# While you're waiting for us to start, check out the results of HRSA's health center survey… (there is no audio for this slide)

67% of NC health centers responding

| Testing Capacity | NC |
|---|---|
| Health Centers with COVID-19 Testing Capacity | 96.15% |
| Health Centers with COVID-19 Drive-Up/Walk Up Testing Capacity | 68.00% |

| Average Turnaround Time for COVID-19 Test Results | |
|---|---|
| Less than 1 Hour | 8.00% |
| 12 Hours or Less | 12.00% |
| 24 Hours | 20.00% |
| 2-3 Days | 48.00% |
| 4 Days | 12.00% |
| More than 5 Days | 0.00% |

| Operations | NC |
|---|---|
| Health Center Weekly Visits Compared to Pre-COVID 19 Weekly Visits | 60.38% |
| Health Center Sites Temporarily Closed | 32 |
| Staff Tested Positive for COVID-19 | 8 |
| Health Center Staff Unable to Work (due to site/service closure, exposure, family/home obligations, lack of PPE, etc.) | 6.73% |
| Average Percent of Health Center Visits Conducted Virtually | 42.69% |

**Latest Data from June 5**
https://bphc.hrsa.gov/emergency-response/coronavirus-health-center-data/nc

# While you're waiting for us to start, check out the results of HRSA's health center survey… (there is no audio for this slide)

67% of NC health centers responding

| Number of Patients Tested for COVID-19 | NC |
|---|---|
| Patients Tested | 2498 |
| Patients Tested Positive | 328 |

| Race/Ethnicity | Patients Tested | Tested Positive |
|---|---|---|
| White, Non-Hispanic/Latino | 24.38% | 12.50% |
| White, Hispanic/Latino | 19.98% | 27.13% |
| Black, Non-Hispanic/Latino | 26.50% | 18.29% |
| Black, Hispanic/Latino | 0.64% | 0.61% |
| Asian | 1.20% | 2.44% |
| American Indian/Alaska Native | 1.88% | 2.13% |
| Unreported/Refused to Report | 16.37% | 13.11% |

**Latest Data from June 5th**
https://bphc.hrsa.gov/emergency-response/coronavirus-health-center-data/nc

Complete Race/Ethnicity data available, https://bphc.hrsa.gov/emergency-response/coronavirus-health-center-data

# CHC COVID-19 Task Force

June 19, 2020

# Agenda

- **Welcome**, Chris Shank, President & CEO, NCCHCA
- **Legislative Update**, Brendan Riley, Director of Policy, NCCHCA
- **Rules and Strategies for Use of COVID-19 Resources**, Colleen Meiman, NACHC, Allison Coleman & Jonathan Chapman, Capital Link
- **Billing to the HRSA COVID-19 Uninsured Program Portal**, Lori Robinson, CPC, and Chuck Shelton, Mountain Community Health Partnership
- **Reminders/Updates**
- **Closing**

Slides & Other Info will be available on our website:
www.ncchca.org/covid-19/covid19-general-information/

# Welcome from Chris Shank, President & CEO, NCCHCA

# Legislative Update
# Brendan Riley, Director of Policy

# State Policy Update: S.B. 808 Passes Senate

- Senate Bill 808 (Medicaid Funding Act) passed by NC Senate on June 17
  - Would require NC to implement Medicaid Managed Care no later than **July 1, 2021** or pay a monthly penalty of $4 million to each statewide Prepaid Health Plan.
  - Other provisions:
    - Funding to support implementation of Medicaid transformation
    - Funding for a Medicaid rebase to cover increased costs
    - Funding to relocate NC DHHS headquarters within Wake County (instead of to Granville County as previously proposed)
    - Funding to LME-MCOs for behavioral health and crisis support services.

- Next Steps:
  - The bill will be sent to the NC House for consideration.
  - Unclear whether Governor will support or veto.

# "Rules" and Strategies for Use of COVID-19 Resources

## Advice from NACHC and Capital Link

**Allison Coleman, CEO, and Jonathan Chapman, CPO, Capital Link**

**Colleen Meiman, Senior Policy Advisor, NACHC**

NCCHCA FQHC COVID-19 Task Force Meeting

June 19, 2020

## Picking Up From 6/5/20 Meeting

Identified needs and priorities:

1. Guidance with COVID-19 relief programs and resources.
2. Figuring out how to spend and track relief funds appropriately.
3. Reevaluating operational goals, metrics and efforts.
4. Modeling for operational impact and financial projections.

