey. Carrie. Yes, we can hear you.

Caller  1:15:38
Hey, on the screen that you’re on right now, interest in appreciation on building and equipment used in the provision
of patient care is listed as patient care revenues. It’s also on the expense side on your slides. Just wondering if that is
accurate.

Nathan Baugh  1:15:54
I mean, I pulled this verbatim from online. So what are we talking about here?

Caller  1:16:01
interest in depreciation on building an equipment? Yes. Right. So that in revenues and also an expenses? Well,

Nathan Baugh  1:16:09
yeah, listen, is it totally logical? No, I would say interest on equipment or, or something like that would be considered
a revenue and depreciation would be considered an expense, I think. But no, that’s not a typo. That’s what it’s what
they it’s what they have listed online. So I maybe I don’t understand the accounting principles at play there. But
Yeah, that’s my answer. So I’m guessing that sort of any interest that you earn on a building would count as revenue, and any depreciation would count as an expense.

Caller 1:17:00
Hmm, okay. Thank you.

Nathan Baugh 1:17:02
But that that is a guess. I’m not afraid to admit something. I don’t know. Right. So. But thank you for volunteering to speak verbally. Maybe we will do one more. One more. I see Rhonda has raised her hand and will allow her to talk. Rhonda, you should be able to unmute. And the floor is yours.

Caller 1:17:27
Thank you. I wanted to ask again, going back to just hitting Yes. There’s no additional work that needs to be done once. Once. We’ve hit yes. There’s no additional reporting or any of that. For the rule.

Nathan Baugh 1:17:42
Yeah, in terms of the application? Yes. Yeah, is my are saying you just hit yes. It’s very simple. I mean, you have to do all the prep work. Like I said, I don’t think you could just skip to feel 21 hit yes. And be like, Oh, I only want to apply for the AARP rural?

Sarah Hohman 1:17:58
We will, we will get clarification for sure. on that, though. That’s not something we’d really considered. But I’m sure we will clarify theoretically.

Nathan Baugh 1:18:08
Possible that you don’t have to do any of that. And you could just say yes, on field 21. And just apply for that.

Caller 1:18:14
I know, I understand that. Because we’re an entity under a hospital and I’m and someone else is doing that work. I’m just giving them the information to say yes. Oh, I need to do is hit yes. There’s nothing further they need from me.

Nathan Baugh 1:18:29
Yeah, pretty much.
Caller 1:18:30
All right. That's all I need to say.

N Nathan Baugh 1:18:33
And the reason is because the government has data on your patients, and your claims and where those patients live. So that is the nice part of this. And that's what they're basing the AARP world amounts on. Is this the volume of patients that you've seen from rural areas that are in Medicare, Medicaid and CHIP. Thank you. I appreciate your help. Of course, thank you for raising your hands. All right, with that we're at we're 20 minutes over. Thank you all for attending. We'll go ahead and close this out. We do have a CRA HCP code. This is our last revenue section that we could not talk about. Here is our CRA hc poate excuse me see our HCP code is hQ 2x six, Sara I will turn it over to you to close it out the rest of the way.

S Sarah Hohman 1:19:30
Sure. Okay. Um, thank you, Nathan. And thank you everyone for attending today, webinar. We are excited for you to apply for this next round of funding and available to continue to walk through and be a resource for you as you do so. If you have any specific questions after reviewing all of these resources, please don't hesitate to reach out to us at our Hc COVID reporting at n a r h c.org. And we are happy to walk through those scenarios and questions with you. Or to point you in the direction of other resources. Like Nathan said, we will leave the last revenue slides that come from that lost revenues guide in the slides that you have access to and in the recording once that's uploaded, so check those out. And we're also able to be a resource for that. But thank you so much for joining us. If you have any other topics that you would like to see a webinar on, please don't hesitate to reach out to us with those topics. The cu code is on your screen, and we look forward to hosting additional webinars for you in the future. Thank you for your participation.

N Nathan Baugh 1:20:52
Go validate your TIN everyone right away. All right. Thanks, guys.

S Sarah Hohman 1:20:57
All right. Thank you. Bye