

PUBLICATION

HHS Updates Provider Relief Fund (PRF) Deadlines for Use of Payments and Reporting Requirements

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On Friday, June 11, 2021, the Department of Health and Human Services (HHS) announced the deadlines by when health care providers must use COVID-19 Provider Relief Fund (PRF) payments and submit reports to HHS on use of payments. HHS first began issuing PRF payments in April 2020 to reimburse providers for health care-related expenses and revenue losses attributable to COVID-19. See a summary of PRF payment distributions here.

The new guidance outlines four sets of deadlines by when providers must use funds, depending on when providers received funds, and four deadlines by when they must submit reports on how they used the funds. HHS also issued an updated version of its PRF [reporting guidance](#) and [FAQ document](#).

Reporting System Update

The June 11 announcement indicated that the [PRF Reporting Portal](#) through which providers will submit reports to HHS on use of PRF payments will open on **July 1, 2021**. Providers will submit up to four reports, depending on when they received payments, not two reports as HHS previously indicated. Providers will have 90 days to submit a report after a reporting period ends, not 30 days. HHS encourages providers to register for the portal in advance of submitting reports. Last year, HHS indicated the portal would open January 15, 2021, but later delayed the opening.

Deadlines to Use Funds/Submit Reports

The June 11 announcement indicated that, instead of requiring all payments to be used by June 30, 2021, HHS will set **four different deadlines** for using funds as well as four different deadlines for submitting reports on use of funds. The deadlines correspond to four time periods, based on when a provider received PRF payments (referred to as Payment Received Periods). HHS specifies that the payment is received on the deposit date for automated clearing house (ACH) payments or the check cashed date. HHS refers to periods during which a provider may use funds as the "period of availability."

Previous HHS guidance indicated that PRF recipients would be required to use *all* funds by June 30, 2021. As the June 30 deadline approached, providers raised questions as to whether HHS would extend the deadline, given that the pandemic is ongoing and HHS is still issuing PRF payments.

Importantly, there continues to be a **June 30, 2021 deadline** with respect to use of PRF payments received in the first half of 2020. The first Payment Received Period is for funds received between April 10, 2020 and June 30, 2020. The period of availability for these funds will run through June 30, 2021, at which time providers must use the funds or return unused funds to HHS. The deadline to submit a report to HHS on use of these funds will be **September 30, 2021**.

A summary of the deadlines is below:

	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Deadline to Use Funds	Reporting Time Period
Period 1	From April 10, 2020 to June 30, 2020	June 30, 2021	July 1 to September 30, 2021
Period 2	From July 1, 2020 to December 31, 2020	December 31, 2021	January 1 to March 31, 2022
Period 3	From January 1, 2021 to June 30, 2021	June 30, 2022	July 1 to September 30, 2022
Period 4	From July 1, 2021 to December 31, 2021	December 31, 2022	January 1 to March 31, 2023

Key Considerations

HHS appears to be taking the position that unused funds issued during a Payment Received Period may not roll over into the following period of availability. The updated FAQ indicates that, if providers have remaining PRF money that they cannot expend on permissible expenses or losses by a relevant deadline, they must return the money to HHS. The FAQ emphasizes that deadlines to use funds correspond to the date the payment was received. The new FAQ also indicates that when the first reporting period begins, providers will be able to return unused funds through the Reporting Portal. The FAQs do not specify a deadline by when funds must be returned.

HHS specifies that providers may use PRF payments to reimburse expenses incurred prior to the receipt of funds, which suggests that payments received in a later Payment Received Period could cover expenses incurred in a prior period. The updated [guidance document](#) does not address whether providers may use payments to cover revenue losses incurred prior to the receipt of payments, although the HHS [webpage](#) addressing reporting requirements indicates that PRF recipients may use payments for eligible expenses or *lost revenue* incurred prior to receipt of those payments (i.e., pre-award costs).

Reporting for Targeted Distribution payments will work differently than reporting for General Distribution payments. (See [here](#) for a summary of General and Targeted Distributions). Recipients of Targeted Distribution payments must submit reports on their targeted payments, even if a subsidiary transferred its targeted payment to a parent organization. HHS acknowledges that transferred Targeted Distribution payments face an increased likelihood of an audit.

Unanswered Questions

The updated guidance does not clearly address two key aspects of the reporting process. First, HHS previously indicated that, for the first report, revenue losses would be calculated for CY 2020 and that, for the second report, revenue losses would be calculated for the first half of CY 2021. The updated guidance

specifies that providers will report revenue "by quarter for each quarter during the period of availability," but it is not clear what period of time providers should use to calculate revenue losses.

Second, the updated guidance indicates that providers must first report on use of PRF funds to cover unreimbursed expenses before a provider can report on use of PRF funds to cover revenue losses, but it is not clear if this means a provider cannot use PRF funds to cover revenue losses without first reimbursing *all* allowable expenses. After reporting unreimbursed expenses attributable to COVID-19 that were paid for with PRF payments, providers will report Net Unreimbursed Expenses Attributable to Coronavirus, which will include unreimbursed expenses attributable to coronavirus (net after other assistance received and PRF payments are applied) by quarter for the period of availability. PRF payment amounts not fully expended on health care-related expenses attributable to coronavirus may then be applied to patient care lost revenues, if applicable.

Applicability of Reporting Requirements

Under the updated guidance, providers are required to report for each Payment Received Period in which they received one or more payments exceeding, in the aggregate, \$10,000. Previously, HHS indicated that the reporting requirements would apply to providers that received at least \$10,000 in PRF payments in the aggregate.

The reporting requirements are also now applicable to recipients of the Skilled Nursing Facility (SNF) and Nursing Home Infection Control Distribution, in addition to General and other Targeted Distributions. SNF and Nursing Home Infection Control Distribution payments may be used for infection control expenses limited to those outlined in the Terms and Conditions. Previously, HHS indicated that there would be separate reporting requirements for payments under the SNF and Nursing Home Infection Control Distribution.

The reporting requirements do not apply to recipients of funds from the Rural Health Clinic COVID-19 Testing Program or the HRSA Uninsured Program.

Baker Donelson continues to monitor coronavirus developments and will provide information on future efforts to provide funding to health care providers. For additional questions, please contact [Sheila P. Burke](#).