



Covid-19 Resources

FAQs – October 1, 2020

Getting you the answers to the many questions related to Covid-19 and its impact to you is our first priority. Things continue to evolve and change very rapidly, but please know that our team is working as quickly as possible to understand all that is taking place and going to the source for the answers. Our goal is to get you answers and information that is in **your** best interest and not get waylaid with distractions. Below are the most recent questions we have been fielding.

Q1. What are my reporting obligations for the HHS Provider Relief Fund (PRF) Program?

The HHS recently released reporting obligations related to the COVID-19 Provider Relief Fund money that you may have accepted earlier this year. All recipients of Provider Relief Fund (PRF) payments are required to comply with the reporting requirements described in the Terms and Conditions.

The reporting system will become available to recipients who received more than \$10,000 on October 1, 2020.

- All recipients must report within 45 days of the end of calendar year 2020 on their expenditures through the period ending December 31, 2020.
- Recipients who have expended funds in full prior to December 31, 2020 may submit a single final report at any time during the window that begins October 1, 2020, but no later than February 15, 2021.
- Recipients with funds unexpended after December 31, 2020, must submit a second and final report no later than July 31, 2021.
- Detailed PRF reporting instructions and a data collection template with the necessary data elements will be available through the HRSA website soon to be made available.

Continue to check the www.hhs.gov/providerrelief page for the latest updates.

Q2. What can I use the HHS PRF money for?

Healthcare related expenses attributable to coronavirus that another source has not reimbursed and is not obligated to reimburse, which may include General and Administrative or healthcare related operating expenses. Expenses attributable to coronavirus may be incurred both in treating confirmed or suspected cases of coronavirus, preparing for possible or actual coronavirus cases, maintaining healthcare delivery capacity, etc. They would include the following:

- Mortgage or Rent for facility where you provide patient care services
- Finance charges for real property and/or property taxes
- Insurance premiums for property, employee health, and malpractice

- Salaries & Wages and fringe benefits
- Equipment lease payments
- Utilities such as lighting, cooling/ventilation, cleaning, etc.
- Consulting support, legal fees, audit and accounting services
- Supplies, logistics and transport or
- Other costs not captured above, such as debt financing, for the relevant calendar year

Amounts not fully expended on healthcare related expenses attributable to coronavirus are to then be applied to lost revenues. However, the new requirements state that this be represented as a negative change in year-over-year **net patient care operating income** (i.e., patient receipts less patient care related expenses). You may apply PRF payments towards “lost revenue” only up to the amount of your 2019 net excess over 2020.

Full details and instructions are available here: <https://www.hhs.gov/sites/default/files/provider-post-payment-notice-of-reporting-requirements.pdf>

Q3. You’ve been telling us to wait on applying for PPP forgiveness. When should we plan on applying?

While your bank may be telling you that it is time to apply, we still recommend waiting on applying for several reasons. Exceptions can exist, of course, such as if you are thinking about selling your practice or have a compelling reason to have the loan forgiveness taken care of. You may just want peace of mind knowing you don’t have to worry about it anymore, but reasons for waiting include:

- Given the unprecedented nature of the program, there are bound to be hiccups in the early forgiveness period. Why not let others figure out how to get past them?
- Assuming you meet all the requirements, the loan and all interest will be forgiven, so there is no financial penalty for waiting. Payments are not due until 10 months after the end of the covered period.
- Both parties in Congress have expressed a desire to simplify the forgiveness process for small loans. This could be for loans up to \$150,000 and may be as simple as a single-page affidavit.
- We have mentioned the uncertainty around tax deductibility for eligible expenses many times. But another thing to keep in mind is that even if the ultimate legal decision goes against deductibility, you will only be impacted when the loan is forgiven. If your loan is not forgiven until 2021, the tax impact would not occur until that year (barring any unforeseen IRS decisions or congressional action, of course).
- Applying before the end of your covered period could impact the amount of owner compensation that can be used as an eligible expense. For example, if you planned on using 24/52 weeks’ worth of \$100,000 annual compensation, applying in the 16th week of your covered period would only entitle you to 16/52 weeks’ worth.

Q4. Okay, I’ll wait to apply for forgiveness. Is there anything I should be doing in the meantime?

You can still begin to gather the documents needed for the application. At the very least, you should see if your payroll provider has reports available specifically for the PPP loan. For some of you, this may be all you need. We anticipate many of you will use up all PPP funds on employee wages during the covered period.

Dental Group, LLC - We continue to work both in the office and remotely. Our meetings will be done via teleconference and or online collaboration. If you plan to drop off documents, please call ahead to coordinate a time when we will be in the office as there is no safe place to leave documents at the door.

If you have any questions, please do not hesitate to contact us directly at (425) 216-1612.