

# COVID-19

## Financial Relief Resources For EMS Agencies

### Webinar Presentation

October 30, 2020 | 1:00 p.m. EDT



- EMT 30 Years
- Firefighter 15 years
- Employment Attorney
- Certified HR Professional
- AAA HR & Operations Consultant



Scott Moore, Esq.  
Principal





This material is for informational purposes only and should not be relied upon for legal, financial, or accounting advice. You should consult your own legal or accounting professional.



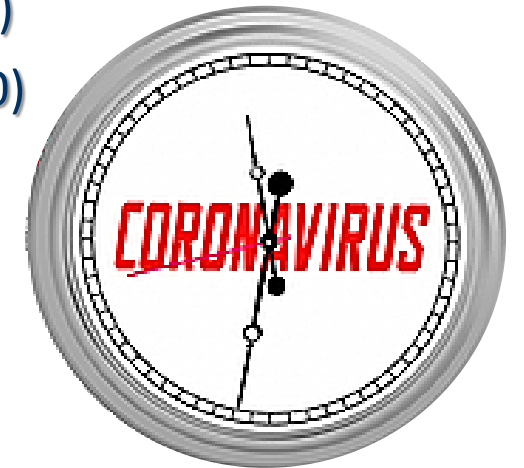
# What will we cover?

1. Brief Overview of FFCRA, CARES Act, & PPP
2. PPP Flexibility Act & PPP Loan Forgiveness Application
3. Medicare Accelerate Payment Program
4. Tranche 3 Funding
5. Post-Payment Reporting Requirements
6. Questions



# COVID-19 Timeline Review

1. PHE Declared January 31, 2020
2. Extended April 21, 2020
3. Extended again October 3, 2020
4. Expires tentatively January 23, 2021
5. Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (March 6, 2020)
6. Families First Coronavirus Response Act (March 18, 2020)
7. Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (March 27, 2020)
8. Paycheck Protection Program and Health Care Enhancement Act (April 24, 2020)
9. Paycheck Protection Program Flexibility Act of 2020 (June 5, 2020)



# Accountability for Financial Relief

1. There are strings that come with this relief
2. Identify your COVID-related cost and track separately
3. Data platforms modifications & integration
4. Gather & maintain relevant financial documents
5. Consult your accounting, legal & tax professionals
6. Understand the benefits & risks



# Paycheck Protection Program (PPP)

- <500 employees
- Incentive to keep employees on payroll
- Low interest rates, no payment for 6 months
- Must apply through lender for forgiveness
- Loan forgiveness if all employees kept on payroll for 8 weeks (24 weeks)
- 60% used for payroll
- Any unforgiven amounts is carried for max term 10 yrs./1% Interest

A row of ten wooden blocks, each with a letter in blue. The first three blocks spell 'PPP' and the next seven blocks spell 'LOANS'. The blocks are arranged in a slightly staggered, overlapping fashion on a light blue shadowed surface.

PPP LOANS



# What costs are eligible for payroll?

- Compensation (wages, commissions, payment of cash tips)
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Group health care benefits, including insurance premiums
- Retirement benefit
- State or local payroll taxes



# Employee Retention Credit

- Refundable credit against eligible employer's share of Social Security taxes (6.2%), up to 50% of qualified wages up to \$10,000 per employee
- Between March 13, 2020-December 31, 2020
- While employer forced to partially or fully suspend operations for one or more quarters
- Gross receipt for a 2020 quarter is less than 50% of the same quarter prior year

\*Ineligible if SBA Loan forgiveness

Advance Payment of Employer Credits Due to COVID-19  
<https://www.irs.gov/forms-pubs/about-form-7200>



## Claiming the credit

1. Eligible employers report total qualified wages & related health insurance costs each quarter on quarterly employment tax returns (Form 941 for most employers)
2. Retain corresponding amounts (not deposit):
  - Fed. Income Tax Withholding
  - Employee share of SS & Medicare Tax
  - Employer share of SS & Medicare Tax

# Grant Opportunities Under the CARES Act

**FEMA Public Assistance Grants**

**Public Health & Social Service Emergency  
Fund (PHSSEF)**



# How to Private Agencies Access FEMA Grant Funding

- Fire Departments
- Police Departments
- Public Health Agencies
- State EMS Offices
- State Emergency Management Agencies
- Hospitals
- State Ambulance Associations



