

1

---

---

---

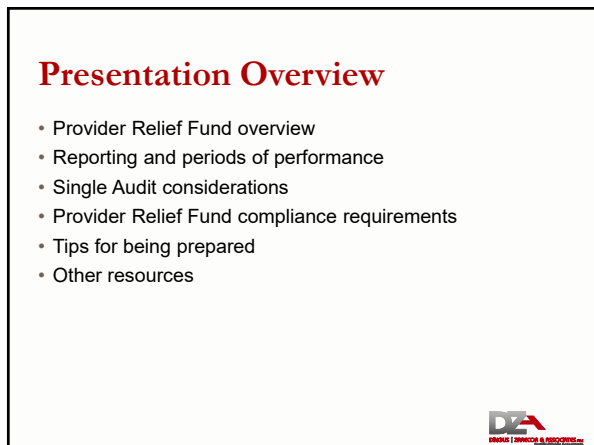
---

---

---

---

---



2

---

---

---

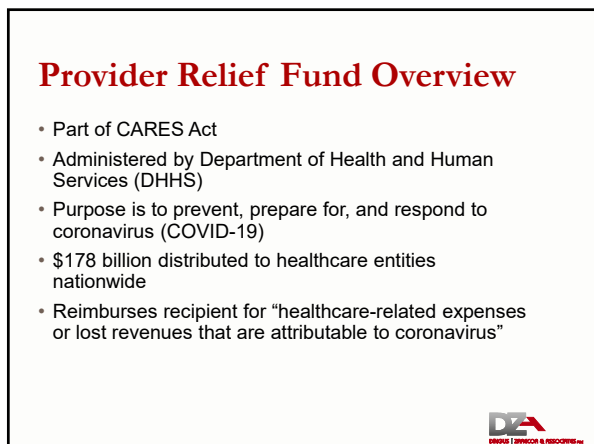
---

---

---

---

---



3

---

---

---

---

---

---

---

---

### Provider Relief Fund Overview

- General and Administrative Expenses Examples: (from HRSA)
  - Mortgage/rent – rent for a clinical setting, medical office building, etc.
  - Insurance – property, malpractice, or other business insurance
  - Personnel – direct employee expenses for staff such as nurses, administrators, or support personnel
  - Fringe benefits – health insurance, childcare assistance, overtime pay, hiring bonuses, or retention payments to expand or maintain patient care capacity
  - Lease payments – diagnostic equipment leases or clinical care software leases
  - Utilities/operations – HVAC services, environmental services for cleaning, or food and nutrition services



4

---

---

---

---

---

---

---

---

---

---

### Provider Relief Fund Overview

- Healthcare-related Expense Examples: (from HRSA)
  - Supplies - N95 or surgical masks, gowns, temperature monitoring devices, or cleaning agents
  - Equipment - ventilators, HVAC systems or improved filtration for infection control, or lab and radiology diagnostic equipment
  - Information technology - telehealth software and hardware, improved internet services to support increased telehealth or remote working, or new Electronic Medical Record modules to support patient care
  - Facilities - temporary Emergency Department expansions for patient volume increases, inpatient unit retrofits to accommodate COVID-19 or other patients, or outpatient clinic enhancements for improved infection control



5

---

---

---

---

---

---

---

---

---

---

### Provider Relief Fund Overview

- HRSA's expense tip:
  - When considering if an expense is allowable under the use of funds policy, ask yourself:
    - Is this expense necessary and reasonable to support patient care efforts to prepare for, prevent, or respond to coronavirus?
    - Is this expense incurred consistent with our organization's policies and procedures?
- DZA's recommendation
  - Maintaining healthcare delivery capacity is a key component of preparing for, preventing, and responding to coronavirus
  - Make sure you maintain supporting documentation as to why expenses are related to preparing for, preventing, and responding to coronavirus



6

---

---

---

---

---

---

---

---

---

---

## Provider Relief Fund Overview

- Expense Limitations
  - Salaries capped at Executive Level II - \$197,300 (2020) or \$199,300 (2021)
  - Expenses cannot be reimbursed by other sources
    - Other sources include:
      - Payments received from insurance and/or patients
        - Direct patient billing, commercial insurance, Medicare, Medicaid, etc.
      - Paycheck protection program (PPP) forgiveness
      - FEMA
      - Dept of Treasury Coronavirus Relief Fund – pass through program
      - Local/State/Tribal Government assistance
      - Business insurance
      - Other assistance
      - Critical Access Hospital cost based reimbursement

