

Feds Alter Provider Relief Fund Requirements

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Recent passage of the Coronavirus Response and Relief Supplemental Appropriations Act brings new changes to Provider Relief Fund reporting requirements for senior living facilities and health care providers.

First, the U.S. Department of Health and Human Services extended the February 15 reporting deadline for recipients of federal provider relief funding. Although recipients of payments exceeding \$10,000 must register in the Provider Relief Fund Reporting Portal, there is no set deadline for completing registration. A new deadline will be announced soon.

The department also clarified earlier guidance concerning the use of provider relief funds. The program was initially established to reimburse eligible providers for health care-related expenses or lost revenues attributable to coronavirus. However, the term "lost revenues" was never completely defined and raised questions as to whether this actually meant lost **net** revenues, or lost profit. Guidance by the department on October 22 suggested as much, stating that "it would be inequitable to allow some providers to be more profitable in 2020 than 2019, while so many other providers struggled to remain viable."

However, the department reversed course following passage of the latest coronavirus relief act, dispensing with any lost profitability requirement. The new law requires the department to adopt a more flexible interpretation of "lost revenues" as meaning any decrease in revenues attributable to coronavirus, including reduced outpatient visits or canceled elective procedures. The rationale for this change is that substantial funding is needed for providers to maintain the capacity of the nation's health care system.

New guidance requires allocation of provider relief funding as follows:

- Payments must first be applied to health care-related expenses attributable to coronavirus that another source has not reimbursed and is not obligated to reimburse.
- Payments not fully allocated to health care-related expenses are then applied to cover lost patient care revenues.

Providers may choose any reasonable method of reporting lost revenues. This includes reporting actual lost revenues between 2019 and 2020, or the difference between 2020 budgeted revenues and actual revenues - provided that the budget was established prior to March 27, 2020.

Although this most recent change is favorable for health care providers, given the ups and downs of federal guidance, providers should continue to proceed carefully in reporting their use of provider relief funding, and watch for additional guidance and instructions.

If you have any questions about what this could mean for your senior living facility or health care organization, please

[contact me](#) or anyone in the [Barley Snyder Senior Living](#) or [Health Care](#) industry groups.

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