



PRF and ARP Rural: What You Need to Know for 2023

December 15, 2022

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Learning Objectives

At the end of the session, you will be able to:

- Recognize the recent changes made to Provider Relief Fund & ARP Rural reporting requirements
- Identify the key timelines for PRF & ARP rural reporting as well as single/program audits
- Describe common audit findings and compliance tips



Agenda



Provider Relief Funds



American Rescue Plan (ARP) Rural



Single, Program and Other Audits





Provider Relief Fund & ARP Rural

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Quick Refresh

Lost Revenues

- May go back to Jan. 2020
- Three Options
 - Actual-to-Actual
 - Budget-to-Actual
 - Other reasonable method

COVID-19 Expenses

- May go back to Jan. 2020
- Examples of uses: personnel, supplies, construction (but must be done during period of availability)

Key Terms of Condition: Funds will only be used to **prevent, prepare for, and respond to coronavirus**; funds shall reimburse only for health care related expenses or lost revenues that are **attributable to coronavirus**; funds will not use to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse (i.e.: **no double dipping**). Review full guidance and PRF Terms & Conditions for each distribution.



Provider Relief Funds

- There are now seven reporting periods, three of which are completed
- Next Up: Reporting Period 4
 - PRF received between July 1, 2021 – Dec. 31, 2021
 - Those dollars must be used by Dec. 31, 2022
 - Providers must report on those dollars between Jan. 1, 2023 – Mar. 31, 2023



	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Period of Availability	Reporting Time Period
Period 1	From April 10, 2020 to June 30, 2020	January 1, 2020 to June 30, 2021	July 1, 2021 to September 30, 2021*
Period 2	From July 1, 2020 to December 31, 2020	January 1, 2020 to December 31, 2021	January 1, 2022 to March 31, 2022
Period 3	From January 1, 2021 to June 30, 2021	January 1, 2020 to June 30, 2022	July 1, 2022 to September 30, 2022
Period 4	From July 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2022	January 1, 2023 to March 31, 2023
Period 5	From January 1, 2022 to June 30, 2022	January 1, 2020 to June 30, 2023	July 1, 2023 to September 30, 2023
Period 6	From July 1, 2022, to December 31, 2022	January 1, 2020, to December 31, 2023	January 1, 2024, to March 31, 2024
Period 7	January 1, 2023, to June 30, 2023	January 1, 2020, to June 30, 2024	July 1, 2024, to September 20, 2024

Provider Relief Funds vs. ARP Rural

- Phase 4 = General Distribution
- A few providers may yet receive Phase 4
- ARP Rural is unique
 - Received Nov. 23, 2021
 - Based on past Medicaid/CHIP, Medicare claims from Jan. 1, 2019 – Sept. 30, 2020

Phase 4 and ARP Rural Distributions - Payment Status

Phase 4 Payments to Date

- Funding distributed: Approximately \$15.4 billion
- Providers paid: More than 90,000
- Applications processed: 99%
- [Public dataset of providers who received a payment from the Provider Relief Fund \(including Phases 1-3 and Targeted Distributions\) and attested to the terms and conditions.](#) Phase 4 payments will be reflected in this dataset.
- [State-by-state breakdown of Phase 4 payments to date](#)

ARP Rural Payments to Date

- Funding distributed: More than \$8.3 billion
- Providers paid: More than 47,000
- Applications processed: 100%
- [Public dataset of recipient names, locations \(city, state, ZIP code\), and payment amounts](#)
- [State-by-state breakdown of ARP Rural payments to date](#)



Phase 4/ARP Rural: Similarities, Differences

Phase 4

- A General Distribution
- May be moved to subsidiaries/parent
- Still being distributed in late 2022
- Must be kept in an interest- bearing account (unless meeting exemptions)
- If receiving more than \$10,000 Phase 4, must notify HHS of a merger with or acquisition of any other healthcare provider that happens during the reporting time period; more likely to be audited by HRSA

