



# **Provider Relief Fund: Applying for Phase 4 and APR Rural Distributions**

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**October 6, 2021**

# Introductions

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# Application

- Application deadline - **October 26**
  - Application portal - <https://cares.linkhealth.com/#/>
- Step 1 TIN Verification may take up to 4 business days
- Resources available at <https://www.hrsa.gov/provider-relief/future-payments>
  - **Application instructions** and worksheets
  - Fact sheets and FAQs
  - Provider Support Line: (866) 569-3522
- HRSA webinar on October 13, 3:00 – 4:00 p.m. ET - supporting documentation for annual revenues and operating revenues and expenses from patient care

# \$17 Billion Phase 4 General Distribution

- Phase 4 funds may be used for unreimbursed coronavirus-related expenses and lost revenue from **01/01/2020 to 12/31/2022** (report due 03/31/23)
- Consists of two components –
  - 75% (\$12.75 billion) allocated based on changes in revenues and expenses
  - 25% (\$4.25 billion) allocated based on level of participation in Medicare, Medicaid, and CHIP

# Component No. 1 – Payment Calculation

- Distributed to eligible applicants based on a percentage of the providers' change in operating revenues and expenses from Period A (07/01/2019 to 03/31/2020) to Period B (07/01/2020 to 03/31/2021)
  - Statutorily-mandated timeframe; adjust for future distributions?
  - Percentage will vary based on size of provider (criteria to be determined) (vs. 88% across the board for Phase 3)
    - Large provider will receive X% of that amount
    - Medium provider will receive (X + X)% of that amount
    - Small provider will receive (X + X + X)% of that amount
  - Reported revenues and expenses subject to adjustments based on pre-payment risk mitigation and cost containment safeguards
  - Deduction for prior PRF payments not previously deducted in Phase 3

## Component No. 2 – Payment Calculation

- Distributed based on relative value of Medicare (Parts A, B, and C), Medicaid, and CHIP services furnished between 01/01/2019 to 09/30/2020
  - HRSA calculates amount using CMS claims data
  - Not tied to change in operating revenues and expenses

## Phase 4 – Eligibility Requirements

- Must fall into **one** of the following categories:
  1. Directly billed, or owns (on the application date) an included subsidiary that directly billed, Medicare, Medicare Advantage, Medicaid, or CHIP between 01/01/2019 and 12/31/2020
  2. Dental service provider or behavioral health provider that has directly billed, or owns (on the application date) an included subsidiary that directly billed, health insurance companies or patients during same time period
  3. State-licensed/certified assisted living facility on or before 12/31/20
  4. Recipient of prior Targeted Distribution payment.

## Phase 4 – Eligibility Requirements

- Must have either (i) filed a federal income tax return for fiscal years 2018, 2019, or 2020, or (ii) be exempt from requirement to file return and have no beneficial owner that is required to return
- Must have provided patient care after January 31, 2020, and must not have permanently ceased providing patient care directly, or indirectly through included subsidiaries
- If applicant is individual that was providing patient care, have gross receipts or sales from providing patient care reported on Form 1040, Schedule C, Line 1, excluding income reported on a W-2

# \$8.5 Billion American Rescue Plan Rural Distribution



- Phase 4 funds may be used for unreimbursed coronavirus-related expenses and lost revenue from **01/01/2020 to 12/31/2022** (assume report due 03/31/23)
- September 29 FAQ:
  - “Lost revenues ... may include other income not derived from delivery of health care services that has been customarily used to support the delivery of health care services by the recipient, [e.g.,] ***decreases in tax revenue and non-federal, government grant funding***. In accounting for such lost revenues, the recipient must document the historical sources and uses of these revenues.”
    - However, another 9/29 FAQ states tax-exempt organizations that receive federal, state, and/or local grant funds reported on line 8 of Form 990 cannot include that revenue on application (must use number reported on line 9 of Form 990)
  - “[E]xpenditures to prevent, prepare for, and respond to coronavirus may include those incurred expenses necessary to ***maintain health care delivery capacity*** by the recipient or to ***increase health care delivery capacity in the future*** as informed by community health needs.”

