

HRSA Announces Additional Grants Available to Providers to Offset Losses and Expenses due to COVID-19 Pandemic

On September 10, 2021, The Health Resources and Services Administration (HRSA) [announced](#) Phase 4 General Distribution of Provider Relief Funds (PRF) as well as additional resources for the American Rescue Plan. Providers can apply for both programs in a single application and should monitor the main [PRF website](#) and [Future Payments](#) webpage for more information. **The application will open on September 29, 2021.**

The additional Phase 4 funding provides \$17 billion to assist providers that can document a negative financial impact associated with the pandemic. In addition, \$8.5 billion in American Rescue Plan (ARP) resources are available for providers who serve rural, Medicaid, Children's Health Insurance Program (CHIP), or Medicare patients.

Provider Relief Funds are grants to qualified providers. See HRSA's PRF [Future Payments](#) webpage which includes a non-exhaustive list of the types of entities that meet the definition of "provider." **These distributions do not need to be repaid to the US government, assuming providers comply with the terms and conditions.** (e.g., eligibility, use of funds, balance billing among other stipulations) PRF recipients are required to provide a detailed reporting of how funds are utilized.

In preparation for the upcoming application, Conventus recommends gathering supporting documentation, such as most recent tax documents and financial statements for the second half of calendar year (CY) 2020 and the first quarter of CY 2021.

PRF Phase 4 payments will be based on providers' lost revenues and changes in operating expenses between July 1, 2020 and March 31, 2021. Phase 4 payments will reimburse smaller providers at a higher rate than larger providers and include bonus payments for providers who serve Medicaid, CHIP, and/or Medicare patients. HRSA has not defined what will constitute small, medium or large providers, indicating that the agency will determine exact payment amounts after reviewing all applications. Existing Medicaid/CHIP and Medicare claims will be used data to calculate payments.

Additionally, HRSA announced a 60-day grace period with respect to the September 30, 2021 deadline for Period 1 PRF recipients (between April 10, 2020 and June 30, 2020) on the use of certain PRF payments. During this grace period, HRSA will not initiate recoupment or other enforcement actions against those providers that fail to submit their report by September 30 and are out of compliance.

As always, Conventus members can call our Practice Resources Department at (877) 444-0484 ext. 7466 to speak with a member of our team should you have any questions related to this recent announcement.

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