

DON'T TOSS THAT RECEIPT! HHS ISSUES REPORTING REQUIREMENTS FOR CARES ACT PAYMENTS

September 28, 2020

On September 19, 2020, the U.S. Department of Health and Human Services (“HHS”) published a [Notice](#) (the “Notice”) to inform recipients of Provider Relief Funds exceeding \$10,000 in the aggregate of specific reporting requirements tied to HHS’s post-payment reporting process. This Notice supplements an earlier HHS notice issued [August 14, 2020](#), and details updated reporting requirements for the post-payment reporting process to ensure funds distributed to providers have been used in compliance with applicable terms and conditions.

As outlined in the Notice, providers must submit data elements for calendar years 2019-2020. More specifically, recipients will be expected to report healthcare-related expenses attributable to coronavirus, which are not reimbursable through third-party payors or others. Consequently, providers are expected to account for certain general and administrative expenses (i.e., mortgage/rent and insurance), as well as healthcare-related operating expenses (i.e., supplies and equipment). The Notice also directs providers to report lost revenues attributable to coronavirus and to report certain non-financial data quarterly, including among other metrics, information concerning provider personnel, facilities, and patients.

Required reporting varies by provider with respect to the amount of relief funds distributed (e.g., reporting requirements are less burdensome for providers in receipt of under \$500,000), with auditing processes automatically triggered for entities who received greater than \$750,000 in federal financial assistance in 2020. Additionally, providers that have not expended Provider Relief Fund dollars in full by the end of calendar year 2020 will have an additional six months in which to use remaining amounts toward coronavirus-related expenses not reimbursable by other sources, or toward lost revenues (using the provider’s “2019 net gain” as a basis for determining lost revenue attributable to coronavirus in 2020). Reporting systems will be available in early 2021.

WHAT THIS MEANS FOR PROVIDERS

With respect to Provider Relief Funds, HHS has indicated “[t]here will be significant anti-fraud and auditing work done by HHS, including the work of the Office of the Inspector General.” Consequently, it is important for providers to continue to meticulously document their use of funds in anticipation of future audits or further reporting requirements. Providers should carefully review the Notice reporting instructions and applicable terms and conditions, noting key reporting deadlines.

If you have questions or need further guidance regarding the Notice or other matters related to accounting for the use of Provider Relief Funds, please contact a member of Hancock Daniel’s [Compliance](#) team.

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