# Payment Calculation

- Based on relative value of Medicare (Parts A, B, and C), Medicaid, and CHIP services furnished to rural patients between 01/01/2019 to 09/30/2020
  - Provider **does not** have to be located in rural area – based on beneficiary's residence
  - Each applicant that received payment for services furnished to at least one rural beneficiary will receive to-be-determined base amount
  - HRSA determines eligibility and calculates value of services based on CMS claims data

# ARP Rural – Eligibility Requirements

- Billed traditional Medicare, Medicare Advantage, Medicaid (fee-for-service or managed care), or CHIP for services furnished to beneficiary residing in rural area between 01/01/2019 to 09/30/2020
- **Just check the box** - Field 21 on application

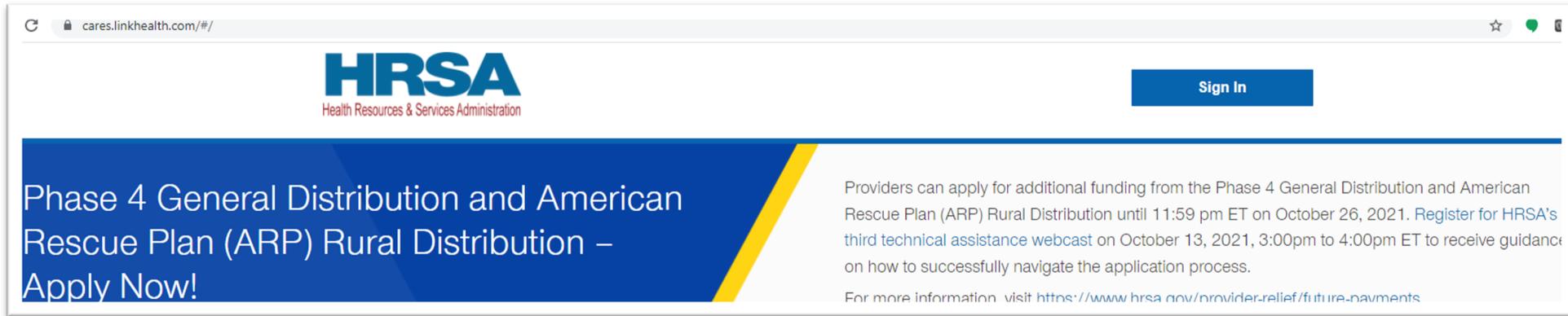
# Terms and Conditions – New Provisions

- Both Phase 4 and ARP Rural
  - If the Recipient's ... payment(s) exceeds \$10,000, the Recipient agrees to **notify HHS of a merger with or acquisition of any other healthcare provider** during the Payment Received Period within the Reporting Time Period .... Providers who report a merger/acquisition may be more likely to be audited, consistent with an overall risk-based audit strategy.
  - The Recipient **must maintain advance payments of Federal awards in interest-bearing accounts**, unless it meets the exceptions as described in 45 CFR § 75.305(b)(8). A recipient will be permitted to keep the interest earned if it is used for allowable purposes in accordance with the program. If a provider receives more than \$10,000 in aggregate payments during the Payment Received Period, the amount of interest must be included and reported on as specified by HHS.

# Terms and Conditions – New Provisions

- ARP Rural Only
  - The Recipient certifies that it will retain the payment with the provider(s) associated with the applicable subsidiary or billing TIN and **will not transfer or allocate** the Payment to another entity not associated with the subsidiary or billing TIN. Control and use of the Payment must be delegated to the Recipient that was eligible for and received the Payment

# Getting Started



The screenshot shows the HRSA website interface. At the top left is the HRSA logo with the tagline "Health Resources & Services Administration". To the right is a blue "Sign In" button. Below the logo is a blue banner with white text: "Phase 4 General Distribution and American Rescue Plan (ARP) Rural Distribution – Apply Now!". To the right of the banner is a white box containing text: "Providers can apply for additional funding from the Phase 4 General Distribution and American Rescue Plan (ARP) Rural Distribution until 11:59 pm ET on October 26, 2021. Register for HRSA's third technical assistance webcast on October 13, 2021, 3:00pm to 4:00pm ET to receive guidance on how to successfully navigate the application process. For more information, visit <https://www.hrsa.gov/provider-relief/future-payments>."