---

---

---

---

---

---

---

---

---

---

7

## Provider Relief Fund Overview

- Critical Access Hospital cost-based reimbursement
  - Medicare and Medicaid
    - Only expenses not reimbursed cost-based can be reimbursed
    - Inverse of the department's cost-based reimbursement percentage
    - Example:
      - Acute care cost based reimbursement percentage - 80%
        - 20% of costs not reimbursed by other sources may be claimed
      - Emergency room cost based reimbursement percentage – 45%
        - 55% of costs not reimbursed by other sources may be claimed
      - Admin & general cost based reimbursement percentage – 33%
        - 67% of costs not reimbursed by other sources may be claimed

---

---

---

---

---

---

---

---

---

---

8

## Provider Relief Fund Overview

- Critical Access Hospital cost-based reimbursement
  - Overall calculation:
 

	General Hospital
Total costs worksheet A, column 3	30,000,000
<b>Medicare</b>	
Inpatient, D-1	3,000,000
Outpatient, D,V	3,500,000
Swing, E-2	1,000,000
RHC I, M-3 line 16.05	500,000
RHC II, M-3 line 16.05	250,000
RHC III, M-3 line 16.05	100,000
RHC IV, M-3 line 16.05	
Total Medicare	8,350,000
Medicaid	4,500,000
Total Medicare and Medicaid	12,850,000
Est. CB %	42.83%

---

---

---

---

---

---

---

---


---

---

9

## Provider Relief Fund Overview

- Lost Revenue
  - Remaining Provider Relief Fund payments not fully expended are then applied to lost revenues
- Actual to actual (Option 1)
  - 2020 and 2021 quarters compared to same quarter of 2019
- Budget to actual (Option 2)
  - Budgets must be approved before March 27, 2020
  - Cover period of availability
    - January 1, 2020 – June 30, 2021 for Period 1 reporting
  - 2021 quarters compared to 2021 budget
    - 2021 budget would have had to be approved before March 27, 2020




---

---

---

---

---

---

---

---


---

---

10

## Provider Relief Fund Overview

- Lost Revenue
  - Any reasonable method (Option 3)
    - HRSA will audit the methodology
  - Example "reasonable method"
    - Budget to actual
    - 2020 budget approved prior to March 27, 2020
    - 2020 quarters compared to 2020 budget
    - 2021 quarters compared to 2020 budget




---

---

---

---

---

---

---

---

---

---


11

## Provider Relief Fund - Reporting

- Reporting portal opened July 2021
- Report for first period of performance due September 30, 2021
  - 60 day grace period
- Reporting schedule:

	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Deadline to Use Funds	Reporting Time Period
Period 1	From April 10, 2020 to June 30, 2020	June 30, 2021	July 1 to September 30, 2021
Period 2	From July 1, 2020 to December 31, 2020	December 31, 2021	January 1 to March 31, 2022
Period 3	From January 1, 2021 to June 30, 2021	June 30, 2022	July 1 to September 30, 2022
Period 4	From July 1, 2021 to December 31, 2021	December 31, 2022	January 1 to March 31, 2023

- Earliest date for use of funds – January 1, 2020 (all periods)




---

---

---

---

---

---

---

---


---

---

12

**Polling Question #1**

- Is this the first time you have/will need a single audit?
  - Yes
  - No
  - Not applicable



---

---

---

---

---

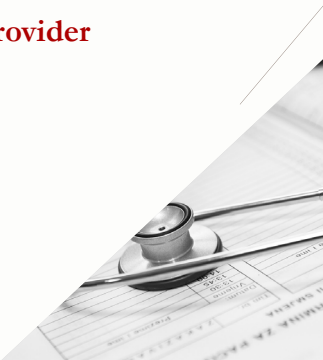
---

---

---

13

**Single Audit – Provider Relief Fund**



---

---

---

---

---

---


---

---

14

**What is a single audit?**

- 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)
- Audit of compliance requirements of major federal programs
- Opinion on compliance with compliance requirements
- Report on internal control over compliance
  - Findings classified as material weaknesses or significant deficiencies over compliance
- Done in conjunction with your financial statement audit