# Reconciliation on Fund Use

- Secretary to establish a reconciliation process for payments
- New temporary Inspector General in Treasury
- Congressional Oversight Commission
- GAO
- Desk Review/Audits
- Program/Procurement Integrity
- Record Retention



# Business Interruption Insurance

- Analyze Policy Language
- Look for Exclusions
- Many have virus exclusion
- Looking to cover actual loss of business income



# Medicare Accelerated & Advanced Payments



- MAC Website
- Request specific amount
- Up to 100% of three months
- Payment typically in 7 days
- Repayment starts 120 days

- Billed CMS in prior 180 days
- No Bankruptcy
- No active program integrity investigation
- No outstanding or delinquent payments

**IMPORTANT**

October 8, 2020

*Continuing Appropriations Act, 2021 and Other Extensions Act*

## Updated Terms

- Repayment will now begin one year from issuance date of the accelerated or advanced payment.
- 25% recoupment for 11 months
- 50% recoupment after 11 months

## Phase 3 Provider Relief Funding

1. Previously Released \$100B
2. October 1, 2020
3. \$20B New Funding (HRSA)
4. 2% for Annual Revenue from Patient Care
5. For:
  - New Providers
  - Previously Ineligible Providers
  - Behavioral Health
4. Apply October 5, 2020 (today)





# Round Three Eligibility

- Providers who previously received, rejected or accepted a General Distribution Provider Relief Fund payment.
- Providers that have already received payments of approximately 2% of annual revenue from patient care may submit more information to become eligible for an additional payment.
- Behavioral Health providers, including those that previously received funding and new providers.
- Healthcare providers that began practicing January 1, 2020 through March 31, 2020.
- This includes Medicare, Medicaid, CHIP, dentists, assisted living facilities and behavioral health providers.



Intent in Round Three is to:

1. “Gross up” all providers to 2% of patient care revenue
2. To the extent any balance remains, calculate an “equitable add-on” for all providers

**METHODOLOGY**

# Payment Methodology

## Step 1

- HHS will review all provider submissions to confirm that the provider has received payments that equal approximately 2% of patient care revenue from the first two rounds of the general distribution.
- Any provider that has not received at least 2% of their reported patient care revenue will be “grossed up” to 2%

$$\left\{ \sqrt{x} \right\}^2$$

# Payment Methodology

## Step 2

- The sum of all of these “gross up” payments will be debited from the \$20 billion allocated for Round Three to calculate the total amount remaining for distribution to all providers



# Payment Methodology

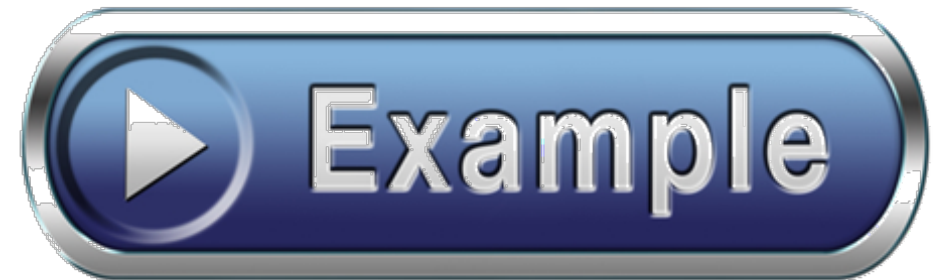
## Step 3

- Calculate an equitable add-on for each provider that considers the following:
  - The provider's change in operating revenues from patient care
  - Provider's change in operation expenses from patient care, including expenses incurred related to coronavirus
  - Payments already received through prior Provider Relief Fund Distributions



# Example #1: Best Case Scenario

- HHS confirms that all providers have already received EXACTLY 2% of patient care revenue
  - No additional “gross up” payments required
- Full \$20 billion available for add-on payments
- Estimated Calculation:
  - \$50 billion = 2% of all provider’s patient revenue
  - \$20 billion = 40% of \$50 billion
  - 40% of 2% = 0.8%
  - **New Target: 2.8% of patient care revenue**



## Example #2: Worst Case Scenario

- HHS confirms that a large number of providers have received less than 2% of patient care revenue in previous Rounds
- To gross-up these providers would cost at least \$20 billion
- **None of \$20 billion is available for add-on payments**



