

In Significant Update to the Provider Relief Fund, HHS Sets New Deadlines for Providers to Spend PRF Grant Money and Report Uses

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On June 11, 2021, the U.S. Department of Health and Human Services (“HHS”) released revised COVID-19 [Provider Relief Fund](#) (“PRF”) Reporting Requirements, superseding all prior versions of reporting requirements issued by HHS, along with associated revised PRF [FAQs](#), Reporting Portal [FAQs](#), and a Reporting Portal Registration [User Guide](#) that each make conforming changes. The updated Reporting Requirements come just three weeks prior to when PRF recipients would have been required to expend all received funds and when reporting was scheduled to commence (July 1, 2021).

Significantly, the updates give providers a longer runway to use funds, clarify the definition of “COVID-19 patient”, and provide insight into potential upcoming PRF distributions. The updated Reporting Requirements represent the Biden Administration’s first actions to modify the PRF, which distributes federal grants to help providers offset revenue shortfalls and expenses incurred due to the COVID-19 pandemic.

In keeping with past administration of the program, PRF payments remain available for use by recipients only for eligible expenses and lost revenues attributable to COVID-19, although recipients may use funds for costs incurred prior to the receipt of PRF payments. However, the updates clarify that recipients of funds have one year from the end of the “Payment Received Period” – the period in which HHS distributed PRF payments – in which to use funds received during such period, in accordance with timeframes below. HHS calls this period of potential use the “period of availability” and notes that payments are deemed received on the deposit date or check cashed date.

Period	Payment Received Period (“PRP”)	Deadline to Use Funds	Reporting Period (If P Exceeds \$10,000 in A
Period 1	April 10, 2020 to June 30, 2020	June 30, 2021	July 1, 2021 to Septem

Period 2	July 1, 2020 to December 31, 2020	December 31, 2021	January 1, 2022 to March 31, 2022
Period 3	January 1, 2021 to June 30 2021	June 30, 2022	July 1, 2022 to September 30, 2022
Period 4	July 1, 2021 to December 31, 2021	December 31, 2022	January 1, 2023 to March 31, 2023

Tied to each Payment Received Period is an associated Reporting Period. Recipients who received and retained for use one or more PRF payments (from General and/or Targeted Distributions) totaling more than \$10,000 during a given Payment Received Period (as opposed to the previous standard of \$10,000 across all PRF payments) must now report on the use of funds in accordance with the Reporting Requirements during the applicable Reporting Period. Importantly, HHS's updates lengthen each reporting period from 30 days to 90 days. And while the PRF Terms and Conditions always required accurate data submission and reporting, the updates explicitly stress that a recipient's failure to report within the correct, elongated timeframe constitutes a breach of the PRF Terms and Conditions and provides grounds for recoupment.

These updates to the PRF come following pressure from the provider community for more time and flexibility to use PRF money as they continue to feel the effects of COVID-19. Notably, the updates allude to the potential for additional distributions – approximately \$24 billion of the \$178 billion allocated to the PRF remain available for disbursement, which may be distributed in the fourth PRP noted in the chart above. The need for such flexibility is a welcome development especially for hospitals that struggled with the uncertainty caused by continually changing PRF use and reporting requirements that were a staple of 2020, as well as the larger provider community that continues to struggle with lower patient volumes. However, only time will tell if this round of PRF updates gives providers enough flexibility to use PRF funds to effectively combat such struggles.

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