Federal Funding Sources for COVID-19: Tips for Compliance and Allocation

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America’s Voice for Community Health Care

The National Association of Community Health Centers (NACHC) was founded in 1971 to promote efficient, high quality, comprehensive health care that is accessible, culturally and linguistically competent, community directed, and patient centered for all.
1. These slides are available on the NACHC COVID-19 website (with the log-in link) and on Noddlepod.

2. Please enter Qs in the Chat Box as we go along – experts from Capital Link, Feldesman-Tucker, and NACHC are on-line to help answer.

3. This presentation will last close to an hour; we will stay on-line until 3:30 ET to answer verbal questions.

4. HRSA’s Office of Financial Management is offering two trainings on related issues:
   • Wed. June 17, 12:30 PM ET
   • Tues. June 23, 1:00 PM Eastern
Agenda

1. A Key Tool
2. The Big Picture – Three rules that cut across all funding streams
3. Maximizing the Federal Funds You Receive
4. Allocating expenses, starting with the most restrictive
5. Putting It All Together
6. Q&A

There will be slides at the end summarizing the key links, rules, and strategies.

Remember to enter your Qs in the Chat Box as we go along. – experts are on-line to answer.
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-aU42TMaByT5YPOo0DAVVWgT6CylAo67j4FWj9dho/edit?usp=sharing

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Which funding source?</th>
<th>Task</th>
<th>Due to</th>
<th>Where/How to submit</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>June 3</strong></td>
<td>Provider Relief Fund</td>
<td>Submit financial data for HHS to calculate/validate your allotment from the second General Distribution</td>
<td>HHS</td>
<td>Portal for submitting financial data to HHS</td>
<td>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.</td>
</tr>
<tr>
<td><strong>June 5</strong> (may request extension if needed)</td>
<td>HBE (BPHC Testing funding))</td>
<td>HBE/ECT Report</td>
<td>BPHC</td>
<td>EBH</td>
<td>Original date was June 8; was adjusted due to EHB maintenance. FQHCs can request extensions if needed. ECT Reporting Guidance</td>
</tr>
<tr>
<td><strong>July 9 and later (Updated 6/1 to reflect extension to deadline)</strong></td>
<td>Provider Relief Fund</td>
<td>Accept T&amp;Cs for each PRF distribution received to date</td>
<td>HHS</td>
<td>Portal for attaching to PRF T&amp;Cs</td>
<td>Updated 6/1: FQHCs should attach to the T&amp;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 accept the T&amp;Cs or return the funds to HHS within 90 days will be considered as having agreed to the T&amp;Cs. FQHCs must attest to a separate set of T&amp;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.)</td>
</tr>
<tr>
<td><strong>July 10, 2020</strong></td>
<td>Provider Relief Fund</td>
<td>Submit Progress Report</td>
<td>HHS</td>
<td>TBD</td>
<td>Due within 10 days of the end of each quarter. General contents of PRF progress reports outlined on page 2 of T&amp;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.</td>
</tr>
<tr>
<td><strong>July 10, 2020</strong></td>
<td>HBC, HBD, HBE</td>
<td>Submit Quarterly Progress Report</td>
<td>BPHC</td>
<td>EHB</td>
<td>While separate reporting is required for each funding grant, all reports should address: 1. An overall status update with percentage of activities completed. 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 HBD and HBE awards) BPHC FAQs - see section on Progress Reports</td>
</tr>
</tbody>
</table>

[www.nachc.org](http://www.nachc.org)
### An Overview of Double-Dipping and Rebudgeting

**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.
The Big Picture:
Three Rules that 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.**

Example:
• A staff person’s salary may 75% billed to your BPHC H80 grant, and 25% billed to a CDC grant.
• If you increased the CDC grant to cover 50% of their salary, this would be “double-dipping” – because in total the Federal government would be paying 125% of the person’s actual salary.
More on Double Dipping

*When you draw down* the grants funds is not directly relevant; what matters is how costs are billed to a budget.

**Example**

- Say 100% of a staff person’s time is currently billed to H80.
- During the pandemic, the CHC stopped drawing down their H80 grant for two months.
- The CHC still can’t bill any of this person’s salary to another Federal source, *unless they “rebudget” some of their H80 funds.*
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:
  o The total amount being rebudgeted is less than 25% of the total grant award **AND**
  o 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 **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.
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.
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.

What’s the Takeaway?
Rule #3 – Ensure “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

Total 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.

Reimbursement includes:
- Insurance Reimbursement
- Other funding sources (e.g., donations)
What’s included in “COVID-related Expenses?”

• On June 2*, HHS defined this very broadly for purposes of the Provider Relief Fund (aka CARES Fund).

• Besides the obvious categories of expenses (e.g., equipment, supplies, training, A&R, staff for COVID care) “COVID-related expenses” also 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.

*See HHS FAQs for Provider Relief Fund; this FAQ was dated 6/2/2020. It’s also posted on Noddlepod.
Speaking of Total Funding and the Provider Relief Fund...

