

Let's Talk Compliance Recap: Provider Relief Fund Reporting Requirements & Compliance Concerns

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In the latest installment of our “Let’s Talk Compliance” series, Foley & Lardner’s [Alexis Bortniker](#) and PYA’s [Martie Ross](#) answered numerous questions regarding Provider Relief Fund (PRF) reporting requirements. A recording of the event is available below.

Unfortunately, there were more questions from attendees than we could cover in 45 minutes, so as a supplement to the July 16 event, we have compiled those questions to offer the following responses.

What “official” resources are available to assist with reporting?

HHS’ [Reporting Requirements and Auditing webpage](#) includes links to the June 11, 2021, Post-Payment Notice of Reporting Requirements; relevant FAQs; recordings of the three webinars HHS presented in July 2021 addressing reporting requirements; the Portal Reporting User Guide, and the very helpful PRF Reporting Tutorial video. Also, you can contact call the Provider Support Line at (866) 569-3522 between 8 a.m. to 10 p.m. CT, Monday through Friday.

Do the expenses have to be entered as well as the lost revenue? Or can we just submit the lost revenue data?

HHS addressed this issue during its 7/20 webinar, stating one has the option of reporting no expenses for which PRF payments were used. Note, however, this may preclude the Reporting Entity from claiming COVID-related expenses incurred prior to 7/1/21 at a later date (e.g., report on subsequent PRF payments).

Is lost revenue based on gross revenue or net revenue? What payments should or should not be included in patient care revenues?

Based on our review of all available guidance, we believe the most defensible definition of “patient care revenue” for purposes of PRF reporting of lost revenue is the industry standard “net patient service revenue,” i.e., gross revenue less revenue deductions less implicit price concessions. To

ensure a valid comparison between time periods (i.e., 2019, 2020, and Q1 and Q2 of 2021), HHS has instructed providers to subtract any revenue relating to patient services not furnished during the time period (e.g., supplemental payments, cost report settlements, A/R adjustments relating to prior years). (Note that no adjustment should be made to 2020/2021 patient care revenue to account for higher payment rates due to COVID-19 (e.g., suspension of Medicare sequestration, HRSA COVID-19 claims reimbursement for testing, treatment, and vaccine administration for the uninsured); no patient care revenue—including these higher payment rates—should be included under “Other Assistance Received”). Any additional adjustments intended to “normalize” patient care revenue for purposes of comparing time periods would require one to use the third option for calculating lost revenue (alternate reasonable method).

We note the recent July 15 FAQ introduces some confusion regarding charges, payments, and contractual adjustments. The FAQ implies the definition of revenue is gross charges, which is not representative of available cash to cover expenses. We note this FAQ is inconsistent with references in HHS’ Reporting Portal User Guide, which uses the term “actual revenues/net charges received ... for patient care” repeatedly. By using the word “received” rather than “billed,” HHS clearly indicates net revenue - not gross revenue – should be reported.

Do capitation payments count as patient care revenue?

We believe that entities should follow their historical basis of accounting (including revenue recognition policies) to account for capitation payments and other value-based care payments.

Are Medicare Advanced/Accelerated Payments received, but required to be repaid, included in "Other Assistance"?

Medicare Advance payments are NOT included in Other Assistance Received. The same is true for Paycheck Protection Program funds that have not been forgiven.

Option 3 for lost revenues only asks for losses in total, while options 1 and 2 ask for losses by the payor. Is HHS expecting option 3 to also report by the payor?

The portal requires input of a single number for lost revenue for a given quarter; there is no option to report by the payor. HRSA has not placed any specific requirements on option 3, except to state it is the Reporting Entity's burden to demonstrate reasonableness.

What constitutes obligated funds for FEMA? Is it when the applicant receives funds or when the grant is approved?

According to the FAQs, "[i]f a provider has submitted an application to FEMA but has not yet received the FEMA funds, the provider should not report the requested FEMA amounts in the Provider Relief Fund report. If FEMA funds are received during the same Payment Received Period in which the provider is reporting on the use of Provider Relief Fund payments, the receipt and application of each payment type is required in the Provider Relief Fund reporting process. If an entity receives a retroactive payment from FEMA that overlaps with the period of availability, the entity must not use the FEMA payment on expenses or lost revenues already reimbursed by Provider Relief Fund payments."

Our organization received funds on 08/04/2020. Should we wait until after

September 30, 2021, to report?

The organization must use these funds by December 31, 2021, and must report on the use of funds between January 1, 2022, and March 31, 2022. These funds cannot be included in the report relating to funds received by June 30, 2020.

What if our foundation raised money for "COVID"?

If the donations were specifically earmarked for COVID relief and cannot be used for any other purpose, they should be included as "Other."

Is subsidiary defined by GAAP or tax return consolidated?

To determine whether an entity is the parent organization, the entity must follow the methodology used to determine a subsidiary in their financial statements. If none, the entity with majority ownership (greater than 50%) will be considered the parent organization.

Please note, our PRF guidance is based on our best judgment of the available information in a rapidly changing and uncertain environment. The guidelines are rapidly evolving and should be checked frequently. As such, this blog is a snapshot in time.

Enjoy a recording of the latest installment of our "Let's Talk Compliance" series below:

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