



How Can We Keep What We Already Have?

CARES Act Funds, Reporting & Audits

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Today's Talking Points

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Overview of the COVID-19 Relief Funding Reporting and Payback Requirements

2

Discuss the Single Audit Requirements

3

Revenue Strategies Moving Forward

COVID-19 Relief Funding

CARES Act Provider Relief Funds General Distribution

PHASE 1

- \$50 billion to providers who bill Medicare fee-for-service
- Automatic disbursement
- Allocated proportional to provider's share of 2018 patient revenue

PHASE 2

- \$18 billion
- Participants in Medicaid/CHIP programs, Medicaid managed care plans, dentists, & certain Medicare providers, including those who missed Phase 1 or had a change in ownership in 2019 or 2020.
- Applicant submission based
- Payment equal to 2% of their total patient care revenue

PHASE 3

- \$20 billion to providers that have already received PRF payments, previously ineligible providers such as those who began practicing in 2020 & an expanded group of behavioral health providers
- Additional funding; considers financial losses & changes in operating expenses caused by COVID.
- Applicant submission based

Additional Relief Programs

- Accelerated Payments
- Paycheck Protection Program
- Telehealth Grants
- HHS funds
- FEMA Grants

CARES Act Funding Opportunities

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Relief Program	Available Funding	Type of Funding - Funding Provisions
General Distribution Part 1	30,000,000,000	Distribution based on Prior Year Medicare Reimbursement (4/10/20, 4/17/20)
General Distribution Part 2	20,000,000,000	Distribution based on Prior Year net patient revenue(4/24/20)
General Distribution Part 3	20,000,000,000	Distribution to eligible health care providers to ensure that allocations, in aggregate, of 2% patient revenues have been received and additional funding will be distribution on a per-case basis.
Allocation for Treatment of Uninsured	104,600,000,000	Every health care provider who has provided treatment for uninsured COVID-19 patients on or after 2/4/2020 can request claims reimbursement through the program and will be reimbursed at Medicare rates.
COVID-19 High Impact Areas	12,000,000,000	These payments are going to 395 hospitals who provided inpatient care for 100 or more COVID-19 patients through 4/10/2020.
Rural Providers	10,000,000,000	Rural acute care general hospitals and CAHs will receive a minimum level of support of no less than \$1,000,000, with additional payment based on operating expenses.
Allocation for Tribal Hospitals, Clinics, and Urban Health Centers	500,000,000	\$500 million will be allocated for Indian Health Service facilities, distributed on the basis of operating expenses. Indian Country is also being impacted by COVID-19.
Allocation for Skilled Nursing Facilities (SNFs)	4,900,000,000	Available to all skilled nursing facilities with six or more certified beds. Each skilled nursing facility will receive a baseline payment of \$50,000, plus an additional \$2500 per bed.
Medicaid and CHIP Distribution	15,000,000,000	Providers who bill for Medicaid and CHIP and did not receive General Distribution funds
Allocation for Safety Net Hospitals	10,000,000,000	Hospitals with Medicare Disproportionate Payment Percentage (DPP) of 20.2% or greater, average uncompensated care per bed of \$25,000 or more, and profitability of 3% or less

CARES Act Funding Opportunities

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Relief Program	Available Funding	Type of Funding - Funding Provisions
Nursing Home Distribution	5,000,000,000	\$2.5 billion will be distributed upfront to support increased testing, staffing, and PPE needs. The remaining \$2.5 billion will be distributed based upon various COVID metrics.
Safety Net Distribution #2 - Children's Hospitals	1,400,000,000	\$1.4 billion will be distributed to free-standing children's hospitals, not affiliated with larger hospital systems.
Public Health & Social Services Emergency Fund	25,000,000,000	\$90 million for HIV/AIDS program; \$180 million for critical access hospitals, rural tribal health and telehealth programs; \$5 million for poison control centers
Hospital Preparedness Program	250,000,000	Supports hospital preparedness, including increasing healthcare facilities' capacity to respond to medical events
COVID-19 Telehealth Program	200,000,000	Program will support providers by fully funding their telecommunications services, information services, and devices necessary to provide critical connected care services.
Distance Learning, Telemedicine, and Broadband Program	25,000,000	To be available through the Department of Agriculture to provide grants to support access to telecommunications enabled information, audio and video equipment, as well as related advanced technologies for students, teachers and medical professionals
Public Assistance Program	87,000,000,000	Eligible hospital costs include but are not limited to administrative costs such as overtime pay and purchases such as personal protective equipment used directly for medical care.
Small Hospital Improvement Funding (SHIP)	165,000,000	Assist hospitals funded through the Small Rural Hospital Improvement Program (SHIP) respond to this public health emergency.
Paycheck Protection Program	659,000,000,000	Small businesses with <500 employees. Loan proceeds are up to 100% forgivable if requirements are met.
Nursing Home Distribution	5,000,000,000	\$2.5 billion will be distributed upfront to support increased testing, staffing, and PPE needs. The remaining \$2.5 billion will be distributed based upon various COVID metrics.

CARES Act Payments: Reporting Requirements

- Significant difference from prior guidance: Change in net patient care operating income net of COVID related expenses reported
- Compares Net Patient Revenue from calendar year 2019 to 2020 reported on a quarterly basis
- Reporting due by February 15, 2021
- Reporting applicable if received over \$10,000 in relief funding
- Does not apply to Nursing Home Infection Control or Rural Health Clinic testing distributions

Highlights of November 18th New FAQs

- Even though reporting is on a quarterly basis, the 2019/2020 comparison is based on the full calendar year (Page 19)
- The full purchase price of equipment and inventory is an allowable use of the PRFs only in cases where the purchase was **directly** related to prevent, prepare for and respond to the coronavirus (Page 15)
- Equipment and facility payments are included in accordance with accounting policies (Page 16)
- Interest earned on Provider Relief Funds should be reported as “other assistance” received (Page 20)
- COVID items included in cost reimbursement must be included in the items that are reimbursed by other sources (Page 21)
- Cost savings from 340B purchases should be included as patient care revenues (Page 44)
- Retail pharmacy is not considered patient care revenue (Page 44)

U.S. Department of Health and Human Services (HHS). (2020, August). Retrieved from CARES Act Provider Relief Fund - Frequently Asked Questions: <https://www.hhs.gov/sites/default/files/provider-relief-fund-general-distribution-faqs.pdf>

Single Audit Requirements

- Entities expending \$750,000 or more in federal financial assistance in 2020 are subject to the Single Audit requirements
- Recipients do need to indicate if they are subject to Single Audit requirements in 2020. If the answer to that question is yes, recipients should indicate whether their auditors selected PRF payments to be within the scope of the Single Audit, if known.

Post COVID-19



Revenue Strategies Going Forward

- The Importance of Cash Reserves
- Optimizing your Reimbursement through your Cost Report
- Coding and Chargemaster Best Practices
- Other Regulatory Opportunities

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