Today we will focus on Items 1 & 2 (and in the future 3 & 4)

## Agenda:

- A Key Tool
- The Big Picture – 5 Rules
  - 3 rules across all funding sources
  - 2 rules related to the strategic use of COVID Funds
- Secret Rule #6
- Summary and Recommendations
- Q&A

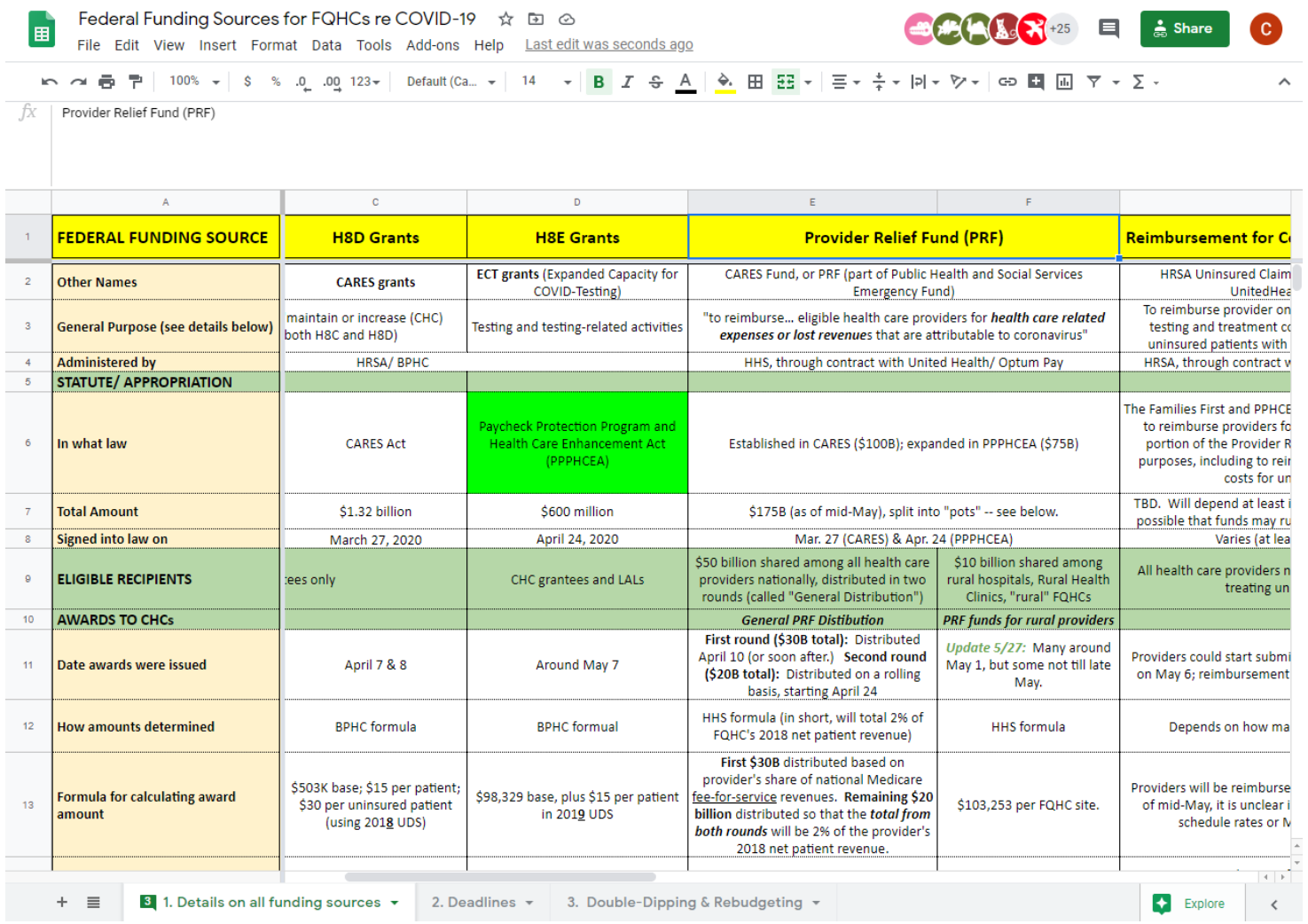
# A Key Tool:

# Federal Funding Sources Spreadsheet

# A Key Tool: Federal Funding Sources Spreadsheet

Here's the link: https://docs.google.com/spreadsheets/d/1DfM-aU42TMaByT5YPOo0DAVWgT6CyIAo67j4FWj9dho/edit?usp=sharing

***Significant updates are highlighted in bright green for at least 14 days.***



Federal Funding Sources for FQHCs re COVID-19

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Share

Provider Relief Fund (PRF)