### Sign In With Your One Healthcare ID

One Healthcare ID or email address

Password

[Forgot One Healthcare ID](#) | [Forgot Password](#)

**Additional options:**  
[Create One Healthcare ID](#)  
[Manage your One Healthcare ID](#)  
[What is One Healthcare ID?](#)

**Welcome to One Healthcare ID (formerly known as Optum ID).**  
**Please use your existing Optum ID username and password to log in.**

# Applicant

- Parent or filing TIN (i.e., entity that files federal income taxes)
  - Even if entity does not provide or bill for services
- Must include all billing TINs under the filing TIN that provide patient care
  - Include any entity acquired as of date of application (even if not included on prior tax returns)
- If subsidiary wants to apply separately, additional information must be submitted; HRSA will review on case-by-case basis
- Presumably, HRSA will provide TIN-by-TIN breakout of funds received – at least for APR Rural distributions

# TIN Validation

- Enter information as prompted
- Triple check for accuracy
- Once submitted, wait for confirmation email with access code to continue application (up to 4 business days)

**Confirmation**

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**Demo Care Professionals Inc.**

<p>Business Name <b>Demo Care Professionals Inc.</b></p> <p>Federal Tax Classification <b>Individual/sole proprietor or single-member LLC</b></p> <p>Exempt Payee Code -</p> <p>Exempt from FATCA reporting code -</p> <p>Submitter Name <b>Test Stage</b></p> <p>Submitter Phone Number --</p> <p>Submitter Email <b>abc123@gmail.com</b></p>	<p>Organization TIN Address <b>123 Sample St Columbia, MD 21044</b></p> <p>Primary Service <b>123 Sample St Columbia, MD 21044 (222) 222-2222</b></p> <p>Medicaid ID(s) <b>MD-374564346, TX-363434444</b></p> <p>List of all Subsidiary TINs Associated with this Entity <b>xxxxx3333</b></p> <p>Applicant/Provider Type <b>Ancillary Services - Dental Service Providers</b></p> <p>Registration Type <b>Group</b></p> <p>Group NPI <b>2323232222</b></p> <p>Group NPI Effective Date <b>09/09/2019</b></p> <p>Applicable Department of Health, or National License Number or Certification Number <b>NA</b></p>
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Cancel
Submit TIN

## Organization TIN Dashboard

Please see status details and complete any actions required below.

Organization Tax ID Number: **xxxxx7890** , Provider Name: **Demo Care Professionals Inc.**

<p>Action Required For This TIN: <b>Revenue and Tax Information</b></p> <p>Not Available Yet <b>Attest to Payment and Terms</b></p> <p>Update TIN Validation: <a href="#">Update TIN</a></p>	<div style="font-size: 2em; color: green; margin-bottom: 10px;"></div> <p><b>Validate TIN</b></p> <p style="color: green; font-weight: bold;">Complete</p>	<div style="font-size: 2em; color: orange; margin-bottom: 10px;"></div> <p><b>Revenue and Tax Information</b></p> <p style="color: orange; font-weight: bold;">Available Now</p> <p style="color: blue; font-weight: bold;"><a href="#">Get Started</a> </p> <p style="font-size: 0.8em;">You will receive an email confirmation from DocuSign when you complete your Revenue and Tax Information submission. The "Get Started" message above will be updated when your submission is processed and payment determination is made.</p>	<div style="font-size: 2em; color: gray; margin-bottom: 10px;"></div> <p><b>Attest to Payment and Terms</b></p> <p style="color: gray; font-weight: bold;">Not Available Yet</p> <p style="font-size: 0.8em; color: gray;">Once payment has been issued, you will be able to attest to fund distribution.</p>
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# Contact Information

