

Illinois Health and Hospital Association

August 12, 2020

ILLINOIS HEALTH AND HOSPITAL ASSOCIATION M E M O R A N D U M

SUBJECT: Update: New Details on PRF Application Deadline Extended to Aug. 28

On July 31, the U.S. Department of Health and Human Services (HHS) announced an extended deadline for providers to apply for Provider Relief Fund (PRF) general distribution funds to Aug. 28 (see IHA notice <u>here</u>).

<u>On Monday</u>, HHS opened the application <u>portal</u> and published additional distribution <u>information</u> including provider eligibility and application instructions. HHS refers to this PRF distribution as Phase 2, with Phase 1 referring to the \$50 billion PRF funds distributed to Medicare providers in April.

The purpose of Phase 2 is to allow eligible providers to apply for and receive funding of up to 2% of their reported total revenue from patient care. To assist providers with this application process, HHS and the Health Resources & Services Administration (HRSA) are hosting a webinar on Thursday, Aug. 13 at 2 p.m. CDT. <u>Registration</u> is required.

Eligible providers include:

- Providers that received a payment under Phase 1 but did not receive payments totaling approximately 2% of their annual patient revenue;
- Providers that received a payment under Phase 1 but missed the June 3 deadline to submit revenue information;
- Providers that underwent a change in ownership in calendar year (CY) 2019 or CY 2020 under Medicare Part A and were ineligible for Phase 1;
- Providers that did not have Medicare fee-for-service revenue in 2019 and were ineligible for Phase 1 (i.e., Medicaid/CHIP, Medicaid managed care, or dental providers); and
- Providers that previously received Phase 1 payment(s), but rejected and returned those payments and are now interested in reapplying.

Providers may only receive up to 2% of their reported total revenue from patient care, with any payments received under Phase 1 from HHS accounted for when determining Phase 2 payments. All payment recipients must accept HHS' terms and conditions and may be subject to auditing to ensure the data provided to HHS for payment calculation are accurate.

The application portal is <u>here</u>. Application instructions for Phase 2 are <u>here</u>, and a sample application is <u>here</u>. Per the sample application, applicants must supply total revenues, the fiscal

year of those revenues, and the percentage of revenue from patient care. Applicants must upload the most recent federal income tax return or a written statement explaining why the applicant is exempt from filing a federal income tax return (e.g., a state-owned hospital or healthcare clinic). Some applicants may need to submit a Revenue Worksheet, if their federal tax return revenue figures do not match their application due to revenue adjustments.