| | A | C | D | E | F | |
|---|---|---|---|---|---|---|
| 1 | **FEDERAL FUNDING SOURCE** | **H8D Grants** | **H8E Grants** | **Provider Relief Fund (PRF)** | | **Reimbursement for C** |
| 2 | **Other Names** | **CARES grants** | **ECT grants** (Expanded Capacity for COVID-Testing) | CARES Fund, or PRF (part of Public Health and Social Services Emergency Fund) | | HRSA Uninsured Claim UnitedHea |
| 3 | **General Purpose (see details below)** | maintain or increase (CHC) both H8C and H8D) | Testing and testing-related activities | "to reimburse... eligible health care providers for ***health care related expenses or lost revenue***s that are attributable to coronavirus" | | To reimburse provider on testing and treatment c uninsured patients with |
| 4 | **Administered by** | HRSA/ BPHC | | HHS, through contract with United Health/ Optum Pay | | HRSA, through contract w |
| 5 | **STATUTE/ APPROPRIATION** | | | | | |
| 6 | **In what law** | CARES Act | Paycheck Protection Program and Health Care Enhancement Act (PPPHCEA) | Established in CARES ($100B); expanded in PPPHCEA ($75B) | | The Families First and PPHCE to reimburse providers fo portion of the Provider R purposes, including to rei costs for un |
| 7 | **Total Amount** | $1.32 billion | $600 million | $175B (as of mid-May), split into "pots" -- see below. | | TBD. Will depend at least i possible that funds may ru |
| 8 | **Signed into law on** | March 27, 2020 | April 24, 2020 | Mar. 27 (CARES) & Apr. 24 (PPPHCEA) | | Varies (at lea |
| 9 | **ELIGIBLE RECIPIENTS** | ees only | CHC grantees and LALs | $50 billion shared among all health care providers nationally, distributed in two rounds (called "General Distribution") | $10 billion shared among rural hospitals, Rural Health Clinics, "rural" FQHCs | All health care providers n treating un |
| 10 | **AWARDS TO CHCs** | | | ***General PRF Distibution*** | ***PRF funds for rural providers*** | |
| 11 | **Date awards were issued** | April 7 & 8 | Around May 7 | **First round ($30B total):** Distributed April 10 (or soon after.) **Second round ($20B total):** Distributed on a rolling basis, starting April 24 | *Update 5/27:* Many around May 1, but some not till late May. | Providers could start submi on May 6; reimbursement |
| 12 | **How amounts determined** | BPHC formula | BPHC formual | HHS formula (in short, will total 2% of FQHC's 2018 net patient revenue) | HHS formula | Depends on how ma |
| 13 | **Formula for calculating award amount** | $503K base; $15 per patient; $30 per uninsured patient (using 2018 UDS) | $98,329 base, plus $15 per patient in 2019 UDS | **First $30B** distributed based on provider's share of national Medicare fee-for-service revenues. **Remaining $20 billion** distributed so that the ***total from both rounds*** will be 2% of the provider's 2018 net patient revenue. | $103,253 per FQHC site. | Providers will be reimburse of mid-May, it is unclear i schedule rates or M |

1. Details on all funding sources | 2. Deadlines | 3. Double-Dipping & Rebudgeting | Explore

# Tab 1 – Details by Funding Source

**Funding Sources**

- H8C, H8D, H8E
- Provider Relief Fund – General Distribution (first and second distributions), Rural allotment
- Paycheck Protection Act
- Reimbursement for testing and treatment of uninsured
- FCC COVID-19 Telehealth Funding

**Details include (but are not limited to):**

- Dates, amounts, and formulas for awards
- Significant deadlines
- Significant Terms and Conditions
- Allowable dates and categories of expenses
- Agency that administers
- Statutory basis, including eligible providers

# Tab 2 – Deadlines in Chronological Order

**DEADLINES RELATED TO FEDERAL FUNDING SOURCES FOR COVID-19**

*Last updated 6/3/2020*

| Date | Which funding source? | Task | Due to | Where/ How to submit | Notes | For More Information |
|---|---|---|---|---|---|---|
| **June 3** | Provider Relief Fund | Submit financial data for HHS to calculate/ validate your allotment from the second General Distribution | HHS | Portal for submitting financial data to HHS | If you don't submit this data by June 3, you will not receive a second allotment from the General Distribution (or if you've already received one, you will be required to return.) Required data includes revenue information, estimated losses in March and April, your most recent tax return and tax ID numbers | |
| **June 5** (may request extension if needed) | H8E (BPHC Testing funding)) | H8E/ ECT Report | BPHC | EHB | Original date was June 8; was adjusted due to EHB maintenance. FQHCS can request extensions if needed. | ECT Reporting Guidance |
| **July 9 and later** *(Updated 6/1 to reflect extenstion to deadline)* | Provider Relief Fund | Accept T&Cs for each PRF distribution received to date | HHS | Portal for attesting to PRF T&Cs | Updated 6/1: FQHCs should attest to the T&Cs for each allotment of PRF funds received to date within 90 days of receipt. The first allotments were distributed on April 10, so that 90-day deadline is July 9. Deadlines for later allotments depend on when you received the funds. Failure to to accept the T&Cs or return the funds to HHS within 90 days will be considered as having agreed to the T&Cs. FQHCs must attest to a ***separate set of T&Cs for each bank deposit received. (Note: these attestation deadlines have been extended several times to date. This info is current as of June 1.)*** | Link to all sets of PRF T&Cs |
| **July 10, 2020** | Provider Relief Fund | Submit Progress Report | HHS | TBD | Due within 10 days of the end of each quarter. General contents of PRF progress reports outlined on page 2 of T&Cs. While details still TBD, will require submission of "documents to substantiate that these funds were used for increased healthcare-related expenses or lost revenue attributable to coronavirus, and that those expenses or losses were not reimbursed from other sources and other sources were not obligated to reimburse them." | TBD; HHS has not yet announced any more details. |
| **July 10, 2020** *(Updated to reflect info released by BPHC on report* | H8C, H8D, H8E | Submit Quarterly Progress Report | BPHC | EHB | While separate reporting is required for each funding grant, all reports should address:<br>1. An overall status update with percentage of activities completed.<br>2. Narrative updates on the activities that have been completed, are in progress, and/or are planned, under the following applicable categories: Staff and patient safety; Testing; Maintaining or increasing health center capacity and staffing levels; Telehealth; Minor alteration/renovation activities (when applicable – only for H8D and H8E awards) | BPHC FAQs - see section on Progress Reports |