(1) Contact Person Name: \_\_\_\_\_

(2) Contact Person Title: \_\_\_\_\_

(3) Contact Person Phone  
Number: \_\_\_\_\_

(4) Contact Person Email: \_\_\_\_\_

(5) Applicant/Provider Type: \_\_\_\_\_

*Fields 6 - 8 have been intentionally removed*

(9) CMS Certification Numbers  
(CCNs), if applicable: \_\_\_\_\_

# Field 10 – Total Annual Revenues

- Enter following dollar amount from applicant’s most recently filed federal income tax return (2018, 2019, or 2020)

If the applicant for tax purposes is a...	Supporting documentation (upload in Field 15)	Total Annual Revenues location:
Sole proprietor or disregarded entity owned by an individual	IRS Form 1040 including Schedule C	Enter Line 7
Trust or estate	IRS Form 1041 including Schedule C	Enter Line 7
Partnership	IRS Form 1065	Enter Line 8
C corporation	IRS Form 1120	Enter Line 11
S corporation	IRS Form 1120-S	Enter Line 6
Tax-exempt organization	IRS Form 990	Enter Line 12
Not required to file federal income taxes (e.g. Government entities)	Most recent audited financial statements (or management-prepared financial statements).	Enter a “Total Annual Revenue” number or equivalent

- If not required to file federal return, enter amount from most recent audited financial statements; if not available, enter amount from most recent management-prepared financial statements
- If acquisition and/or disposition not reflected on tax return/financial statements, enter adjusted dollar amount in Field 10 to account for that transaction

# Field 12 – Annual Net Patient Care Revenues

- Subtract from amount in Field 10 all non-patient care revenues
  - Insurance settlements
  - Retail or real estate revenues
  - Prescription sales revenue (except if derived from 340B)
  - Grants or tuition
  - Contractual adjustments from all third-party payors
  - Charity care adjustments
  - Bad debt
  - Any gains/losses on investments
  - Prior PRF payments received
  - Other pandemic assistance received

If the applicant for tax purposes is a...	Supporting documentation ( <i>upload in Field 15</i> )	Annual Net Patient Care Revenues Location
Sole proprietor or disregarded entity owned by an individual	IRS Form 1040 including Schedule C	Enter Line 3, <u>excluding</u> any income reported on W-2.
Trust or estate	IRS Form 1041 including Schedule C	Enter Line 3, <u>excluding</u> any income reported on W-2.
Partnership	IRS Form 1065	Enter Line 1c <u>minus</u> Line 12.
C corporation	IRS Form 1120	Enter Line 1c <u>minus</u> Line 15.
S corporation	IRS Form 1120-S	Enter Line 1c <u>minus</u> Line 10.
Tax-exempt organization	IRS Form 990	Enter Line 9 <u>minus</u> any joint venture and any other non-patient care revenue included in Part VIII lines 2a – 2f.
Not required to file federal income taxes (e.g. state and local governments)	Most recent audited financial statements (or management-prepared financial statements)	Enter the dollar amount of Annual Net Patient Care Revenues
Applicant that files multiple tax returns or audited financial statements	N/A	Enter the dollar amount of annual patient care revenues <u>for the applicant (including subsidiaries) only</u> . See additional requirements at Field 17 Annual Revenues from Patient Care Worksheet and Field 18 Organizational Structure Documentation.
Applicant is part of a consolidated tax return or consolidated audited financial statements	N/A	Enter dollar amount of net patient care revenues <u>for the applicant only</u> . See additional requirements at Field 17 Annual Revenues from Patient Care Worksheet and Field 18 Organizational Structure Documentation.

