



The CARES Act Provider Relief Payments: Are There Strings Attached to “No Strings Attached” Money?

Presented by Debra Geroux, Mark Lezotte and Paul Howarah

Today's Webinar

- Overview of the CARES Act
- Health Care Provider Programs
- Accounting & Administrative Requirements
- Questions!

The CARES Act - \$ Breakdown

- \$2 TRILLION in economic relief from the Coronavirus – largest in American history
 - \$600 Billion – Individuals
 - \$500 Billion – Larger Corporations
 - \$377 Billion – Small Businesses
 - \$340 Billion – State & Local Governments
 - \$180 Billion – Public Services
- Forthcoming congressional bill for add'tl funding

The CARES Act – potential programs

- Paycheck Protection Program
 - Forgivable loans
 - Funds exhausted, pending additional appropriations
- Economic Injury Disaster Loans
 - Loans (not forgivable)
 - Payroll tax credits
- Payroll tax credits (not available with PPP)

Title III: Supporting America's Health Care System in the Fight Against the Coronavirus

- Advanced & Accelerated Payment Program (AAPP)
 - Loan Payment - repayment required
 - Eligibility – Application
 - Use of Funds - Repayment/reconciliation
- Provider Relief Fund Program
 - Grant - no repayment*
 - Eligibility - Automatic payment/attestation
 - Use of Funds –accounting considerations

§ 3719 Accelerated & Advanced Payment Program (AAPP)

- Expands SSA § 1815(e)(3) advanced/accelerated payments
- Part A (*i.e.*, In-patient acute care hospitals, children's hospital, Critical Access Hospital, certain cancer hospitals)
- Part B (*i.e.*, physicians, non-physician practitioners and DME)
- Purpose: provide necessary funds when there is a disruption in claims submission and/or claims processing.

AAPP Eligibility

- Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider's/supplier's request form
- Not be in bankruptcy
- Not be under active medical review or program integrity investigation, and
- Not have any outstanding delinquent Medicare overpayments.

AAPP Request

- Provider Information (i.e., name, address, PTAN, NPI, Part A/B)
- Contact Information
- **Reason for Request:** “Delay in provider/supplier billing process is of an isolated temporary nature beyond the provider/supplier’s normal billing cycle due to COVID-19 and not attributable to other third party payers or private patients”
- Requested Payment Amount: Maximum as calculated by CMS or other amount
- Certification: no plans to cease, file bankruptcy and is not under investigation for fraud

AAPP Process

- Reduced processing time to 4-6 days (↓ 3-4 weeks)
- Application/Request to applicable MAC
 - Locate your designated MAC [here](https://www.cms.gov/Medicare/Medicare-Contracting/Medicare-Administrative-Contractors/Downloads/MACs-by-State-June-2019.pdf) (<https://www.cms.gov/Medicare/Medicare-Contracting/Medicare-Administrative-Contractors/Downloads/MACs-by-State-June-2019.pdf>)
 - WPS: https://www.wpsgha.com/wps/wcm/connect/mac/2ec7efb4-8959-48b2-9c53-e1577f5a5f24/WPS+GHA+Accelerated+and+Advance+Payment+Request.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE.Z18_J9IA1280M86460A9F22N9C30G2-2ec7efb4-8959-48b2-9c53-e1577f5a5f24-n5PST3R
 - CGS: https://www.cgsmedicare.com/pdf/covid_accelerated_req_form.pdf
 - NGS: http://www.mssnyenews.org/wp-content/uploads/2020/03/1770_033020_request_adv_payment_form_j6jk-1.pdf

AAPP Loan Amounts, Use of Funds

- 100% Medicare amount for 3 month period (Most providers/suppliers)
- 100% Medicare amount for 6 month period (Inpatient acute care hospitals, children's hospitals and certain cancer hospitals)
- 125% Medicare amount for 6 month period (Critical Access Hospitals)
- No restrictions on use of funds, no further service requirements

AAPP Repayment Terms

- Begins 120 days after payment “issuance”
- 1 year: Inpatient acute care hospitals, children’s hospitals, certain cancer hospitals and CAHs
- 210 Days: All other Part A providers and Part B suppliers
- Repayment or reconciliation / settlement in final cost report (Periodic Interim Payment Part A providers)

AAPP Compliance – Recommended Best Practices

- Understand your repayment deadline and when interest begins to accrue
- Consult with your CPA on the related income and expense recognition for these advances
- Be mindful of False Claims Act when submitting an application
- No appeal rights related to these payments

Public Health & Social Services Emergency Fund

- \$100 Billion CARES Act Appropriation to prevent, prepare for, and respond to coronavirus, domestically or internationally, for necessary expenses to reimburse, through grants or other mechanisms, eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus

Provider Relief Fund

- \$30B initial payment (\$26B as of 4/10/20 via direct deposit)
- Immediate infusion of cash grant payment
- NOT a loan / no repayment to **eligible** providers & expenditures

PRF Eligibility

- All facilities and providers that received Medicare fee-for-service (FFS) reimbursements in 2019
- provides or provided after January 31, 2020 diagnoses, testing, or care for individuals with possible or actual cases of COVID-19
- not currently terminated from participation in Medicare
- not currently excluded from participation in a Federal health care programs
- Medicare billing privileges nor currently revoked

