



WILLIAMS & COMPANY P.C.

CERTIFIED PUBLIC ACCOUNTANTS

PROVIDER RELIEF PHASE 4 + ARP RURAL
FUNDING

October 1, 2021

DISCLAIMER

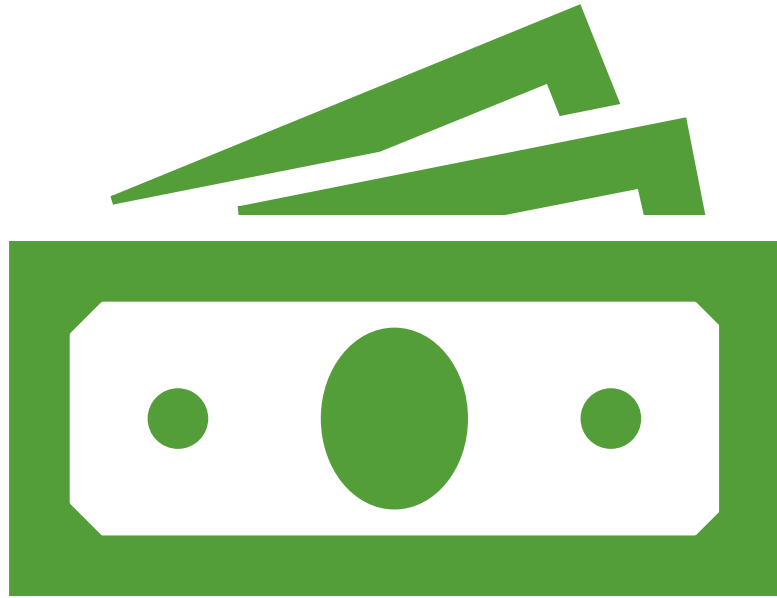
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60 day grace period
- not an extension

REMINDER – PRF
PERIOD I
REPORTING
SUBMISSIONS
WERE DUE
YESTERDAY

**\$25.5 BILLION IN
PROVIDER RELIEF
FUNDS**

- \$17 billion in PRF Phase 4 General Distribution payments.
- \$8.52 billion in ARP Rural payments.
- Providers can receive both PRF Phase 4 and ARP Rural payments.
- Single application through HRSA.
- 4 week application period opened Thursday, 9/29 with an October 26th deadline.
- Payments are considered PRF Period 4 distributions and can be used to cover lost revenues and eligible expenses between January 1, 2020 and December 31, 2022.



HRSA'S GOALS

- Simplified application process
- Equity of distributions by higher payments being weighted towards smaller providers
- Fast payments:
 - ARP Rural is expected to be paid by Thanksgiving.
 - General Distribution payments are expected to be disbursed in December 2021.



This Form is Provided for Information Only

Reference ID _____

HRSA Provider Relief Fund – Phase 4 and American Rescue Plan (ARP) Rural Distribution Revenue Application

Tax ID Number: _____
Name as shown on your
income tax return: _____
Federal Tax Classification: _____
Business Name (if different): _____
Street 1: _____
Street 2: _____
City: _____ State: _____ Zip: _____
Registration Type: _____
NPI: _____

(1) Contact Person Name: _____
(2) Contact Person Title: _____
(3) Contact Person Phone
Number: _____
(4) Contact Person Email: _____
(5) Applicant/Provider Type: _____

Fields 6 - 8 have been intentionally removed

(9) CMS Certification Numbers
(CCNs), if applicable: _____

REVENUES

(10) Revenues: \$ _____
(11) Fiscal Year of Revenues: _____
(12) Revenue from Patient Care: \$ _____
(12.1) Select the Federal Tax Form you will upload to support Patient Care Revenue: _____

13. OPERATING REVENUES FROM PATIENT CARE

(13.1) 2019 Q1 (Jan 1 – Mar 31): _____ (13.2) 2019 Q3 (July 1 – Sept 30): _____
(13.3) 2019 Q4 (Oct 1 – Dec 31): _____ (13.4) 2020 Q3 (July 1 – Sept 30): _____
(13.5) 2020 Q4 (Oct 1 – Dec 31): _____ (13.6) 2021 Q1 (Jan 1 – Mar 31): _____

14. OPERATING EXPENSES FROM PATIENT CARE

(14.1) 2019 Q1 (Jan 1 – Mar 31): _____ (14.2) 2019 Q3 (July 1 – Sept 30): _____
(14.3) 2019 Q4 (Oct 1 – Dec 31): _____ (14.4) 2020 Q3 (July 1 – Sept 30): _____
(14.5) 2020 Q4 (Oct 1 – Dec 31): _____ (14.6) 2021 Q1 (Jan 1 – Mar 31): _____

