

September 21, 2020

**ILLINOIS HEALTH AND HOSPITAL ASSOCIATION  
M E M O R A N D U M**

SUBJECT: HHS Releases PRF Reporting Guidance

On [Saturday](#), the U.S. Department of Health and Human Services (HHS) released the final reporting [guidance](#) for recipients of Provider Relief Fund (PRF) payments in excess of \$10,000. The guidance includes clarification on use of PRF payments, as well as definitions of the data elements necessary to meet reporting requirements.

The PRF reporting system will be available in early 2021. Key takeaways from the reporting guidance include:

- Lost revenue is now defined as “a negative change in year-over-year net operating income from patient care related sources”; HHS capped lost revenue at a provider’s calendar year (CY) 2019 “net gain” from healthcare related sources.
  - Recipients with a negative net reporting income from patient care revenue in CY 2019 may apply PRF payments to lost revenues up to a net zero gain/loss in 2020.
- Providers must use PRF payments for coronavirus-related healthcare expenses first, before using PRF payments toward lost revenue. Healthcare expenses include general and administrative or healthcare related operating expenses. Definitions of general, administrative, and healthcare related operating expenses are included in the guidance.
- Per the Terms and Conditions, providers must ensure they are not “double dipping” when using PRF payments. HHS expanded the definition of double dipping to include payments from insurance companies and amounts received from federal, state, or local governments.
  - Providers must total the payments received from these sources and deduct that amount from the total potential pool of expenses attributed to coronavirus before using PRF payments toward those expenses.
- Systems with subsidiaries that received General Distribution payments may use and report on the use of General Distribution payments at the parent level. However, if a subsidiary received a Targeted Distribution, the subsidiary, not the parent organization, must use and report on the use of that Targeted Distribution payment. HHS reiterated that Targeted Distributions cannot be transferred from one Tax ID to another.
- Providers have until June 2021 to expend all PRF payments on healthcare-related expenses or to apply PRF payments toward lost revenue.

IHA is working to seek clarification on the use of funds for 2020 lost revenues as it compares to CY 2019. In the interim, IHA encourages all members to thoroughly review the reporting

[guidance](#) and monitor the CARES [website](#) for FAQs and Question & Answer Session webinars, which will be provided by the Health Resources and Services Administration (HRSA).

Additionally, IHA will offer a two-part webinar series on Oct. 8 and 15 regarding the retention and reporting of PRF funds, as well as Single Audit requirements. More information on these webinars, including registration information, is forthcoming.

Please send questions and comments to [IHA](#).