# Tab 3 – Overview of Double-Dipping & Rebudgeting

| An Overview of Double-Dipping and Rebudgeting |
|---|
| *This document is available in Word format at https://docs.google.com/document/d/1j9Yzbpk1F-4clvwn5e-9AoUSeuF_49V_KZy9YAl4Du8/edit* |
| **What's double-dipping?** In short, double-dipping means billing more than one funding source for the same dollars. As a simplified example, assume that a FQHC has one employee who get paid $1 a week, or $52 a year: |
| **- If the employee's salary is 100% on the 330 grant,** then (unless the FQHC does some rebudgeting*) no other funding sources may be billed for that employee's salary. For example, if the CHC billed $8 to the Paycheck Protection Program (PPP) for this employee, plus the $52 to the 330 grant, then they would receive $60 in funding for a total of $52 in spending – that's double-dipping, as $8 of their salary would be being paid twice. *Note that a FQHC in this situation can seek to "rebudget" part of its 330 grant to gain more flexibility in billing payroll costs to PPP. |
| **- If the employee's salary is 50% on the 330 grant,** then BPHC is paying $26 towards their $52 salary. In that case, other funding sources -- including the Paycheck Protection Program and other grants – can be billed for this employee, up to the remaining $26 ($52 salary - $26 paid by 330 grant.) In other words, the total amount billed across all funding sources may not exceed the total amount that the employee is paid. |
| - In this situation, the timing of when the employee provides the 330-funded hours, or when 330 funds are drawn down, is not a direct concern (assuming they all occur during the budget period.) This is because employees' hours billed to the 330 grant are calculated on an aggregate 12-month (budget period) basis. For example, an employee who is 50% on the 330 grant could permissibly spend 100% of their time on grant-related activities for 6 months of the year, and no time on grant-related activities on the other 6 months. Assuming that all grant deliverables are completed appropriately and on-time, this type of arrangement is fine. In the current situation, the employee's salary can be fully covered by PPP for eight weeks as long as the total funding received from all sources for that employee's time does not exceed $52. |

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# The Big Picture: Five Rules for Spending COVID-19 Funding

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# The first three “rules” require looking across ALL funding sources

# Rule #1 – No Double Dipping

**Double-dipping is billing more than one external funding source for the same dollars, and it is strictly prohibited.**

- You can split a cost across various external sources – but ***the total amount billed across all sources cannot exceed the total amount paid.***
- *When you draw down* the grants funds is not directly relevant;  what matters is how costs are billed to a budget.

For more info on Double Dipping and Rebudgeting, see Tab 3 of the Federal Funding Sources Spreadsheet

# Rebudgeting can give you flexibility

- Say a new payment source (e.g. H8D, Paycheck Protection Loan) becomes available to help pay a cost that is currently billed 100% to your H80 grant.

- You can transfer ("rebudget") some of the H80 funds currently allocated to that cost to another allowable activity. That will allow you to:
  - bill the new source without double-dipping, and
  - free up H80 funding for other expenses.

**Example:**

- Assume an employee is paid $1 a week, or $52 a year, and 100% of their salary is currently billed to H80.

- The FQHC has the option to get a Paycheck Protection Loan that would forgive up to 8 weeks of that salary ($8.)

- The FQHC could transfer ("rebudget") $8 of H80 funds from that employee's time to another allowable activity.

- The net result for the employee's time would be:
  - $44 on the 330 grant
  - $8 from PPP
  - TOTAL of $52

# HRSA Rules re: Rebudgeting

- HRSA pre-approval is **not** required if:
  - The total amount being rebudgeted is less than 25% of the total grant award *AND*
  - Funds are being moved among existing line items – in other words, no new line items are being created.

    *Even though HRSA pre-approval is not required for this type of rebudgeting, you must still inform HRSA (your PO or GMS) of the change.*

- HRSA pre-approval **is** required if:
  - The total amount being rebudgeted is more than 25% of the total grant award AND/ OR
  - New line items are being added to the budget.

HRSA
Health Resources & Services Administration

# What's the Takeaway?

## Rule #1 – No Double-Dipping

For any costs that you are billing to more than one external source, carefully track how much is being billed to each source to ensure that the total does not exceed 100%. You may be able to move grant funds around ("rebudget") to get more flexibility.

# Rule #2 – The Cap on Executive Salaries applies across ALL Federal Funding Sources

- On May 29, HHS announced that the current cap on Executive Salaries -- $197,300 – applies to the total across all source of Federal funds.
  - *Thus, the total amount of Federal funds devoted to one person's salary* across H80, H8C, H8D, H8E, Paycheck Protection Loans, Provider Relief Funding, etc., may not exceed this cap.*
  - *Previously, it appeared that Provider Relief Funding could be used to pay salary amounts above the cap.*
- So health centers must track how much Federal funds are dedicated to each Executive's salary across all funding sources to avoid exceeding the cap.

* Fringe benefits are not included in this calculation.

