

September 29, 2020

## Ask Your Lawmakers to Urge the White House and HHS to Reinstate June COVID-19 Provider Relief Fund Reporting Requirements

*New definition will have adverse effect on hospitals, especially those serving rural and vulnerable communities*

Please contact your senators and representative today and ask them to urge the White House and the Department of Health and Human Services (HHS) to reinstate the COVID-19 Provider Relief Fund (PRF) reporting requirements outlined in HHS's June 19 [FAQ](#) that defined both expenses and lost revenues attributable to COVID-19. The June requirements, which stated that lost revenue was any revenue that a health care provider lost due to COVID-19, should replace those outlined in HHS's Sept. 19 [notice](#).

It is important that you contact your lawmakers – especially Republican senators and representatives – today. This new definition will require many hospitals, especially those in rural areas and serving vulnerable communities, to return PRF funds based on a new formula and set of metrics that are simply unfair and unrealistic. In addition, please share with your lawmakers how the sudden definition change is extremely problematic for your hospital or hospitals, not only for planning and budgeting, but also for accounting, auditing and bond rating purposes.

**More details about the issue are below and highlighted in [AHA's Sept. 25 letter to HHS](#).**

### BACKGROUND INFORMATION

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent legislation increased funding for the Public Health and Social Services Emergency Fund in order to reimburse eligible health care providers for health care-related expenses and lost revenues attributable to COVID-19. The law specified that recipients of this fund must submit reports and maintain documentation to ensure compliance with payment.

In a June FAQ, HHS stated that hospitals could “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 [hospitals had prepared a budget] without taking into account the impact of COVID-19, the estimated lost revenue could be the difference between ... budgeted revenue and actual revenue. It also would be reasonable to compare the revenues to the same period last year.”

However, on Sept. 19, HHS issued a new definition of lost revenue, stating that it was “represented as a negative change in year-over-year net patient care operating income.” It specified that after covering the cost of COVID-19-related expenses, hospitals generally only will be able to apply PRF payments toward lost revenue up to the amount of their 2019 net patient operating income.

Hospitals and health systems throughout the nation have been relying upon the PRF distributions so that they can better withstand the staggering financial losses caused by this unprecedented public health crisis. Retaining these funds as entitled under HHS’s June FAQ will help them continue to serve the patients and communities who depend on them.

### **Further Questions**

If you have questions, please contact AHA at 800-424-4301.