SUPPORTING DOCUMENTATION: Total Annual Revenues and Annual Revenues from Patient Care

(15) *Autopopulated based on Field 12.1* _____ (16) Upload Annual Revenues Adjustments Worksheet (if required): _____
(17) Upload Annual Revenues from Patient Care Worksheet (if required): _____ (18) Upload Organization Structure Documentation (if required): _____

SUPPORTING DOCUMENTATION: Operating Revenues and Expenses from Patient Care

(19) Upload 2020 Q3 and Q4 and 2021 Q1 operating revenues and expenses from patient care documentation: _____ (20) Upload 2019 Q1,Q3,Q4 operating revenues and expenses from patient care documentation: _____

RURAL PROVIDERS

(21) Select "Yes" if your organization would like to be considered for an additional ARP rural payment. Yes No

Fields 22 - 32 have been intentionally removed

BANKING INFORMATION

(33) Bank Name: _____ (34) ABA Routing Number: _____
(35) Account Holder Name: _____ (36) Account Number: _____

Terms and Conditions

If a payment is issued, all recipients must agree to its distribution's Terms and Conditions within 90 days.

By clicking 'Submit' the Recipient understands that non-compliance with any Term or Condition or any applicable statutes and regulations will result in administrative, civil, and/or criminal action being taken and certifies that, you are a bonafide legal representative of the entities represented herein and that all of the information you are submitting to a Federal Government System, under penalty and perjury of law, is true, correct, and accurate.

WHO IS
ELIGIBLE
FOR \$8.5
BILLION ARP
RURAL
PAYMENTS?

- Providers/suppliers billing Medicare (A, B or C) and Medicaid or CHIP serving patients in rural areas.
 - Health care-related services were billed between 1/1/19 – 9/30/20.
- Home health, hospice or long-term services providers
- Rural Health Clinics and Critical Access Hospitals
- Providers who operate in or serve patients living in the HHS Federal Office of Rural Health Policy's definition of rural area.
 - Use the Rural Health Grants Eligibility Analyzer to check if the address, state or county of the patient is considered rural:
<https://data.hrsa.gov/tools/rural-health>
 - Rural funds can only be allocated to the relevant rural TIN.

HOW ARE ARP RURAL PAYMENTS CALCULATED?

Based on Medicare, Medicaid and CHIP claims data from January 1, 2019 – September 30, 2020.

Providers won't submit claims data – HRSA will use what's provided by Medicare and Medicaid.

Medicaid & CHIP will be adjusted to Medicare rates to make them equal.

HRSA will adjust the claims-based payments to providers based on the amount of funding available.

WHAT NEEDS TO BE SUBMITTED TO APPLY FOR ARP RURAL PAYMENTS?

- Nothing additional – check a box in the application.

RURAL PROVIDERS

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

Yes

No

WHO IS ELIGIBLE
FOR THE \$17
BILLION PHASE 4
GENERAL
DISTRIBUTION?

- One of the following categories applies:
 - Providers/suppliers who directly billed Medicare (A, B or C) **and** Medicaid or CHIP between 1/1/19 – 12/31/20.
 - State licensed/credentialed Assisted Living Facilities licensed on or before 12/31/20
 - Entity that received a prior PRF targeted distribution payment.
 - Dental service providers and behavioral service providers
- Filed a 2018, 2019 or 2020 tax return or are an exempt entity (ex. City/county owned)
- Provided patient care after 1/31/2020.
- Haven't permanently stopped providing patient care
- If an individual, gross receipts are on schedule C (excluding statutory W-2 employee wages)
- Also:
 - Are not currently terminated or excluded from participation in Medicare, Medicaid and/or other Federal health care programs.
 - Current Medicare billing privileges haven't been revoked.

HOW IS THE PHASE 4 PAYMENT CALCULATED?

- 75% of the \$17 billion is **based on providers' changes in operating revenues and expenses from July 1, 2020 – March 31, 2021 compared to July 1, 2019 – March 31, 2020.**
 - The formula will be weighted so that smaller providers receive a larger % of their changes in operating revenues and expenses than large providers.
 - Small and medium providers will receive an additional supplement.
 - HRSA won't determine small, medium and large threshold amounts or the supplement until after all applications have been submitted.
- 25% of the \$17 billion is a **bonus payment based on the amount and type of services provided to Medicare, Medicaid and CHIP patients from January 1, 2019 – September 30, 2020.**
 - Again, Medicaid and CHIP claims will be adjusted to Medicare rates.
- Phase 4 payments won't exceed 100% of revenue losses and increased expenses submitted from July 1, 2020 – March 31, 2021.

