HRSA Responds to LeadingAge PRF Reporting questions

REGULATION | AUGUST 18, 2021 | BY NICOLE FALLON

The Health Resources & Services Administration (HRSA) who administers the Provider Relief Fund (PRF) payments and processes offered additional clarity August 18 on a number of questions posed by LeadingAge on behalf of its members regarding the PRF reporting requirements. To date, these answers have not been add to the PRF FAQs. The questions cover some key questions clarifying how "patient care revenue" is defined for Life Plan Communities and assisted living organizations, how providers should approach lost revenues, and consideration for the timing of when a provider reports certain expenses related to coronavirus.

The questions posed and the HRSA response is reprinted in its entirety and was provided in writing from HRSA. LeadingAge has also included some observations and considerations regarding the response to assist providers in how they might think about the answer and apply it in their organizations.

1. Continuing Care Retirement Communities (CCRCs) also called life plan communities (LPCs) provide skilled nursing, assisted living and independent living services under a single TIN. Using the FAQ added 6/25/2020, it would appear that a CCRC/LPC could report on patient care revenue for all these business lines including their independent senior living under their TIN. Is that true? Alternatively, could a CCRC just report their lost revenues for a portion of their services lines under the TIN, such as the skilled nursing?

PRF FAQ: If an applicant health care provider bills for care under a single TIN that provides care across multiple different facilities, can the parent organization report patient revenue for facility that bills underneath the TIN? (Added 6/25/2020)

If an applicant health care provider bills for care under a single TIN that provides care across multiple different facilities, the parent organization may report patient revenue for every facility that bills underneath the TIN.

HRSA Response:

Yes, the parent would report on all payments received.

LeadingAge reflection: This response seems to say that LPCs should report patient care revenue across all their service lines including their independent living. This makes sense as PRF payments were based off patient care revenues for all these service lines.

2. When applying for PRF dollars, assisted living providers used the following definition from the HHS PRF FAQ contained in the 10/15/2020 version of the FAQs to report their patient care revenue:

"How should assisted living facilities calculate revenue from patient care? (Added 9/1/2020)

"Patient care" means health care, services and supports, as provided in a medical setting, at home, or in the community to individuals who may currently have or be at risk for COVID-19, whereby HHS broadly views every patient as a possible case of COVID-19. Assisted living facilities that are applying for Phase 2 - General Distribution funds may include patient care revenue that supports residents' nutritional, housing, activities of daily living, and medical needs, including purchased services."

This FAQ was removed from subsequent HHS PRF FAQs and is more detailed and slightly more comprehensive than the one contained in the PRF reporting portal user's guide - reporting . Can an assisted living use this definition in determining their patient care revenue to report for the purposes of lost revenues?

From the PRF Reporting Portal User's Guide - Reporting

"Patient care" means health care, services and supports, as provided in a medical setting, at home/telehealth, or in the community. It should not include non-patient care revenue such as insurance, retail, or real estate revenues (exception for nursing and assisted living facilities' realestate 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 payers; charity care adjustments; bad debt; and any gains and/or losses on investments.

HRSA Response

Yes. HRSA's position has not changed and the earlier definition still applies.

LeadingAge reflection: This is good news for assisted living providers and resolves a long standing concern we've had that the policy had changed. It is good to hear it has not changed and the original definition of patient care revenue as applied to assisted living stands. Keep in mind, the new definition also appears to apply and contains some exclusions such as retail services.

3. Under option ii for calculating lost revenue – comparing budgeted to actual, it indicates that a budget must be approved by March 27, 2020. While this makes sense for an organization's 2020 budget, how does this work for the 2021 budget? Does the 2021 actuals get compared to the 2020 budgeted or to a 2021 budgeted number? If 2021 budgeted is to be compared to 2021 actual, it is highly unlikely that such a budget was approved by March 27, 2020. Please explain how this would work.

HRSA Response

To use a budget approved after March 27, 2020, a provider has the option to use Option iii to allow greater flexibility in calculating lost revenues. Please refer to the Lost Revenues Guide for additional clarifications: Provider Relief Fund - Lost Revenues Guide (hhs.gov).

LeadingAge reflection: This is what we thought would be the response and why our business partner, CLA, indicated on our July

27 PRF Reporting webinar that this was not going to be a viable option for most providers to report their lost revenues. Also, check out question 6 below for further guidance that providers should use the same lost revenue calculation option for every reporting period.

4. Nursing Home Infection Control (NHIC) payments can only be used for Infection Control Expenses. In order to ensure that a provider can use all of their NHIC PRF, can they wait to report infection control expenses until they report on their NHIC payments in Period 2 and/or 3 even if they occurred earlier in 2020?

HRSA Response:

Providers must report in the timeframes outlined by HRSA.

LeadingAge reflection: This would appear to imply that a provider could report their infection control expenses under the NHIC section if those expenses fall within the period of availability. Keep in mind, HRSA has said that the period of availability begins on January 1, 2020 for all reporting periods. It is the end date that changes. So, it would appear that infection control expenses could be reported during the reporting periods in which NHIC payments were received and applied to the NHIC distribution and incentive payments.

5. If a provider opts to report '0' coronavirus expenses in the first reporting period, and only uses PRF payments to cover lost revenues, can they report coronavirus expenses for the full period of availability (January 1, 2020 - December 31, 2021) in Period 2?

HRSA Response:

Yes, if that is truly how the provider used its PRF payments. Please refer to the Lost Revenues Guide for additional clarifications:

Provider Relief Fund - Lost Revenues Guide (hhs.gov).

LeadingAge reflection: This is an important response in a couple of ways. First, it reinforces that a provider can report that it used PRF payments to solely fund lost revenue in a given quarter even if they incurred coronavirus expenses. It also says that those incurred expenses could be applied to future PRF payments reported upon in subsequent reporting periods. However, it very clearly states that this approach can only be taken if that is *how* the PRF payments were used. This seems to indicate that providers should give considerable thought to how they used the particular funds received.

6. Can a provider use a different lost revenue calculation option for each reporting period or if they use, for example, option i - actual-to-actual in reporting period 1 could they use option iii in reporting period 2?

HRSA Response:

No. Please refer to the Lost Revenues Guide for additional clarification. Provider Relief Fund - Lost Revenues Guide (hhs.gov)

LeadingAge Reflection: This is a case of HRSA has provided so many different resources that it is easy to miss a single bullet (p. 4 of the guide linked above) from one of those documents. What this means, is providers need to think carefully about the best way to calculate lost revenues for their organization knowing that they will have to use that same method of every reporting period.

7. If a parent TIN did not receive any PRF, can it still report on General Distribution PRF payments for its subsidiaries? If so, how?

HRSA Response:

Yes. The parent would need the payment info of its subsidiaries and other data elements outlined in the June 11, 2020 Post Payment Notice of Requirements.

LeadingAge Reflections: This response doesn't really answer the question some members have had if they are the corporate entity and did not receive funds, so no funds are associated with their TIN. What this may imply is that the corporate entity, or parent, can report on behalf of the subsidiary provider but would have to do so under that subsidiaries' TIN. In this case, it would appear to allow for a consolidated reporting process by the corporate parent entity for all of its subsidiaries.

If members have any other PRF-related questions, they can reach out to Nicole Fallon at LeadingAge.

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