---

---

---

---

---

---

---

---

15

### Single audits

- Applicable to governmental and nonprofit entities
- \$750,000 or more of federal awards expended (with some exceptions)
  - PPP is an exception
- Includes loans and loan guarantees (USDA, HUD)
- Auditors perform a "Major Program Determination"



16

---

---

---

---

---

---

---

---

### Auditee Responsibilities

- Internal control policies and procedures in compliance with Uniform Guidance requirements
  - Preparation of SEFA
  - Applicable compliance requirements of federal awards expended
    - How you ensure you are following terms, conditions, compliance requirements
- Compliance with Federal award compliance requirements



17

---

---

---

---

---

---

---

---

### Auditee Responsibilities

- Preparation of Schedule of Expenditure of Federal Awards (SEFA) – (your auditor can help)
  - Keeping track of federal awards
  - Not all come direct from the federal government
  - Indirect awards from state, hospital association, etc., are included on the SEFA
  - Completeness is key – make sure all federal awards are reported on your SEFA
    - PPP does not get reported on SEFA



18

---

---

---

---

---

---

---

---



## Schedule of Expenditures of Federal Awards

- Provider Relief Fund is an exception
  - For a FYE of June 30, 2021, and through FYEs of November 30, 2021, recipients should report in the SEFA the expenditures and lost revenues from the **Period 1** PRF report.
    - Up to 18 months of PRF expenditures
  - For a FYE of December 31, 2021, and through FYEs of May 31, 2022, recipients should report in the SEFA the expenditures and lost revenues from both the **Period 1** and **Period 2** PRF reports.
    - Up to 24 months of PRF expenditures
  - For FYEs on or after June 30, 2022, SEFA reporting guidance related to Period 3 and Period 4 will be provided in the 2022 compliance supplement.



22

---

---

---

---

---

---

---

---

---

---

## Major Program Determination

- Major Program
  - Program audited as part of single audit
- Non-major Program
  - Program not audited but still reported in SEFA
- Determination:
  - Programs first separated by Part A & B
    - Threshold for Part A generally \$750,000



23

---

---

---

---

---

---

---

---

---

---

## Major Program Determination

- Risk assessment process done by auditor
  - Provider Relief Fund is an automatic "higher risk" program
  - Part A not low risk = major program
  - Part A low risk – review Part B programs for high risk
  - High risk Part B audited in place of low risk part A
  - Coverage
    - 20% or 40% of all federal dollars must be audited
      - Depends on low risk auditee status



24

---

---

---

---

---

---

---

---

---

---



## Uniform Guidance Compliance Supplement

- Covers specific compliance requirements and suggested audit procedures for most federal programs
- Usually issued in June each year
  - 2021 was issued in August 2021
- Effective for June 30 fiscal year ends and later
- 2021 compliance supplement link
  - [https://www.whitehouse.gov/wp-content/uploads/2021/08/OMB-2021-Compliance-Supplement\\_Final\\_V2.pdf](https://www.whitehouse.gov/wp-content/uploads/2021/08/OMB-2021-Compliance-Supplement_Final_V2.pdf)



25

---

---

---

---

---

---

---

---

---

---

## Provider Relief Fund – Compliance Requirements

- A - Activities Allowed
  - All distributions except for SNF infection control distribution
    - Prevent, prepare for, and respond to coronavirus
    - Necessary expenses to reimburse eligible healthcare providers for healthcare related expenses or lost revenues attributable to coronavirus
    - Must provide, or have provided after January 31, 2020, diagnoses, testing, or care for individuals with possible or actual cases of COVID-19. DHHS broadly views every patient as a possible case of COVID-19.