# Field 13 – Operating Revenues from Patient Care By Quarter

- HRSA will compare Period 1 (2019 Q1, Q3, Q4) to Period 2 (2021 Q1 and 2020 Q3, Q4) to determine lost revenue
- Include revenues from patient services delivered, prescription sales revenues from 340B program, and interest and depreciation on building and equipment used in provision of patient care
- Exclude all non-patient care revenue (see Field 12)

# Field 14 – Operating Expenses from Patient Care By Quarter



- HRSA will compare Period 1 (2019 Q1, Q3, Q4) to Period 2 (2021 Q1 and 2020 Q3, Q4) to determine increase in expenses
- Include salaries and benefits, contracted and/or employed physicians, medical supplies, and interest and depreciations on building and equipment used in provision of patient care
- Exclude any non-operating expense, contributions made, or gains/losses on investments

# Field 15 – Annual Revenues Documentation

- Submit federal income tax return, audited financial statements, or internally-generated financial statements in its entirety
- If applicant TIN does not match TIN listed in supporting documentation, must provide organizational structure documentation in Field 18

If the applicant for tax purposes is a...	The applicant must submit:
Sole proprietor or disregarded entity owned by an individual	IRS Form 1040 including Schedule C
Trust or estate	IRS Form 1041 including Schedule C
Partnership	IRS Form 1065
C corporation	IRS Form 1120
S corporation	IRS Form 1120-S
Tax-exempt organization	IRS Form 990
Not required to file federal income taxes (e.g. Government entities)	Most recent audited financial statements (or management-prepared financial statements) and a statement explaining why the entity is not required to file a federal income tax form.

# Field 16 – Annual Revenues Adjustments Worksheet



- Complete if reported Total Annual Revenue (Field 10) and/or Total Annual Patient Care Revenue (Field 12) is more than 5% greater or 50% less than among listed on supporting documentation (Field 15)
- Reporting on acquisitions or dispositions from date of sale through 10/26/21
  - Include supporting documentation (internally generated financial statements, valuation reports that reflect revenue, budget-to-actual revenues comparisons)
- Total Annual Revenue (Field 10) must equal adjusted revenues amount on Worksheet Line 4

## Field 17 –

# Annual Revenues From Patient Care Worksheet

- Complete if information uploaded in Field 15 –
  - Includes revenue that is not completely and clearly related to patient care
  - Does not clearly identify patient care vs. non-patient care revenue
  - Does not clearly identify revenues attributable to applicant
  - Indicates complex parent entity applying on behalf of multiple subsidiaries
  - Applicant TIN does not match TIN on tax return, financial statements
- Ensure that the worksheet –
  - Breaks out proportion of revenues from non-patient and patient care by billing TIN
  - Breaks out patient care revenue from other revenue (tuition, prescription sales, etc.)
  - Equals the total annual revenues reflected in applicant's tax return or financial statements
  - Includes subs that are pharmacies or DME suppliers

# Field 18 – Organizational Structure Documentation

- Upload documentation to clarify applicant’s organizational structure if –
  - Applicant TIN does not match TIN on supporting documentation uploaded in Field 15
  - Applicant believes organizational structure or supporting documentation may impact eligibility for payment
- Examples of documentation –
  - Documentation of legal relationship between applicant and the tax return or financial statements uploaded in Field 15
  - CMS change of ownership tie-in notification
  - Purchase or disposition document

# Fields 19 and 20 – Operating Revenues and Expenses from Patient Care



- Upload documentation (e.g., internally-generated financial statements, classified trial balance grouping report) to substantiate quarterly operating revenues/expenses (Fields 13 and 14)
- HRSA guidelines for supporting documentation
  - Applicant must verify that all operating expenses and revenues included in supporting documentation is attributable to patient care
  - Internally-generated financial statements or a classified trial balance groupings report must clearly reconcile themselves to the claimed amounts in the application and include the following:
    - Patient Care Operating Revenues - net patient service revenues (gross charges minus contractual adjustments) excluding “other operating revenue” and non-operating revenue
    - Patient Care Operating Expenses - salaries and benefits, supplies, professional services, administrative, depreciation, interest
  - If applicant is applying on behalf of subs, applicant must submit quarterly financial information by TIN:
    - Quarterly net patient revenues/operating expenses must be clearly identifiable to each individual TIN included in application
    - Prescription sales revenues must be identified by quarter by TIN.

