December 2, 2020

Edo Banach, JD
President and CEO
National Hospice and Palliative Care Organization
1731 King Street
Alexandria, VA 22314

Dear Mr. Banach:

Secretary Azar has asked me to thank you for your letters regarding reporting requirements recently disseminated by the U.S. Department of Health and Human Services’ (HHS) Provider Relief Fund (PRF).

The Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136) and the Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139) appropriated funds to reimburse eligible health care providers for health care-related expenses or lost revenues attributable to the coronavirus. As a requirement for retaining funds, PRF recipients agreed to Terms and Conditions, which require compliance with reporting requirements.

HHS is committed to distributing PRF funds in a way that is fast, fair, simple, and transparent. In September 2020, HHS published reporting guidance to set expectations for PRF payment recipients. In providing this guidance, HHS also updated its Frequently Asked Questions to clarify that for purposes of relief payments for lost revenues attributable to coronavirus, recipients must submit information showing a negative change in year-over-year net patient care operating income. This definition sought to promote fairness and establish guardrails to restrict some providers from receiving distributions that would make them more profitable than they were before the pandemic.

As providers, provider organizations, and members of Congress familiarized themselves with the reporting requirements, HHS received feedback from many voicing concerns regarding this approach to permissible uses of PRF funds. In response to concerns raised, HHS amended the reporting instructions to increase flexibility around how providers can apply PRF funds toward lost revenues attributable to coronavirus. After reimbursing health care-related expenses attributable to coronavirus that were unreimbursed by other sources, providers may use remaining PRF funds to cover any lost revenue, measured as a negative change in year-over-year actual revenue from patient care-related sources.

Additionally, your letter inquired about using PRF funds to reimburse lost fundraising and thrift store revenue. PRF funds may be used to reimburse lost revenue attributable to coronavirus, and lost fundraising and thrift store revenue may qualify as reimbursable lost revenue. To calculate
lost revenues attributable to coronavirus, providers are required to report revenues received from Medicare, Medicaid, commercial insurance, and other sources for patient care services. Providers should report fundraising and thrift store revenue in 2019 and 2020 as a revenue source if it was raised to fund patient care services.

For additional details on the reporting requirements and Frequently Asked Questions, please visit HHS’ PRF website (www.hhs.gov/providerrelief).

Thank you for your feedback. I hope you find this information helpful.

Sincerely,

[Signature]

Thomas J. Engels
Administrator