ARP Rural

- Must be provided to and used by intended/billing TIN
- Technically not PRF but being treated similarly
- Must be kept in interest-bearing account (unless meeting exemptions)
- If receiving more than \$10,000 ARP Rural, must notify HHS of a merger with or acquisition of any other healthcare provider that happens during the reporting time period; more likely to be audited by HRSA



New Post Payment Reporting Requirements Released

Changes

- Addition of new reporting periods
- ARP Rural requirements created
- Lost revenues use will end
- Reporting order changes
- New language on “net unreimbursed expenses”

Provider Relief Fund Distributions and American Rescue Plan Rural Distribution

Post-Payment Notice of Reporting Requirements

October 27, 2022

Purpose

The purpose of this Notice is to inform the Health Resources and Services Administration (HRSA) Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural recipients of the data elements that they are required to report as part of the post-payment reporting process. Specifically, the reporting requirements are updated to include Period 5 (i.e., payments made from January 1, 2022, to June 30, 2022), Period 6 (i.e., payments made from July 1, 2022, to December 31, 2022), and Period 7 (i.e., payments made from January 1, 2023, to June 30, 2023), as well as updating the associated Periods of Availability of Funds and Reporting Time Periods for Periods 5, 6, and 7.

Recipients who received one or more General and Targeted Distributions and/or ARP Rural Distribution payments exceeding \$10,000 in the aggregate during a [Payment Received Period](#) are required to report in each applicable [Reporting Time Period](#). This Notice supersedes the Post-Payment Notice of Reporting Requirements released on June 11, 2021. The reporting requirements outlined in this Notice apply to all past and future PRF and ARP Rural payments made under the legal authorities outlined in the section [Overview of Legal Requirements for Reporting](#).

- These reporting requirements apply to the following distributions: PRF General and Targeted Distribution payments (including the Nursing Home Infection Control (NHIC) Distribution (formally known as the [Skilled Nursing Facility and Nursing Home Infection Control Distribution](#))¹
- ARP Rural Distribution payments.

Note: These reporting requirements do not apply to the Rural Health Clinic Coronavirus Disease 2019 (COVID-19) Testing and Mitigation Program and the Rural Health Clinic COVID-19 Testing Program² or claims reimbursements from the HRSA COVID-19 Uninsured Program and the HRSA COVID-19 Coverage Assistance Fund.³

Mergers/Acquisitions

Phases 1,2,3 or Targeted

- Reporting entities that received General Distribution payments in Phases 1, 2, or 3 or a Targeted Distribution payment who acquired or divested of related subsidiaries (change of ownership) must indicate the change in ownership that occurred during the **period of availability**.

Phase 4, ARP Rural

- Reporting entities that received an ARP Rural payment and/or Phase 4 General Distribution payment must indicate a change in ownership that occurred during the **Payment Received Period**.

Lost Revenues To End At Some Point

Lost Revenues Use

- Lost revenue use ends when PHE ends
 - *“The opportunity to apply PRF payments (excluding the NHIC Distribution) and ARP Rural payments for lost revenue will be available only until the conclusion of the quarter in which the Public Health Emergency expires.”*
- Current PHE goes to Jan. 11, 2023

New HRSA FAQ

- **Can Reporting Entities continue to put Provider Relief Fund and/or ARP Rural payments toward lost revenues attributable to coronavirus or COVID-19 once the Public Health Emergency ends? (Added 10/27/2022)** The opportunity to apply Provider Relief Fund payments (excluding the Nursing Home Infection Control Distribution) and ARP Rural payments for lost revenues will be available only until the conclusion of the quarter in which the Public Health Emergency expires.