# Rule #2 – There's a second "salary cap" for Paycheck Protection Loans

- **Under the Paycheck Protection Program, the total amount of PPP loan funds that can be spent on any one employee's payroll costs (not counting fringe benefits) cannot exceed $46,000.**
  - PPP payments for an individual cannot exceed an "annualized rate" of $100,000. The PPP can cover up to 24 weeks worth of expenses – and 24 weeks worth of an annual $100K salary is $46,027.

- So you can "max out" PPP funding for an executive's salary, and still have $151,300 to distribute among other Federal funding sources before hitting the $197,300 cap.

# What's the Takeaway?

## Rule #2 – Apply the salary cap across all Federal funding sources

Track funds supporting executive salaries across all Federal funding sources, to ensure that the amount allocated to any specific individual does not exceed $197,300 - & that no more than $46,000 of that is billed to the Paycheck Protection Program.

# Rule #3 – Document that "Net COVID Costs" exceed Total COVID Federal Funding

- In the aggregate, you should be prepared to demonstrate that your "net COVID-related costs" meet or exceed the total Federal COVID-19 funding you received.
  - This is a requirement of the Provider Relief Fund, so you should be prepared just in case the OIG audits you.

- Fortunately, the Provider Relief Fund defines "COVID-related costs" broadly enough that this should not be too difficult.
  - Nonetheless, we recommend ***documenting*** these calculations while the info is fresh in your mind.

# What are "Net COVID Costs?"

For this purpose, your net COVID costs equal:

**Expenses attributable to COVID**

*PLUS*

**Lost revenues attributable to COVID**

*MINUS*

**Non-Federal reimbursement that you received,**

**or were entitled to receive**

(even if you didn't bill for it.)

**Lost revenues** include those due to:

- Cancelled visits
- Closed services/ sites
- Lower payment for in-person visits that got switched to telehealth visits, etc.

**Non-Federal Reimbursement includes:**

- Insurance Reimbursement
- Other funding sources (e.g., state grants, donations)

# What's included in "COVID-related Expenses?"

- On June 2, HHS defined "allowable expenses" very broadly for purposes of the Provider Relief Fund.
- Besides the normal categories of expenses (e.g., equipment, supplies, training, A&R, staff for COVID care) allowable uses of PRF funds include:
  - All mortgage, rent, and utility expenses
  - "acquiring additional resources, including **facilities**, equipment, supplies, healthcare practices, **staffing**, and technology **to expand or preserve care delivery.**"

**HHS has not yet specified:**

- The end date for allowable expenses
- What documentation will be needed to verify expenses.

***Given this broad definition of allowable expenses under PRF, this rule should not cause any health center to turn down Federal funding; rather, it should encourage thinking strategically and creatively about how these resources can be used most effectively.***

# Speaking of Total Funding and the Provider Relief Fund…

- All FQHCs are eligible for funding from the PRF's "General Distribution"
  - These funds came in two separate allotments, with the first on 4/10
  - They should total around 2% of your 2018 net patient revenue
    - If you received significantly more or less, you need to alert HHS.

- FQHCs with sites in rural areas should have received funding from the "Rural Distribution"
  - $103K per site, should have arrived in early May.

- There is roughly $60 billion of unallocated funds in the PRF; NACHC is working to have more of these directed to FQHCs.

# What's the Takeaway?

## Rule #3 – Document how your "Net COVID Costs" exceed Total COVID Federal Funding

Using a broad definition of COVID costs (including expanding capacity), document how your "Net COVID Costs" exceed the total amount of Federal COVID funding you received.

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# Strategic Use of COVID Funds

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# Rule #4. Start by Maximizing Funds Received

Both Section 330 and the Provider Relief Fund require CHCs to maximize reimbursement from other sources.

For most Federal funding sources for COVID (e.g, BPHC grants, Provider Relief Fund) you have no control over how much funding you receive.

However, there are two funding sources where most CHCs have some control over how much funds they receive:

- Claims Reimbursement for Care for Uninsured Patients ("Uninsured Claims")
- Paycheck Protection Loans (only available to CHCs with fewer than 500 staff)

CHCs should seek to maximize reimbursement from the two funding sources where they can impact the amount received – Uninsured Claims and Paycheck Protection Loans.

# Uninsured Claims Program

- Operated by United/ Optum.
- Works like an insurance program -- claims must be submitted for individual patients, with CPT codes, etc., and reimbursement is paid for each claim.
  - Claims must include Social Security number, State ID number, or else an attestation that the provider couldn't get this info.
  - Reimbursement is based on Medicare fee schedule rates
- ***Every claim paid under this program results in increased revenue for the CHC.***

**All health centers are *required,* under Section 330, to bill this program. Failure to do so will likely result in a condition on your grant.**

You may not charge copays to anyone for whom you submit a claim under this program.