PRF Use of Funds

- To prevent, prepare for, and respond to coronavirus
- Reimburse the Recipient only for health care related expenses or lost revenues that are attributable to coronavirus
- Cannot use for expenses or losses that have been reimbursed from other sources

PRF Attestation & Acceptance

- No application, but Attestation/Acceptance of Terms & Conditions Required
- Via online portal (open as of 4/16/20)
- 4 Steps (within 30 days of receipt of payment):
 - Confirm eligibility
 - Provider TIN / EIN / SSN
 - Bank Account and Payment Information
 - Attestation & Acceptance of T&Cs and “*other relevant statutes...*” (FWA laws, grants, etc.)
 - “Materiality” of attestation; again, be mindful of False Claims Act
- Inaction w/in the 30 day window is deemed an acceptance of Ts&Cs

PRF Accounting, Administrative Requirements

- Reports HHS deems necessary to show compliance with conditions imposed upon grant
- Quarterly reports for recipients of more than \$150,000 from COVID-related legislation (*i.e.*, CARES Act, FFCVA or CPRSA)
- Record-Keeping and cost documentation per federal grant requirements (45 CFR Part 75) and likely forthcoming regulations
- Reports may be subject to HHS audit and inspection

PRF: Federal Financial Report

[SF-425]

[View Burden Statement](#)

Federal Financial Report
(Follow form Instructions)

OMB Number: 4040-0014
Expiration Date: 02/28/2022

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)	
<input type="text"/>		<input type="text"/>	
3. Recipient Organization (Name and complete address including Zip code)			
Recipient Organization Name: <input type="text"/>			
Street1: <input type="text"/>			
Street2: <input type="text"/>			
City: <input type="text"/>		County: <input type="text"/>	
State: <input type="text"/>		Province: <input type="text"/>	
Country: USA: UNITED STATES		ZIP / Postal Code: <input type="text"/>	
4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
6. Report Type	7. Basis of Accounting	8. Project/Grant Period	9. Reporting Period End Date
<input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	<input type="checkbox"/> Cash <input type="checkbox"/> Accrual	From: <input type="text"/> To: <input type="text"/>	<input type="text"/>
10. Transactions			Cumulative
<i>(Use lines a-c for single or multiple grant reporting)</i>			
Federal Cash (To report multiple grants, also use FFR attachment):			
a. Cash Receipts			0.00
b. Cash Disbursements			0.00
c. Cash on Hand (line a minus b)			0.00
<i>(Use lines d-o for single grant reporting)</i>			
Federal Expenditures and Unobligated Balance:			
d. Total Federal funds authorized			0.00
e. Federal share of expenditures			0.00
f. Federal share of unliquidated obligations			0.00
g. Total Federal share (sum of lines e and f)			0.00

PRF Compliance – Recommended Best Practices

- Document eligibility determination
- Record funds in a separate general ledger
- No “balance billing” for COVID-related treatment
- Track the expenditures in real-time, starting now
- Ts & Cs apply to subcontractors if applicable
- Noncompliance is grounds for a clawback

Still to Come: PRF “Phase II”?

- PRF funds so far based on Medicare calculations
 - Automatic calculations
 - \$30B out of total \$100B appropriated
- Additional funds to providers from the \$70B?
 - HHS to target hardest hit areas, rural providers, Medicaid providers, providers to uninsured
 - No comprehensive database; payments, application, timing all unclear
 - Assume there will be work needed to gather data and apply

AAPP and PRF recommendations

- Pay attention to PRF attestation/acceptance date, 30 day requirement
- Look for additional guidance on PRF eligibility, use of funds, consult before the 30 day period
- Document, document, document!
- Alert accountant, billers to set up process
- Prepare for AAPP reconciliation and PRF reporting

CORONAVIRUS (COVID-19) RESOURCE PAGE

- Developed as a reference source for businesses and individuals on the legal, regulatory, and commercial implications of the coronavirus COVID-19.
- All updates are organized by practice area
- See The CARES Act and Health Care pages for related content

Questions?



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Butzel Long

AAPP and PRF Assistance and Alerts

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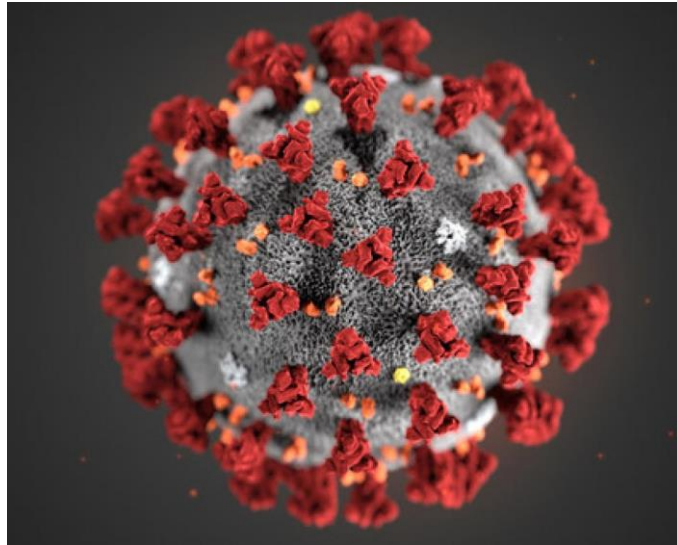
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Additional Resources

Butzel Long: Coronavirus (COVID-19) Resource Center

<https://www.butzel.com/coronavirus-covid-19-resource-page.html>



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