# Complex Organizational Structures

Financial Scenario	Required Supporting Documentation
Applicant's <b>Tax Identification Number (TIN) does not match</b> TIN on its most recent federal income tax return or financial statement	<ul style="list-style-type: none"> <li><input type="checkbox"/> Upload <b>Organizational Structure Documentation</b> (<i>Field 18</i>) (see <a href="#">Application Instructions</a>) to explain why the TINs do not match and clarify the relationship between the applicant's TIN and TIN listed in the federal income tax or financial statement uploaded in <b>Field 15 Annual Revenues Documentation</b>.</li> <li><input type="checkbox"/> Use the <a href="#">Annual Revenues from Patient Care Worksheet</a> (<i>Field 17</i>) to list the applicant's proportion of revenues from patient care and non-patient care.</li> <li>★ Ensure that the revenues listed for the applicant matches the figures reported in <b>Total Annual Revenues</b> (<i>Field 10</i>) and <b>Annual Net Patient Care Revenues</b> (<i>Field 12</i>).</li> </ul>
Federal income tax return or financial statement includes <b>revenues that are not clearly attributable</b> to the applicant	<ul style="list-style-type: none"> <li><input type="checkbox"/> Use the <a href="#">Annual Revenues from Patient Care Worksheet</a> (<i>Field 17</i>) to list the proportion of revenues from patient care and non-patient care.</li> <li>★ Ensure that the revenues listed for the applicant matches the figures reported in <b>Total Annual Revenues</b> (<i>Field 10</i>) and <b>Annual Net Patient Care Revenues</b> (<i>Field 12</i>).</li> </ul>
Reported revenues are <b>more than 5% greater than or 50% less than</b> the amount on the applicant's most recent federal income tax return or financial statement	<ul style="list-style-type: none"> <li><input type="checkbox"/> Use the <a href="#">Annual Revenues Adjustments Worksheet</a> (<i>Field 16</i>) to clarify the difference between the reported revenues (<i>Fields 10 and 12</i>) and what is reported in the federal income tax or financial statement uploaded in <b>Annual Revenues Documentation</b> (<i>Field 15</i>).</li> <li><input type="checkbox"/> Upload in <i>Field 16</i> internally-generated financial statements, valuation reports that reflect revenue, and budget-to-actual revenues comparisons.</li> <li>★ Ensure that the documentation clarifies why reported revenues (<i>Fields 10 and 12</i>) varies from what is reported in the federal income tax or financial statement uploaded in <b>Annual Revenues Documentation</b> (<i>Field 15</i>).</li> </ul>
Annual revenues are <b>not entirely related to patient care</b> (e.g., academic medical centers with non-patient care research and tuition revenue)	<ul style="list-style-type: none"> <li><input type="checkbox"/> Use the <a href="#">Annual Revenues from Patient Care Worksheet</a> (<i>Field 17</i>) to distinguish the proportion of revenues from patient care and non-patient care.</li> <li>★ Ensure that the revenues listed match the figures reported in <b>Total Annual Revenues</b> (<i>Field 10</i>) and <b>Annual Net Patient Care Revenues</b> (<i>Field 12</i>).</li> </ul>
Parent entity is <b>applying on behalf of multiple subsidiaries</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Use the <a href="#">Annual Revenues from Patient Care Worksheet</a> (<i>Field 17</i>) to list the proportion of revenues from patient care and non-patient care for all TINs included in the application.</li> <li>★ Ensure that the revenues listed match the figures reported in <b>Total Annual Revenues</b> (<i>Field 10</i>) and <b>Annual Net Patient Care Revenues</b> (<i>Field 12</i>).</li> </ul>
Provider is <b>not required to file federal income taxes</b> (e.g., state and county government entities)	<ul style="list-style-type: none"> <li><input type="checkbox"/> Upload in <b>Annual Revenues Documentation</b> (<i>Field 15</i>) (1) the entity's most recent audited financial statements (or management-prepared financial statements), and (2) statement explaining why entity is not required to file federal income tax.</li> </ul>