Uninsured claims are paid on a first-come-first-served basis, and available funding is capped. **So submit your claims ASAP to maximize reimbursement.**

# Paycheck Protection Loans

- CHCs can apply to have up to 100% of their PPP loan forgiven. Therefore, "maximizing resources" requires maximizing how much of your PPP loans is forgiven.
- ***Under the law signed June 5, all FQHCs should be able to get 100% of their PPP loan forgiven.***
  - ***If in doubt, contact Capital Link.***

**A few reminders about the PPP:**

- **The deadline to apply for a loan is June 30, 2020.**
- Maximum loan amount is 2.5 x monthly payroll costs, up to $10 million. When determining payroll costs, each employee's salary is capped at an annual rate of $100,000.
- Payroll costs include benefits such as health insurance and retirement.
- Borrowers must certify that "[c]urrent economic uncertainty makes this loan request necessary to support the[ir] ongoing operations."
- **The SBA will review all loans over $2 million for both compliance and economic necessity. Loans below $2 million may be reviewed for compliance.**

# PPP Forgiveness


- To be eligible, expenses must have been incurred during a 24-week window that:
  - Began on the date the loan was received (or the start of the next pay period)
  - Ends not later than December 31, 2020.
- At least 60% of the amount forgiven must be spent on payroll costs
  - In other words, take your eligible payroll costs and multiply them 1.67. The is the maximum amount that can be forgiven (limited to the full amount of the loan.)
  - Bonuses and hazard pay are eligible payroll expenses.
  - The maximum amount forgivable for any individual employee is $46,000.
- The remaining 40% may be spent on rent, mortgage **interest**, and/or utilities.
- You must apply for forgiveness – it is not given automatically.
  - The SBA has issued a forgiveness application, and two regs with further details – but we expect an updated forgiveness application soon.

# What's the Takeaway?

## Rule #4 – Maximize the Funds You Receive

You should maximize the funding from the two programs where you can impact how much you receive – the HRSA Uninsured Claims program, and how much of your Paycheck Protection Loan is forgiven.

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# Rule #5: Allocate expenses to funding streams, starting with the most restrictive

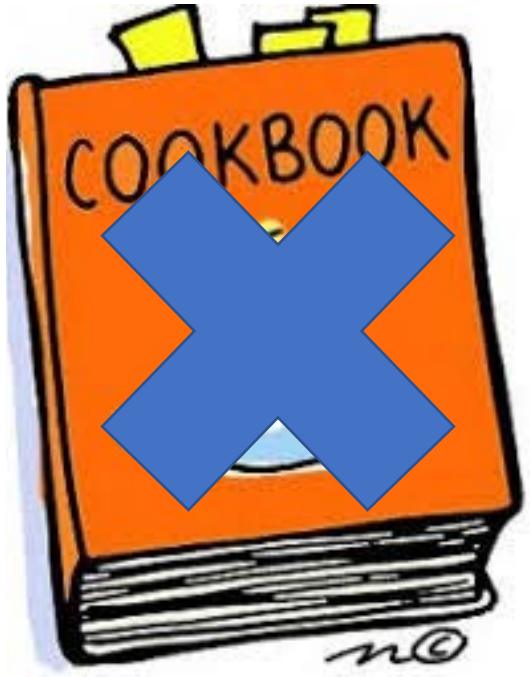
CAPITAL LINK

# What does “most restrictive” mean?

It’s generally advisable to allocate expenses starting with the most restrictive and ending with the least restrictive.

There are several types of “restrictions” to consider:

- Allowable expenses: Which expenses can be billed to which funding sources?
- Dates: What are the dates for eligible expenses for each funding source?
- Reporting Requirements: How detailed are they? Will reports be compared against drawdown?



# Funding Streams, from Most to Least Restrictive

**MOST RESTRICTIVE**

- H8E grants (Expanded Capacity for Testing) – limited to expenses directly related to testing.
- Uninsured Claims – limited to testing and treatment costs for specific uninsured individuals.
- FCC telehealth grants – limited to expenses directly related to telehealth equipment and services.

**MODERATELY RESTRICTIVE**

- H8C and H8D grants – broader range of eligible expenses compared to H8E.
- Paycheck Protection Loan forgiveness – Limited to payroll costs (defined broadly) and rent/ utilities/ mortgage interest. New law gives much more flexibility re: dates of expenses.

**LEAST RESTRICTIVE**

- Provider Relief Fund –the only funding stream that explicitly reimburses for lost revenues; no requirement to explain *proactively* how funds used.

# Expenses That Can be Allocated to Only a Few Funding Sources

- **Mortgage Principal:** Can be *directly* allocated only to the Provider Relief Fund.

- **Mortgage Interest, Rent, and Utilities:** Can be *directly* allocated to only:
  - Paycheck Protection Loans (fully forgivable, subject to 60/40 ratio)
  - Provider Relief Fund

- **Alterations and Renovations** due to COVID:
  - Can be allocated to H8C, H8D, and Provider Relief Fund
  - Can only be allocated to H8E if directly related to testing
  - Can never be allocated to Paycheck Protection Loans.

# Expenses That Can be Allocated to Only a Few Funding Sources

- **Increasing staffing/ capacity** – if can be related to COVID -- can be directly allocated to:
  - H8C and H8D
  - Provider Relief Fund

- **Legal services to support patients** facing eviction, foreclosure, denied claims for benefits, etc., are an "enabling service" and therefore should be an allowable expense under H80, H8C and H8D.

**"Lost Revenues"** can be *directly* allocated only to the Provider Relief Fund.

However, thoughtful rebudgeting of H80 funds can help reduce total "lost revenues".

e.g., Rebudget existing H80 funds to cover an expense that otherwise would have been covered with the (lost) revenues.