WHAT IS SUBMITTED WITH THE PHASE 4 GENERAL DISTRIBUTION APPLICATION?

	2019	2020	2021
Q1	X		X
Q2			
Q3	X	X	
Q4	X	X	

- The most recently filed federal tax return from 2018, 2019 or 2020.
 - If a tax return isn't required, the most recent audited financial statements.
 - If no audit requirement, the most recent management prepared financial statements.
 - *Purpose appears to be for small, medium, large determination*
- Quarterly operating revenue from patient care and quarterly operating expenses from patient care.
 - Supporting documentation is required to be uploaded.
 - Separate uploads for revenue and expenses

DEFINITIONS HAVE BEEN
PROVIDED!

Operating Revenues from Patient Care

“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.



Operating Expenses from Patient Care

“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.

ADDITIONAL UPLOADS MAY BE REQUIRED

Annual Net Patient Care Revenues Worksheet (upload in Field 17)					
(1) Applicant Name:					
(2) Applicant's Taxpayer Identification Number (TIN):					
(3) Applicant's Total Annual Revenues:					
\$0					
(4) Applicant's Annual Net Patient Care Revenues:					
\$0					
(5) Gross Revenues:					
\$0					
(6) Annual Revenues Information					
(a) Subsidiary/ Billing TIN	(b) Subsidiary/Billing TIN Name	(c) Net patient care revenues	(d) Non- patient care revenues	(e) Total revenues	(f) Total revenues that are not part of the application, if applicable
		\$ -	\$ -	\$ -	
123456789	Sample City Hospital, LLC	\$ 50,000,000	\$ 50,000,000	\$ 100,000,000	
				\$ -	
				\$ -	
				\$ -	
				\$ -	

- Additional excel worksheet is uploaded if:
 - The annual revenues are not entirely related to patient care.
 - The Annual Net Patient Care Revenues versus non-patient care are not clearly identifiable.
 - The supporting documentation does not identify that revenues are clearly attributable to the applicant.
 - The parent entity is applying on behalf of multiple subsidiaries.
 - The applicant TIN does not match the TIN in the federal income



PHASE 4 APPLICATION CONTINUED

- Additional excel worksheet is uploaded if total annual revenues reported vary from the most recently filed tax return by:
 - more than 5% greater or
 - 50% less than revenues
 - *Purpose appears to be for entities with subsidiaries.*
- “Failure to submit the correct supporting documentation may result in HRSA deeming your application ineligible for payment.”
 - Listed 4x in the 13-page instruction document:
- Separate instructions included for new providers in 2019 and 2020.
- You can resubmit at any point before 10/26 deadline, and HRSA will use the most current submission.

HRSA'S INITIAL REVIEW OF APPLICATIONS

- Flags for review:
 - New provider in 2019 or 2020 *if also flagged for another reason*
 - Pharmacy and DME suppliers *if also flagged for another reason*
 - Financial information varies from averages of similar provider types:
 - Single quarter of revenues and expenses
 - Loss ratio
 - High potential payment
 - Duplicate or related applications
- If they find that there are some inaccuracies they may pay a lower amount, and if they find there is missing or inaccurate information no payment will be made.

- HRSA will review for completeness and accuracy.
- Payment amounts will be calculated based on:
 - Number of applications submitted
 - Financial information reported
 - Medicare, Medicaid and CHIP claims data
 - Available funding.
- HRSA will update you regarding the payment amount and you must attest within **90** days using the attestation portal.



POST-10/26
FILING
DEADLINE

NEXT STEPS

1. Determine if your organization is eligible for either program.
2. Set up One Healthcare ID if you haven't already done so.
3. IRS/TIN validation – this can take up to 10 days to process
4. Gather most recently filed tax return (2018, 2019, or 2020)
5. Run trial balance groupings or internally generated financial statements for quarterly patient care revenues and expenses.
 1. Likely different than anything previously created for PRF reporting.
 2. Must clearly reconcile to amounts included on the report.
 3. Needs to be submitted by TIN and clearly identifiable.
 4. There doesn't appear to be a requirement for the uploaded file format (PDF, excel, etc.)
6. Upload supporting documents and submit by 10/26/21.

RESOURCES TO REVIEW

- HRSA Updated their [FAQ on 9/29/21](#). Most updates were those added related to ARP Rural and Phase 4.
- [HRSA's Future Payments webpage](#)
 - More references available
- [**Application Instructions**](#)
- [Sample Application Form](#)
- Technical Assistance Webinars:
 - Program and application overview held yesterday – recording should be released soon.
 - 3 more are scheduled for 10/5, 10/13 and 10/21. Register via HRSA's future payments webpage.



QUESTIONS?

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