Reporting On ARP Rural Payments

Parent TIN Reports

- Parent TIN required to report on its subsidiaries' use of ARP Rural payments
- Qualifying TIN must use the payment for allowable expenses and/or lost revenues
- Qualifying TIN may not transfer or allocate to another entity
- Parent TINs may not use these payments if intended for subsidiary
- HRSA requires parent entities to report on ARP payments they received from the agency
- Parent must attest that payments were allocated

Parent entities that received ARP Rural Distribution payments on behalf of their subsidiaries must report and attest to the following:

- a. The parent distributed ARP payments in accordance with HRSA's instructions
- b. The qualifying subsidiary used the payments
- c. The parent will provide a self-reported breakdown of each subsidiary TIN and the amount allocated to that TIN
- d. The parent will complete a consolidated report on how it used the payments



How To Report: PRF Targeted vs. ARP Rural

PRF Targeted Distributions

- May be moved among Parent and subsidiaries
- Must be reported on by TIN that received Targeted distribution

Examples: Safety Net Hospital, Rural, SNF distributions (most occurred early on during pandemic/2020)

ARP Rural

- If sent to Parent, then:
 - Parent must send to subsidiary TIN
 - Parent may not send dollars elsewhere
 - Subsidiary must use money
 - Parent TIN must report on it

Many received on Nov. 23, 2021



Order When Reporting

- Interest reported first
- ARP Rural reported
- Nursing home infection control
- All other PRF reported

Interest earned on PRF (prior to Phase 4)

Interest earned on Phase 4 and ARP Rural Payments

Other assistance received

Use of ARP Rural for eligible expenses

Use of ARP Rural for lost revenues

Use of Nursing Home Infection Control


Use of PRF General/Targeted for eligible expenses

Use of PRF General/Targeted for lost revenues

Net unreimbursed expenses attributable to COVID



Net Unreimbursed COVID-19 Expenses

- Informational only
- Does not impact calculations in the report
- BUT HRSA  includes new language on this (emphasis added)

*“The reporting entity will report on unreimbursed expenses attributable to COVID-19 (net after other assistance received and PRF/ARP Rural payments are applied) by quarter for the period of availability, broken out as General and Administrative and/or other Health Care-Related Expenses. HRSA is gathering this data for informational purposes only and will have no impact on other calculations in the report. **However, legislation stipulates that organizations use PRF funds for expenses that have not been reimbursed and are not obligated to reimburse by another source. As a result, HRSA expects organizations to determine if there are net unreimbursed expenses attributable to COVID-19 after applying Other Assistance Received and all PRF and ARP Rural payments.**”*

Late Reporting

- Opportunity request late reporting for RP3 expired on Oct. 28
- Those who did and were approved should be able to complete reporting between Nov. 14 - Dec. 2
- Expect similar opportunities for subsequent reporting periods

Request to Report Late Due to Extenuating Circumstances

Providers who experienced one or more extenuating circumstances preventing them from submitting a completed Provider Relief Fund (PRF) Report by the deadline will have the opportunity to submit a Request to Report Late Due to Extenuating Circumstances Form.

The deadline to submit a request for Reporting Period 3 (RP3) was October 28, 2022. HRSA will review requests and notify providers if they're approved to report late. Projected reporting dates for those approved to report are November 14 to December 2, 2022. Providers who are not approved will be required to return funds to HRSA. Visit the [Returning Funds Webpage](#) for more details and instructions.

- RP1 late reports must have been received by May 23, 2022.
- RP2 late reports must have been received by June 14, 2022.

Review the [Request to Report Late Due to Extenuating Circumstances webpage](#) for more details.



Single Audit, Compliance

PRF, ARP Rural, other Federal Awards

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Audit Requirement

- All recipients who expend a total of **\$750,000** or more in federal funds
- Audit report is due the earlier of 30 calendar days after the receipt of the audit or 9 months after the fiscal year
- Non-federal entities and commercial organizations subject to requirement
 - **Non-Federal entity** means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.
 - **Commercial organization** means an organization, institution, corporation, or other legal entity, including, but not limited to, partnerships, sole proprietorships, and limited liability companies, that is organized or operated for the profit or benefit of its shareholders or other owners. The term includes small and large businesses and is used interchangeably with “for-profit organization.”