## Example #3: Middle Case Scenario

- HHS confirms that some providers have received less than 2% of patient care revenue in previous Rounds
  - A total of \$10 billion is needed for “gross up” payments
- \$10 billion available for add-on payments
- Estimated Calculation:
  - \$60 billion = 2% of all provider’s patient revenue
  - \$10 billion = 16.66% of \$60 billion
  - 16.66% of 2% = 0.333%
  - **New Target: 2.333% of patient care revenue**





# What Does HHS Mean by “Equitable”?

At this point, we believe that HHS will make an add-on payment to each provider that is the lesser of:

1. The amount needed to take the total payments received by the provider through general distributions up to the new Target Amount;
2. The amount that will fully offset the provider’s:
  - a. Reported decline in operating revenues, and
  - b. Reported increase in operating expenses related to coronavirus



What Will Most Get?

That depends and is  
still unclear



# HHS Recommendations

- Providers should apply early
- Applications require prior funding review
- Payment will be released following review of application



# Application Process

10/5/2020 Home | COVID-19 Care Provider Relief Fund

**CARES**  
PROVIDER RELIEF FUND

Sign In

## Welcome to the Provider Relief Fund Application and Attestation Portal

This portal allows providers to apply for and attest to relief fund payments made for healthcare-related expenses or lost revenue attributable to COVID-19.

Feedback

Overview Set Up Optum ID What You Need Resources and Support

The Department of Health and Human Services (HHS) has announced \$175 billion in relief funds, including to hospitals and other healthcare providers on the front lines of the coronavirus response as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Paycheck Protection Program and Health Care Enhancement Act. This funding, along with additional relief funding outside of the CARES Act, supports healthcare-related expenses or lost revenue attributable to COVID-19 and ensures uninsured Americans can get treatment for COVID-19. This site is open to all providers who want to apply for a Provider Relief Fund payment, regardless of network affiliation or payer contract. HHS is contracting with UnitedHealth Group to facilitate delivery of the funds.

HHS plans to make publicly available the names of payment recipients and the amounts received, for all providers who attest to receipt of a payment and acceptance of the Terms and Conditions or who retain payments for more than 90 days and are deemed to have accepted the Terms and Conditions. By accepting funds, the recipient consents to the Department of Health and Human Services publicly disclosing the payments that recipient has received from the Relief Fund.

Important Information Support Accessibility  
 CARES Act Provider Relief Fund Contact Us Feedback Accessibility Statement

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<https://cares.linkhealth.com/#/> 12

Reference ID \_\_\_\_\_

### CARES Act Provider Relief Fund

Tax ID Number: \_\_\_\_\_  
 Name as shown on your income tax return: \_\_\_\_\_  
 Federal Tax Classification: \_\_\_\_\_  
 Business Name (if different): \_\_\_\_\_  
 Street 1: \_\_\_\_\_  
 Street 2: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Registration Type: \_\_\_\_\_  
 Group NPI (Group Only): \_\_\_\_\_

(1) Contact Person Name: \_\_\_\_\_  
 (2) Contact Person Title: \_\_\_\_\_  
 (3) Contact Person Phone Number: \_\_\_\_\_  
 (4) Contact Person Email: \_\_\_\_\_  
 (5) Applicant/Provider Type: \_\_\_\_\_

*Fields 6 - 8 have been intentionally removed*

(9) CMS Certification Number (CCN), if applicable: \_\_\_\_\_

### REVENUES

(10) Revenues: \$ \_\_\_\_\_  
 (11) Fiscal Year of Revenues: \_\_\_\_\_  
 (12) Percentage of Revenue from Patient Care: \_\_\_\_\_ %

### 13. OPERATING REVENUES FROM PATIENT CARE

(13.1) 2020 Q1 (Jan 1 – Mar 31): \_\_\_\_\_ (13.2) 2020 Q2 (April 1 – June 30): \_\_\_\_\_  
 (13.3) 2019 Q1 (Jan 1 – Mar 31): \_\_\_\_\_ (13.4) 2019 Q2 (April 1 – June 30): \_\_\_\_\_

### 14. OPERATING EXPENSES FROM PATIENT CARE

(14.1) 2020 Q1 (Jan 1 – Mar 31): \_\_\_\_\_ (14.2) 2020 Q2 (April 1 – June 30): \_\_\_\_\_  
 (14.3) 2019 Q1 (Jan 1 – Mar 31): \_\_\_\_\_ (14.4) 2019 Q2 (April 1 – June 30): \_\_\_\_\_