- To date, health centers are eligible for the following PRF funding from these two “distributions”:

  **“General Distribution”** - $50B
  - All providers eligible; formula intends for each to receive **2% of their 2018 net patient revenue**.
  - Distributed in **two rounds**:
    - #1 – Around 4/10 – $30B distributed based on Medicare FFS billing
    - #2 - On-going - $20B distributed to meet 2% goal above. Requires submitting financial data to HHS.

  **Rural Distribution** - $10B
  - Allocated to CAHs, RHCs, and FQHCs that met HHS “rural” definition
  - $103K per site.
  - Distributed in May (starting May 1)

**NOTES:**
- A few FQHCs are still waiting for their second payment from the General Distribution.
- There is still around $50 billion remaining in the Provider Relief Fund.
- If the amount you received from the “General Distribution” is significantly higher than 2% of your 2018 net patient revenues, HHS requires that you return the full amount.
- If you receive a payment in error, you are also required to return it.
Suggestions

Based on this definition, CHCs are advised to:

• Think broadly about what you consider a COVID-related expense
  • Refer to the HHS FAQ (available on Noddlepod) if you have questions.
  • The window for incurring “COVID-related expenses” is currently open-ended

• Be sure you can demonstrate that the TOTAL amount of Federal Funding you receive is less than your “net COVID costs” (Expenses plus Lost Revenue minus Reimbursement)

• Think carefully before returning or refusing any Federal COVID-related funding
Rule #3 – Document how your “Net COVID Costs” exceed Total COVID Federal Funding

What’s the Takeaway?

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.
Maximize the Federal Funds You Receive*

* unless the hole is already overfilled.
#3. 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

• Officially managed by HRSA, under contract with United/Optum.

• Operates 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 rates.”

• As there is no other source of direct, patient-specific reimbursement for testing and treating uninsured person, every claim paid under this program will result in increased revenue for the CHC.

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 the amount of available funding is capped.
So, CHCs should submit their claims ASAP to maximize their 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 new 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.
More on PPP Forgiveness

- If you reduced wages or total number of employees during the pandemic, the forgiveness amount may be *reduced if you don’t restore wages/positions by December 31, 2020*—but there are a couple safe harbors.

- You must **apply** for forgiveness – it is not given automatically.
  - The SBA has issued a forgiveness application, and two regs with further details.

- Unless your PPP loan is entirely forgiven, you must start making payments ten months after the last day of your 24-week “covered period” (Aug.- Oct. 2021.)
  - You are also incurring interest charges (1%) from the date of the loan.
Tips for Maximizing PPP Forgiveness

- Focus on your payroll costs, as these must constitute at least 60% of the forgiven amount.
  - Consider “rebudgeting” staff time from H80 to PPP.
  - Hazard pay and related bonuses are eligible for forgiveness.
  - Remember the $100K cap on each employee’s annual salary ($45K over 24 weeks.)

- Beyond payroll, the other costs that are eligible for forgiveness are rent, mortgage interest (not principal), and utilities.
Rule #3 – 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 the forgiveness portion of your Paycheck Protection Loan.

What’s the Takeaway?
Allocate expenses to funding streams, starting with the most restrictive
What does “most restrictive” mean?

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?

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

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

* But much less restrictive than it used to be!
# Reporting Requirements

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

## BPHC Grant Funds

1. **Overall status update** with *percentage of activities completed.*  
   ***BPHC will compare your drawdown amounts to this.***

2. **Narrative updates** on activities that are completed, in progress, and/or planned, under six categories: Safety; Testing; Capacity and Staffing Levels; Telehealth; Minor A&R

3. **Changes to activities** from what you submitted to HRSA in the initial post-award response.

4. **Issues or barriers** in the use of the funding and/or implementing the planned activities.

## Provider Relief Fund

1. **Detailed list of all projects** or activities for which funds were expended or obligated, including:
   - name and description
   - estimated *number of jobs created or retained.*

2. **Amount of funds expended or obligated for each** project/activity

3. **Detailed information on any sub-contracts** or subgrants awarded.
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._
Rule #4 – 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.
Putting it all together
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.

• Submit claims to the HRSA Uninsured Claims program as soon as possible.

• To maximize forgiveness for you Paycheck Protection Loan:
  • Allocate payroll costs here until you hit at least the 60% threshold. Remember the 24-week timeframe and $45K limit on individual employees. This may require some rebudgeting of your H80 grant.
  • Allocate up to 24 weeks’ worth of rent, utilities, and mortgage interest here.
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.)

• Consider using “rebudgeted” H80 funds for expenses that normally would have been covered by the revenue that was lost.

• As the Provider Relief Fund is the most flexible funding stream this should generally be the last place where you allocate funds.

• Check that you aren’t double-dipping. If you are, do some rebudgeting.
Questions?

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Allison Coleman, etc.
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617-331-4883

Ted Waters
Feldesman Tucker
1. Keep tabs on Noddlepod. 
   Email shansen@nachc.org for access

2. Two webinars by HRSA Office of Financial Management:
   • Wed. June 17, 12:30 PM ET
   • Tues. June 23, 1:00 PM Eastern