# Date Restrictions for Eligible Expenses

| Program | Start Date for Eligible Expenses | End Date for Eligible Expenses | Notes |
|---|---|---|---|
| Paycheck Protection Program | Date loan received (or start date for next pay period) | 24 weeks later (but not later than Dec. 31. 2020) | In terms of dates for eligible expenses, the PPP is the most restrictive stream* |
| BPHC Grants (H8C, H8D, H8E) | Jan. 20, 2020 | One year from date of awards | |
| Provider Relief Fund | Jan 1 or Jan 20, 2020 | ***Unclear*** | |
| Uninsured Claims Program | Feb. 4, 2020 | Unclear | Funds may run out before the end date |

* But much less restrictive than it used to be!

# Reporting Requirements

| Funding Stream | Workplan Required? | Reporting Requirements | Oversight |
|---|---|---|---|
| BPHC grant funds (H8C, H8D, H8E) | Yes | Quarterly Progress Reports due to BPHC on July 10, Oct. 10, etc. | POs, OSVs, OGM, etc. |
| Provider Relief Funds | ***No*** | Quarterly Progress Reports due to HHS on July 10, Oct. 10, etc. | ***OIG*** |
| FCC Telehealth | Yes -- but very flexible | Final Report to FCC | FCC |
| Paycheck Protection | No | No | ***All loans over $2M will be reviewed for need & compliance; smaller loans may be reviewed for compliance only*** |
| Uninsured Claims Program | No | No | Unclear |

# The Provider Relief Fund is the least restrictive funding stream

In terms of both expenses and reporting requirements.

Unlike the other funding streams, the Provider Relief Fund:

- Does not require a Workplan that commits to specific activities or expenses upfront.
- Allows funds to be used explicitly for "lost revenue."
- Allows funds to be used explicitly for "acquiring additional resources, including facilities, equipment, supplies, healthcare practices, staffing, and technology ***to expand or preserve care delivery.***"

While you must submit quarterly reports describing how you used PRF funds, they will likely be reviewed more flexibly than quarterly reports to BPHC.

***This flexibility suggests that the PRF should generally be the last stream to which you allocate expenses.***

# What's the Takeaway?

## Rule #5 – Allocate expenses starting with the most restrictive

Consider restrictions around eligible expenses, dates, and reporting requirements.  As the Provider Relief Fund is generally the most flexible funding stream, expenses should generally be allocated here last.

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# What if you are concerned about Rule #3?

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# (Secret) Rule #6: You can never have too much money

- If you have received "extra" funds, consider how you can use PRF funds to help position yourself well during the COVID recovery phase:
  - Costs "attributable to COVID-19" and "COVID-related expenses" should be considered broadly
    - Refer to the HHS FAQ (available on Noddlepod) if you have questions
    - The window for incurring "COVID-related expenses" is currently open-ended
- Suggestions:
  - In addition to immediate capital needs associated with setting up testing sites and retrofitting with Plexiglas, consider longer-term/larger capital needs:
    - HVAC replacement or upgrades
    - Negative pressure rooms
    - Dental renovations
    - Renovations related to optimizing space related to higher proportion of telehealth visits
    - Opening new sites to expand access to care
    - Purchasing private practices to preserve/expand access to care
    - Upgrading technology infrastructure to better support remote work and care

  ✓Especially consider "one-time" costs/investments

  ✓Think carefully before returning or refusing any Federal COVID-related funding!

# *Summary:* Five Rules

**#1. No "double-dipping".** You can move grant funds around to get more flexibility.

**#2. Apply the salary cap across all Federal funding sources.**

**#3. Document how your "Net COVID Costs" exceed the total COVID Federal funding you received**, using a broad definition of "COVID costs."

**#4. Maximize the funds you receive** by maximizing funding from the two programs where you can impact how much you receive – the HRSA Uninsured Claims program, and the Paycheck Protection Program.

**#5. Allocate expenses starting with the most restrictive.** Consider restrictions around eligible expenses, dates, and reporting requirements. As the Provider Relief Fund is generally the most flexible, expenses should generally be allocated here last.

# *Summary:* Concrete Suggestions

- The NACHC Federal Funding Source spreadsheet https://docs.google.com/spreadsheets/d/1DfM-aU42TMaByT5YPOo0DAVWgT6CyIAo67j4FWj9dho/edit?usp=sharing contains an overview all of funding sources, links to more info, and a list of upcoming deadlines.
  - *Significant updates are highlighted in bright green for 2 weeks.*

- You are required to submit claims to the Uninsured Claims Program as soon as possible. The sooner your submit, the more reimbursement you may receive.

- Get 100% of your Paycheck Protection Loan forgiven. It's now quite do-able.

- Consider using "rebudgeted" H80 funds for expenses that normally would have been covered by the revenue that was lost.