### SUPPORTING DOCUMENTS

(15) Upload Revenues Worksheet (if required): \_\_\_\_\_ (16) Upload Federal Tax Form: \_\_\_\_\_  
 (17) Upload supporting documents for 2019 Q1-Q2 operating revenues and expenses from patient care: \_\_\_\_\_  
 (18) Upload supporting documents for 2020 Q1-Q2 operating revenues and expenses from patient care: \_\_\_\_\_


*Fields 19 - 32 have been intentionally removed*

### BANKING INFORMATION

(33) Bank Name: \_\_\_\_\_ (34) ABA Routing Number: \_\_\_\_\_  
 (35) Account Holder Name: \_\_\_\_\_ (36) Account Number: \_\_\_\_\_

• <https://cares.linkhealth.com/#/>

# Application Process



Reference ID \_\_\_\_\_

**CARES Act Provider Relief Fund**

Tax ID Number: \_\_\_\_\_  
Name as shown on your income tax return: \_\_\_\_\_  
Federal Tax Classification: \_\_\_\_\_  
Business Name (if different): \_\_\_\_\_  
Street 1: \_\_\_\_\_  
Street 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Registration Type: \_\_\_\_\_  
Group NPI (Group Only): \_\_\_\_\_

(1) Contact Person Name: \_\_\_\_\_  
(2) Contact Person Title: \_\_\_\_\_  
(3) Contact Person Phone Number: \_\_\_\_\_  
(4) Contact Person Email: \_\_\_\_\_  
(5) Applicant/Provider Type: \_\_\_\_\_

*Fields 6 - 8 have been intentionally removed*

(9) CMS Certification Number (CCN), if applicable: \_\_\_\_\_

**REVENUES**

(10) Revenues: \$ \_\_\_\_\_  
(11) Fiscal Year of Revenues: \_\_\_\_\_  
(12) Percentage of Revenue from Patient Care: \_\_\_\_\_ %

**13. OPERATING REVENUES FROM PATIENT CARE**

(13.1) 2020 Q1 (Jan 1 – Mar 31): \_\_\_\_\_ (13.2) 2020 Q2 (April 1 – June 30): \_\_\_\_\_  
(13.3) 2019 Q1 (Jan 1 – Mar 31): \_\_\_\_\_ (13.4) 2019 Q2 (April 1 – June 30): \_\_\_\_\_

**(5) Applicant/Provider Type**

**(9) CMS Certification Number (CNN), if applicable**

- <https://cares.linkhealth.com/#/>

# Field 15 Worksheet

Any applicant with revenue adjustments, including those that experienced a change in ownership in 2019 or 2020, who enters an adjusted revenue number different from the applicable number shown on its most recent federal income tax return must upload the Revenue Worksheet.

CARES Act Provider Relief Fund Gross Revenues Worksheet (Form 1.0)				
<b>(1)</b> Name as shown on your federal income tax return:				
<b>(2)</b> Taxpayer identification number (enter without dashes):				
<b>(3)</b> Gross Revenues minus discounts and allowances as shown on the applicant's federal tax return (see the table in the instructions for Field 10):				
<b>(4)</b> Adjusted Gross Revenues --> <b>Enter in Field (10) on the application form</b>				
\$0				
<b>(5) Acquisition and Disposition Information</b>				
(a)	(b)	(c)	(d)	(e)
Number	Acquisition (A) or Disposition (D)	Name of entity or asset	Gross revenues of entity or asset	TIN of entity, if available
<i>Example</i>	<i>A</i>	<i>Sample City Hospital, LLC</i>	<i>\$ 50,000,000</i>	<i>123456789</i>
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Important

- All payments require attestation of Terms & Conditions
- Application Window (October 5, 2020- November 6, 2020)

**TERMS & CONDITIONS**

# Financial Relief Questions



**Next Up:**

**Post-Payment Provider  
Relief Reporting**



# Provider Relief Fund Reporting

**REPORT**



# COVID-19 Stimulus Financial Relief

## ***Funds must be used for COVID-19***

“Prevent, prepare for, and respond to coronavirus, **and** shall reimburse the Recipient only for health care related expenses **OR** lost revenues that are attributable to coronavirus.”