Provider Relief Funds & ARP Rural

Revised Assistance Listing

- Original Assistance Listing 93.498 only for “Provider Relief Fund”
- This was changed to include ARP Rural distribution
- It is now formally “Assistance Listing 93.498 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution”

Provider Relief Funds & ARP Rural *2022 Compliance Supplement*

93.498

A – Activities allowed or unallowed

B – Allowable Costs

L – Reporting – consists mainly of testing reporting to HHS portal

October 27, 2022, Post-Payment Notice Language

Note: Recipients that expend a total of \$750,000 or more in federal funds (including PRF and ARP Rural payments and other federal financial assistance) during their fiscal year are subject to Single Audit requirements, as set forth in the regulations at 45 CFR § 75, Subpart F. The last day a provider can use the funds (end of the period of availability) will drive inclusion of the expenditures associated with PRF and ARP Rural payments on the Schedule of Expenditures for Federal Awards (SEFA) in a Single Audit report or equivalent schedule for a financial related audit. HRSA considers both expenses and lost revenues as expenditures for SEFA and equivalent schedule reporting purposes.

Non-federal entities must have a Single Audit conducted in accordance with 45 CFR §75.514 that must be submitted electronically to the [Federal Audit Clearinghouse](#).

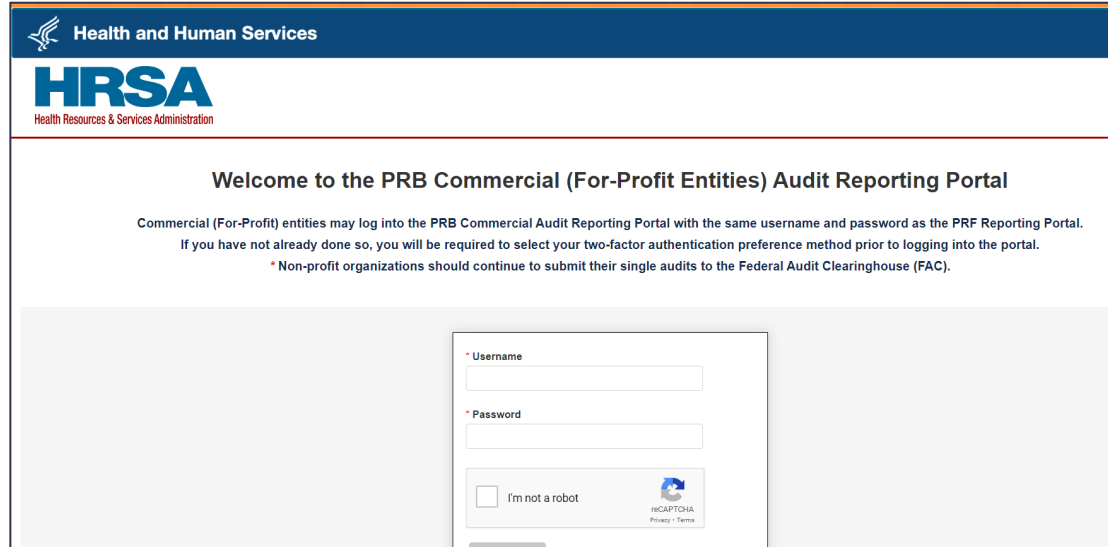
Commercial organizations have two options under 45 CFR §75.216(d) and §75.501(i): (1) a financial related audit of the award or awards conducted in accordance with Generally Accepted Government Auditing Standards; or (2) an audit in conformance with the requirements of 45 CFR §75.514 - Single Audit). Audit reports of commercial organizations must be submitted via email to HRSA's Division of Financial Integrity at PRFAudits@hrsa.gov.

