



DIVISION OF DEVELOPMENTAL DISABILITIES

Sent on Behalf of DES/DDD

PROVIDER RELIEF FUND AND TEMPORARY INCENTIVE RATE ADJUSTMENTS AND LUMP-SUM PAYMENT ELIGIBILITY

Target Audience - Qualified Vendors and Providers

Transmittal Date - 08/19/2020

The Division is providing the below guidance related to HHS Provider Relief Fund (PRF) qualification criteria in order to ensure all eligible vendors are able to apply for the PRF. **The application deadline has been extended until August 28, 2020.**

A few common areas of confusion:

1. **Medicare/Medicaid requirement**

Many vendors responded that they are ineligible for PRF because they do not bill Medicaid or provide healthcare services. However, the requirement that vendors must bill Medicaid/Medicare directly is met by billing DDD in its capacity as a Medicaid/Medicare Managed Care Organization (MCO). Services billed to DDD are considered healthcare services.

2. **Receipt of Payment Protection Program**

Some survey respondents stated they were ineligible for PRF because they had received funding through the Payment Protection Program (PPP).

The guidance from HHS states: "Receipt of funds from SBA (Payment Protection Program) and FEMA for coronavirus recovery or of Medicaid HCBS retainer payments does not preclude a healthcare provider from being eligible for Phase 2 of the General Distribution to Medicaid, CHIP, and dental providers if the healthcare provider otherwise meets the criteria for eligibility and can substantiate that the Provider Relief Fund payments were used for increased healthcare related expenses or lost revenue attributable to COVID-19, so long as they are not reimbursed from other sources and other sources were not obligated to reimburse them."

3. **Qualification Criteria for Payment Protection Loan vs Provider Relief Fund**

There has been confusion between the requirements for the PRF and PPP. The criteria are not the same so please verify that the PRF criteria are met.

4. **For providers that received a general distribution in the Phase 1 (Medicare)**

Providers who received a Phase 1 payment that was less than 2% of revenue from patient care must meet the revised eligibility requirements for the Phase 2 - General Distribution and follow the application instructions available for the distribution. Applicants should use the Provider Relief Fund Application and Attestation Portal to apply for funds.

Qualification Criteria for Use of Provider Relief Fund

From the HHS CARES Act FAQ website, as of August 17, 2020:

“The Terms and Conditions state that Provider Relief Fund payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the Recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. What expenses or lost revenues are considered eligible for reimbursement? (Modified 6/19/2020)

The term “healthcare related expenses attributable to coronavirus” is a broad term that may cover a range of items and services purchased to prevent, prepare for, and respond to coronavirus, including:

- Supplies used to provide healthcare services for possible or actual COVID-19 patients;
- Equipment used to provide healthcare services for possible or actual COVID-19 patients;
- Workforce training;
- Developing and staffing emergency operation centers;
- Reporting COVID-19 test results to federal, state, or local governments;
- Building or constructing temporary structures to expand capacity for COVID-19 patient care or to provide healthcare services to non-COVID-19 patients in a separate area from where COVID-19 patients are being treated; and
- Acquiring additional resources, including facilities, equipment, supplies, healthcare practices, staffing, and technology to expand or preserve care delivery.

Vendors may have incurred eligible health care related expenses attributable to coronavirus prior to the date on which they received their payment. Vendors can use their Provider Relief Fund payment for such expenses incurred on any date, so long as those expenses were attributable to coronavirus and were used to prevent, prepare for, and respond to coronavirus. HHS expects that it would be highly unusual for vendors to have incurred eligible expenses prior to January 1, 2020.

The term “lost revenues that are attributable to coronavirus” means any revenue that you as a healthcare provider lost due to coronavirus. This may include revenue losses associated with fewer outpatient visits, canceled elective procedures or services, or increased uncompensated care. Vendors can use Provider Relief Fund payments to cover any cost that the lost revenue otherwise would have covered, so long as that cost prevents, prepares for, or responds to coronavirus. Thus, these costs do not need to be specific to providing care for possible or actual coronavirus patients, but the lost revenue that the Provider Relief Fund payment covers must have been lost due to coronavirus. HHS encourages the use of funds to cover lost revenue so that vendors can respond to the coronavirus public health emergency by maintaining healthcare delivery capacity, such as using Provider Relief Fund payments to cover:

- Employee or contractor payroll
- Employee health insurance
- Rent or mortgage payments
- Equipment lease payments
- Electronic health record licensing fees

You may use any reasonable method of estimating the revenue during March and April 2020 compared to the same period had COVID-19 not appeared. For example, if you have a budget prepared without taking into account the impact of COVID-19, the estimated lost revenue could be the difference between your budgeted revenue and actual revenue. It would also be reasonable to compare the revenues to the same period last year.”

PRF eligibility information can be found at <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/for-providers/index.html>. Please review the link and ensure that all qualification criteria are reviewed carefully.

Terms and conditions can be found here:

<https://www.hhs.gov/sites/default/files/terms-and-conditions-medicaid-relief-fund.pdf>

PRF FAQ's can be found here:

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/faqs/general-distribution/index.html#overview-eligibility-2>

Please send any questions to DDDBusinessOperationsComments@azdes.gov.