- Comes with strings attached
- This is not “free” money
- Required to account for its use



# Who's Required to Report?

## Reporting Required

“All recipients of Provider Relief Fund (PRF) payments more than \$10,000-\$499,999 are required to comply with the reporting requirements described in the Terms and Conditions and specified in future directions issued by the Secretary.

## Additional Reporting Required for Higher Aggregated Payments

If you receive more than \$500,000 in total from **all** the various coronavirus related relief funds (CARES Act, the Coronavirus Preparedness and Response Supplemental Appropriations Act, the FFCRA, or “any other Act primarily making appropriations for the coronavirus response”), then you will be required to file more detailed reports



# Post Payment Reporting General Requirements

## Provider Relief Fund (PRF) Recipients

Healthcare related expenses attributable to COVID-19

- General and Administrative (G&A)
- Operating Expenses

Lost Revenues (year-over-year net patient care operating income)

\*not reimbursed by another source



# Post Payment Reporting Requirements

## Demographic Information

- Reporting Entity
- Tax ID
- NPI
- Fiscal Year End Date
- Federal Tax Classification (Sole Proprietor, Corporation, LLC, etc.)

## Expenses Attributable to COVID-19 (2020 only)

- General & Administrative
- Healthcare Related Expense Attributable to COVID-19

**Business Name**

**Tax ID**

**NPI**

**Fiscal Year End**

**Tax Classification**

COMPANY NAME  
TAGLINE SPACE

# General & Administrative Expense Requirements

- Mortgage/Rent
- Insurance
- Personnel
- Fringe Benefits
- Lease Payments
- Utilities/Operations
- Other G& A Expenses



# Healthcare Related Expense Requirements

- Supplies
- Equipment
- Information Technology (IT)
- Facilities
- Other Healthcare Related Expenses



# Loss Revenue Requirements

- **Total Revenue/Net Charges (2019-2020)**
  - Reported by quarter
- **Revenue from Patient Care**
  - Medicare Part A&B
  - Medicare Part C
  - Medicaid
  - Commercial Insurance
  - Self-Pay
  - Other
- **Other Assistance Received**





# Non-Financial Data Requirements

## Facility, Staffing and Patient Care

- a. **Personnel Metrics:** Total personnel by labor category (full-time, part-time, contract, other: recipient must define), total re-hires, total new hires, total personnel separations by labor category.
- b. **Patient Metrics:** Total number of patient visits (in-person or telehealth), total number of patients admitted, total number of resident patients.
- c. **Facility Metrics:** Total available staffed beds for medical/surgical, critical care, and other beds. (institutional providers)

## Change in Ownership Information

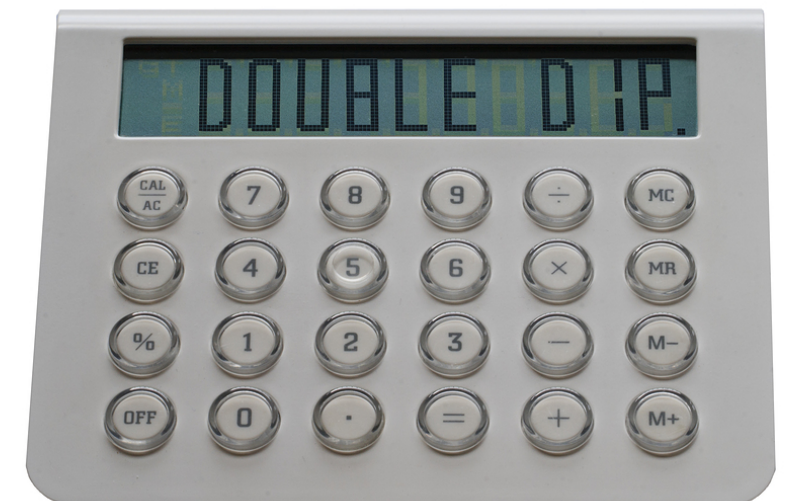
# Double Dipping

Just as with traditional CMS Ambulance Cost Data Collection...

- Account for a cost in one place
- Must have a system to isolate and segregate

## COVID-19

Funds cannot be used to pay expenses or losses that have been reimbursed from other sources or that other sources are obligated to pay



# Don't Reinvent the Wheel

- Utilize the current Cost Data Collection Structure
- Expand existing cost tracking & collection practices
- Add COVID-19 cost tracking and collection identifiers





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