[Provider Relief Fund Distributions and American Rescue Plan Rural Distribution - Post-Payment Notice of Reporting Requirements - October 27, 2022 \(hrsa.gov\)](#)



Commercial Audit Portal Released

- For-profit entities
- Use PRF reporting portal username and password
- May be used by provider and their auditor
- Auditors cannot register themselves for portal but must be added by provider
- NOTE: Nonprofit entities still must use the Federal Audit Clearinghouse



The screenshot shows the HRSA (Health Resources & Services Administration) logo at the top. Below it, the text reads "Welcome to the PRB Commercial (For-Profit Entities) Audit Reporting Portal". A message states: "Commercial (For-Profit) entities may log into the PRB Commercial Audit Reporting Portal with the same username and password as the PRF Reporting Portal. If you have not already done so, you will be required to select your two-factor authentication preference method prior to logging into the portal." A note specifies: "* Non-profit organizations should continue to submit their single audits to the Federal Audit Clearinghouse (FAC)." The login form includes fields for "Username" and "Password", a checkbox for "I'm not a robot", and a reCAPTCHA icon. Links for "Privacy" and "Terms" are also visible.

URL: commercialaudit.hrsa.gov



What Are Single/Program Audits Showing?

1.

- Unallowable Costs. Examples: no supporting documentation; inaccurate amounts; double-counting expenses

2.

- Lost revenue errors. Examples: Including (rent) or excluding (bad debt) revenues; Using Option ii without budget being approved for full reporting time period

3.

- General errors with correctly filling out PRF report

4.

- Lack of compliance with Terms/Conditions of COVID Uninsured Fund/Coverage Assistance Fund



Reminder: Balance Billing Prohibitions

- PRF, ARP Rural, Uninsured fund, Coverage Assistance fund
- Each have requirements prohibiting you from balance billing

PRF/ARP Rural

Accepting these funds requires treating a “presumptive” or actual COVID-19 patient as if in-network (no out of network balance billing)

Uninsured, Coverage Assistance

You agree to accept reimbursements from either as “payment in full” and may not bill patients (no balance billing)

Do you have policies in place for these requirements? What processes do you have to confirm/check that these are working? What is your process to address any situations where you incorrectly balance billed?



HRSA Single Audit Resolutions

- Single Audit findings will be followed-up on by HRSA's Division of Financial Integrity
- DFI reviews findings, works with you to resolve those findings, assesses your corrective action plans, policies & procedures and other information, issues Management Decision Letters (MDL) within six months

HRSA's Audit Resolution Process

- Grant recipients are required to submit their Single Audit report to the FAC
- DFI receives Single Audit findings relating to HRSA grant programs for resolution from HHS ASFR Audit Resolution Division
- DFI staff work directly with grant recipients to obtain a correction action plan
- HRSA has six months to ensure adequate corrective actions were taken regarding audit findings and to issue management decisions



<https://www.hrsa.gov/sites/default/files/hrsa/grants/manage/july-2022-healthy-audit.pdf>



HRSA's New FAQs On Audit Findings

If a Reporting Entity receives a finding during an audit (including Single Audit), may it amend its previously submitted report to resolve the finding? (Added 10/18/2022)

No. The Reporting Entity may not amend its report after the reporting period has passed.

If a Reporting Entity has unallowable costs identified during an audit, can these unallowable or offset costs be accounted for in a subsequent reporting period? (Added 10/18/2022)

Yes. Due to the cumulative nature of lost revenues, any lost revenues adjustments may be made in subsequent reporting periods. If an unallowable expense is “replaced” by unreimbursed lost revenues for use of funds purposes, the Reporting Entity should ensure that the lost revenues reported in subsequent reports are deducted to avoid “double dipping.” Reporting Entities should maintain appropriate documentation to support the deduction from the report.

Can my organization get an extension to the submission due date for Single Audits conducted under 45 CFR Part 75? (Modified 10/27/2022)

HRSA does not set requirements or provide extensions for the submission of the Single Audits. The due date for an Audit is the earlier of 30 days after receipt of the auditor's report(s), or 9 months after the end of the audit period, which is likely your organization's fiscal year end. (45 CFR 75.512).