# *Summary:* More Concrete Suggestions

- Allocate specific expenses starting with the most restrictive funding sources – e.g:
  - Allocate appropriate testing expenses to H8E.
  - Allocate appropriate telehealth expenses to the FCC grant (if you have one)
  - Allocate A&R expenses to H8B and H8C. (You can only bill A&R to H8E if it's directly related to testing.)
- As the Provider Relief Fund is the most flexible funding stream this should generally be the last place where you allocate funds.
  - If you have "extra" funds, consider accelerating and allocating capital costs here.
- Check that you aren't double-dipping. If you are, do some rebudgeting.

# Next Steps

- NCCHCA and Capital Link discussing a “next steps” project
- Navigating beyond the Pandemic
  - Assessment
    - Where did each of you start off financially & operationally pre-COVID-19?
    - Where do you stand financially & operationally now?
  - Plan for Next
    - Based on your current condition and capacity, what paths might you take to be stronger post-pandemic?
      - Scenario modeling
      - Strategic planning for the “new normal”
      - Prioritization of effort

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# Questions?


Colleen Meiman
cmeiman@nachc.org
301-906-5958

Allison Coleman
acoleman@caplink.org
617-331-4883

Jonathan Chapman
jchapman@caplink.org
970-833-8513


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# For More Info:

1. Keep tabs on Noddlepod.

   *Email shansen@nachc.org for access*

2. Webinar by HRSA Office of Financial Management:

   - Tues. June 23, 1:00 PM Eastern
   - Join the day of the session
     Call-in: 888-628-9525
     Passcode: 9747226

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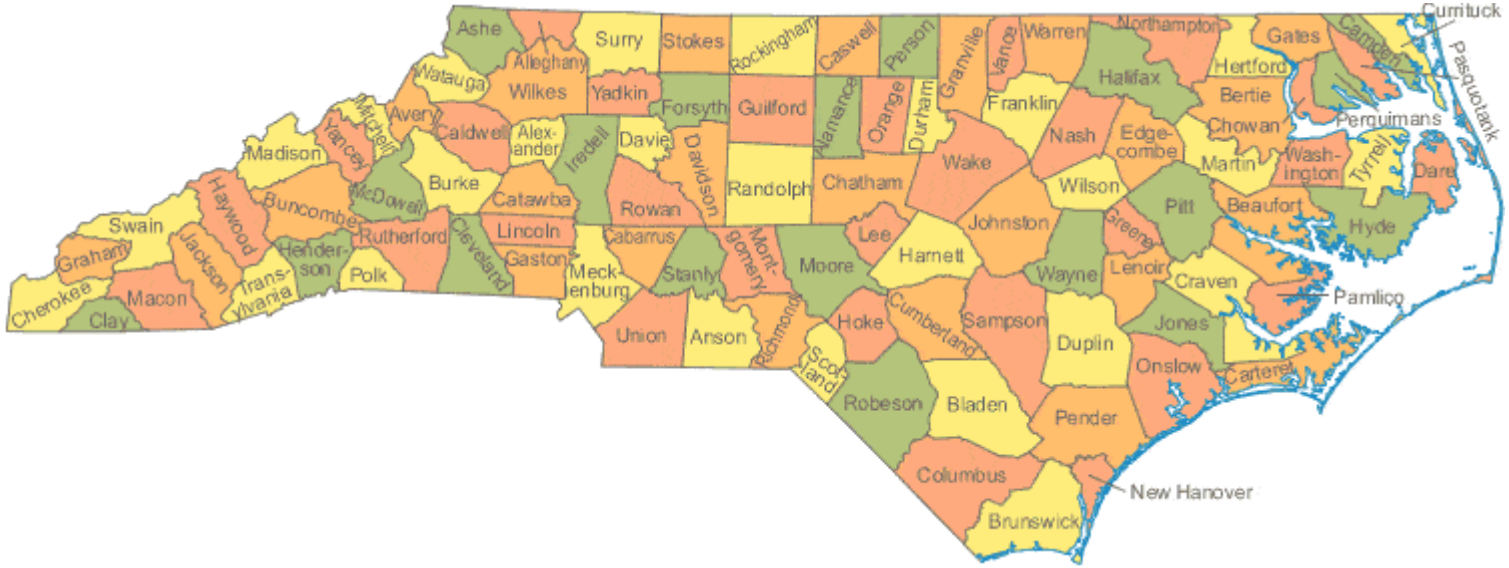
# Health Center Updates

## Billing to the HRSA COVID-19 Uninsured Program Portal

Lori Robinson, CPC
Chuck Shelton
Mountain Community Health Partnership

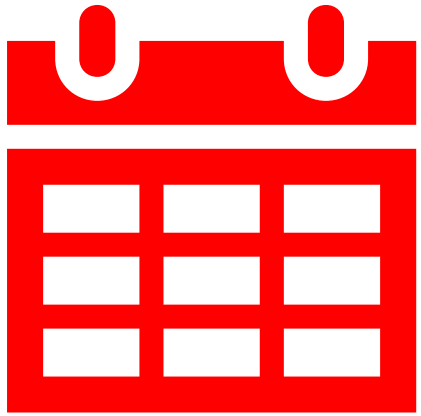


# Reminders/Updates

# Upcoming CHC COVID-19 Task Force Calls

**July 10, 10:00-11:30am**

**July 24, 10:00-11:30am**



# Stay connected!

www.ncchca.org/covid-19/

covid19@ncchca.org