26

---

---

---

---

---

---

---

---

---

---

## Provider Relief Fund – Compliance Requirements

- A - Activities Allowed
  - SNF infection control distribution
    - Costs associated with administering COVID-19 testing
    - Reporting COVID-19 test results to local, state, or federal governments
    - Hiring staff, whether employees or independent contractors, to provide patient care or admin support
    - Expenses incurred to improve infection control
      - Includes changes made to physical facilities
    - Providing additional services to residents, such as technology that permits residents to connect with their families
    - Must provide, or have provided after January 31, 2020, diagnoses, testing, or care for individuals with possible or actual cases of COVID-19
    - **Cannot be used on lost revenues**



27

---

---

---

---

---

---

---


---

---

---

**Provider Relief Fund – Compliance Requirements**

- A - Activities Unallowed
  - Reimbursement of expenses or losses that have been reimbursed from other sources of that other sources are obligated to reimburse



28

---

---

---

---

---


---

---

---

**Polling Question #2**

- Have you submitted your Provider Relief Fund Period 1 report?
  - Yes
  - No
  - Not applicable



29

---

---

---

---

---


---

---

---

**Provider Relief Fund – Compliance Requirements**

- B – Allowable Costs/Cost Principles
  - Cost principles do not apply
  - Charges to the PRF must be necessary, reasonable, accorded consistent treatment, and conform to the limitations and exclusions of the terms and conditions



30

---

---

---

---

---


---

---

---

**Provider Relief Fund – Compliance Requirements**

- A & B – Activities Allowed and Unallowed & Allowable Costs/Cost Principles
  - Hospital's goal – maximize
  - Auditor's goal – verify
  - Auditors will test for reasonableness
    - Both in expenses claimed and lost revenue calculation
  - Risks
    - Double dipping
      - Salaries reimbursed by PPP and also claimed for PRF
      - Other federal or state grants covering expenses
      - MCR cost based reimbursement
      - Billable vaccinations or supplies (to insurance or to COVID-19 Testing for the Uninsured program)
    - Income manipulation
      - Bias in lost revenue calculation
      - Quarters consider lump sums and cost-based settlement




---

---

---

---

---

---

---

---


---

---

31

**Provider Relief Fund – Compliance Requirements**

- A & B – Activities Allowed and Unallowed & Allowable Costs/Cost Principles
  - Key – Auditable Evidence
  - Documentation
    - Invoices, payroll reports, etc.
    - Why is the expense attributable to coronavirus or otherwise allowable?
    - With vague guidelines, documentation is more important




---

---

---

---

---

---

---

---


---

---

32

**Provider Relief Fund – Compliance Requirements**

- A & B – Activities Allowed and Unallowed & Allowable Costs/Cost Principles
  - Likely audit procedures:
    - Large items will be tested
      - Equipment or construction projects
      - Construction projects must be fully completed by end of period of availability
    - Riskier items will be tested
      - Payroll
        - For double dipping with PPP
        - Executive Level II cap
  - Potentially a sample of all other claimed expenses
  - Lost revenue
    - Comparisons to system reports and trial balances
    - Review for potential bias
      - Significant changes in allowance calculation
      - Treatment of lump sums and cost report settlements




---

---

---

---

---

---

---

---


---

---

33

### Provider Relief Fund – Compliance Requirements

- L – Reporting
  - PRF Report
    - Nursing home infection control expenses
    - Other PRF expenses
    - Calculation of lost revenues
      - If "any reasonable method" selected:
        - The auditor is not responsible for determining the reasonableness of the alternative method described in the required narrative



---

---

---

---

---

---


---

---

34

### Provider Relief Fund – Compliance Requirements

- L – Reporting
  - Likely audit procedures
    - Comparing amounts reported to supporting documentation
      - In conjunction with testing of allowable activities/costs



---

---

---

---

---

---


---

---

35

### Provider Relief Fund – Compliance Requirements

- N – Special Tests and Provisions
  - Out of Network Patient Out of Pocket Expenses
    - A provider will not seek to collect from patients out of pocket expenses in an amount greater than what the patient would have otherwise been required to pay if care had been provided by an in-network provider, for patients with presumptive or actual case of COVID-19



---

---

---

---

---

---

---

---

36

## Provider Relief Fund – Compliance Requirements

- N – Special Tests and Provisions
  - Suggested audit procedures (from compliance supplement)
    - Review the provider's billing and collection policies and procedures applicable to patient out-of-pocket expenses for COVID-19 patients
    - Sample out-of-network patients with a presumptive or actual case of COVID-19 to determine whether the patient was assessed an out-of-pocket charge and ascertain if the charge was in compliance with the terms and conditions of the PRF