Under the Stafford Act, the following were declared as major disaster areas: Puerto Rico (September 18, 2022), Alaska (September 23, 2022), Florida (September 29, 2022), South Carolina (September 29, 2022) and North Carolina (October 1, 2022). Consistent with these declarations, OMB has granted a six-month extension for all single audits that cover recipients in the affected areas and have due dates between September 18, 2022 and December 31, 2022.

If you have questions about this extension or want to inform HRSA you will be taking advantage of this flexibility, please email HRSA's Division of Financial Integrity at PRFAudits@hrsa.gov.

If you have questions about the Single Audit for Provider Relief Fund, please email your questions to ProviderReliefContact@hrsa.gov.

- Filed PRF reports may not be amended to resolve a finding
- Unallowed costs may be adjusted in future reports
- OMB granted six-month audit extensions to: Puerto Rico, Alaska, Florida, South/North Carolina

<https://www.hrsa.gov/provider-relief/faq>



Future Reports: Audit Timing / SEFA

2022 Compliance Supplement

	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Period of Availability	PRF Portal Reporting Time Period	Fiscal Year Ends (FYE) to include each PRF Period on the Schedule of Expenditures for Federal Awards (SEFA) Reporting
Period 1	April 10, 2020 to June 30, 2020	January 1, 2020 to June 30, 2021	July 1, 2021 to September 30, 2021	Fiscal Year End (FYE) of June 30, 2021 through June 29, 2022
Period 2	July 1, 2020 to December 31, 2020	January 1, 2020 to December 31, 2021	January 1, 2022 to March 31, 2022	FYE of December 31, 2021 through FYEs December 30, 2022.
Period 3	January 1, 2021 to June 30, 2021	January 1, 2020 to June 30, 2022	July 1, 2022 to September 30, 2022	FYE of June 30, 2022 through June 29, 2023
Period 4	July 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2022	January 1, 2023 to March 31, 2023	FYE of December 31, 2022 through FYEs June 29, 2023.
Period 5	January 1, 2022 to June 30, 2022	January 1, 2020 to June 30, 2023	July 1, 2023 to September 30, 2023	FYE of June 30, 2023, guidance will be included in 2023 Compliance Supplement

https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement_PDF_Rev_05.11.22.pdf



PRF Reports / SEFA

For FYEs of June 30, 2022, and through FYEs of December 30, 2022 recipients should report in the SEFA, the expenditures and lost revenues from the **Period 2 and Period 3 PRF report.**

For a FYE of December 31, 2022 and through FYEs of June 29, 2023, recipients should report in the SEFA, the expenditures and lost revenues from both the **Period 3 and Period 4 PRF reports.**

For FYEs on or after June 30, 2023, SEFA reporting guidance related to Period 4 and Period 5 will be provided in covered under the 2023 Compliance Supplement.

Other Program Integrity Audits Will Ramp Up

- HHS OIG is performing various audits of PRF/COVID funds, such as:
 - Auditing HRSA's approach for Phase 1
 - Auditing providers compliance with prohibition on balancing billing requirements
 - Auditing Phases 1-3 distributions to providers
 - Auditing General and Targeted distributions
 - Auditing (with PRAC) a small sample of nursing homes receiving PRF
 - Auditing COVID-19 uninsured fund
- GAO audit and recommendations to HRSA/HHS on implementing more post-payment review oversight, overpayments and recoupments
- HRSA will continue its own ongoing program integrity, recoupment efforts
- Dept. of Justice fraud (COVID-19 testing, PPP etc.)



How To Prepare

- Make sure you understand requirements for each federal award received
 - Re-read the terms/conditions for each distribution, they are not always identical
 - Are you in compliance?
- Assemble, organize, review all supporting documentation
- Double-check everything
 - Do you have supporting documentation for expenses?
 - Are you double-counting any expenses?
 - Did you include/exclude the correct revenues?
 - Do your revenue numbers add up?
 - Did you comply with NOT balance billing OON costs for any COVID-19 patients?
 - Did you claim reimbursement for COVID uninsured when you should not have done so? (If so, have you returned those dollars?)
- Seek legal counsel before responding to DOJ, OIG



Thank You!

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