37

---

---

---

---

---

---

---

---

## Provider Relief Fund – Compliance Requirements

- N – Special Tests and Provisions
  - Likely audit procedures
    - Identification of contracted payors in network
    - Report of total charges:
      - Diagnosis code
      - Patient identifier
      - Insurance
      - Date of service
      - Charge amount
    - Tie to gross patient service revenue (completeness)
    - Filter report for COVID-19 diagnosis codes
      - U07.1 – COVID-19
      - Z11.52 – Encounter for screening for COVID-19
      - Z20.822 – Contact with and (suspected) exposure to COVID-19
      - J12.82 – Pneumonia due to coronavirus disease 2019
      - Z86.16 – Personal history of COVID-19
      - M35.81 – Multisystem inflammatory syndrome
      - M35.89 – Other specified systemic involvement of connective tissue
    - Sample of patients and review billing statements for out-of-pocket cost sharing



38

---

---

---

---

---

---

---

---

## Polling Question #3

- What is the due date for submitting your single audit to the Federal Audit Clearinghouse assuming you are a June 30, 2021, fiscal year end facility?
  - December 31, 2021
  - June 30, 2022
  - September 30, 2021
  - September 30, 2022



39

---

---

---

---

---

---

---

---

## Federal Audit Clearinghouse

- Repository for filing Uniform Guidance Single Audits
- <https://facweb.census.gov/uploadpdf.aspx>
- Single audits due 9 months after fiscal year end
  - June 30, 2021 FYE – 6 month extension available
    - Due date is September 30, 2022
  - FYE After June 30, 2021 – no current extension
    - September 30, 2021 – Due date is June 30, 2022
    - December 31, 2021 – Due date is September 30, 2022
- Tip – EIN and DUNS number required for reporting. Make sure you provide these to your auditor.



40

---

---

---

---

---

---

---

---

---

---

## Be Prepared

- Items to have ready for your auditor
  - Listing of Provider Relief Funds received January 1, 2020 – June 30, 2021, including dates of receipt
  - Listing of all federal and nonfederal COVID related funding recognized/received during fiscal year
    - PPP, Provider Relief Fund, SHIP, other federal grants, state grants, etc.
  - Listing of other federal grants recognized/received (non-COVID)
  - Grant documents for funding listed above
  - Amount billed for COVID claims reimbursement to healthcare providers and facilities for testing, treatment, and vaccine administration of the uninsured during fiscal year (HRSA COVID Reimbursement program)
  - EIN and DUNS Number



41

---

---

---

---

---

---

---

---

---

---

## Be Prepared

- Items to have ready for your auditor (*continued*)
  - Copy of report submitted to HHS PRF Reporting Portal
  - Basis used for Provider Relief Fund expenses and lost revenues reported
    - COVID-related expenses tracking sheet
    - Lost revenue calculations
  - Billing and collection policies and procedures applicable to patient out-of-pocket expenses for patients with presumptive or actual case of COVID-19
  - Total charge report(s) by diagnosis code covering the period January 1, 2020 – June 30, 2021



42

---

---

---

---

---

---

---

---

---

---

### Polling Question #4

- What's the strangest thing you have done while attending a meeting or webinar on Zoom?
  - Eaten breakfast or lunch
  - Worn pajamas
  - Cooked breakfast or lunch
  - Brushed my teeth
  - Watched Netflix
  - Driven down the highway
  - Other, my lips are sealed



43

---

---

---

---

---

---

---

---

### Resources – Not COVID Specific

- [Single Audit Tools, Practice Aids, and Other Resources for Auditees](#)
- Archived AICPA GAQC event – [Preparing for your First Single Audit: An Auditee Perspective](#)



44

---

---

---

---

---

---

---

---

### Questions?



45

---

---

---

---

---

---

---

---



**DZA**  
DINGUS, ZARECOR &  
ASSOCIATES

**Contact Information**

- 📞 Shaun Johnson
- 📱 509.242.0874
- ✉️ sjohnson@dzacpa.com
- 🌐 www.dzacpa.com

46

---

---

---

---

---

---

---

---