Physician deadline nears to report on use of COVID-19 relief cash

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What’s the news: Physicians who got more than $10,000 in single or aggregated payments from the federal Provider Relief Fund (PRF) to cover COVID-19 related expenses or losses in the second half of 2020 have until March 31 to report on how they used the money.

Reporting is done through the PRF Reporting Portal found on the Health Resources and Services Administration (HRSA) website, where resources such as webinars and fact sheets can be found to help physicians comply with requirements.

HRSA, an agency of the Department of Health and Human Services, says that PRF recipients must only have used payments for eligible expenses including services rendered and lost revenues for money that was received July 1 through Dec. 31, 2020, which physicians had until Dec. 31, 2021 to spend.

Under the program’s terms and conditions, physicians who are eligible must use the money “to prevent, prepare for, and respond to coronavirus, and for related expenses or lost revenues attributable to coronavirus.”

Funding received under the program is considered a grant, and not a loan. That means it will not have to be paid back unless terms and conditions are not met or the money wasn’t spent before the period ended—in this case, by Dec. 31, 2021.

Physicians are barred from using PRF grant money for expenses or losses where another source has, or is obligated to, reimburse those expenses or losses.

If the money was deposited in an interest-bearing account, the amount of interest earned must be reported. If unused funds are being returned, the amount of interest earned must also be returned,

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according to HRSA.

If the funds being returned were not in an interest-bearing account, “there is no obligation for the provider to return any additional amount other than the Provider Relief Fund payment being returned,” HRSA says. Learn more from HRSA about returning unused funds.

July 1, 2020, through Dec. 31, 2020, is considered “Period 2” under the PRF program.

Looking ahead, “Period 3” lasted from Jan. 1–June 30, 2021. The receipt of any PRF payments totaling more than $10,000 during that time must be reported between July 1 and Sept. 30, 2022.

A fourth round of payments was made last month with $560 million distributed between 4,100 physicians and nonphysician providers.

Why it’s important: The PRF, which was created as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, had handed out $42.8 billion to more than 300,000 physicians and other eligible health professionals as of November 2021.

Early in the pandemic, physician practice revenues dropped steeply as patient volumes plummeted. After February 2020, physicians averaged a 32% drop in revenue as in-person visits fell from 97 per week to 57, according to an AMA survey of 3,500 physicians conducted in the summer of 2020.

The AMA successfully advocated for billions in emergency funding to help physician practices stay viable and keep providing needed care through the CARES Act and subsequent emergency supplemental legislation. The AMA also successfully advocated for legislation to ensure that PRF grants did not count as taxable income.

The COVID-19 pandemic continues to have a negative impact on physician practices in terms of lower revenue and higher costs. While initial federal financial relief programs were helpful to physician practices that applied, it appears the road to recovery—particularly for smaller physician-owned practices—remains difficult.

Learn more: For all other questions related to PRF reporting, call the Provider Support Line at 866-569-3522; for TTY dial 711. The line is open Monday–Friday, 8 a.m.–10 p.m. CST, but those hours are subject to change.

Get comprehensive guidance for physicians from the AMA on financial and business operations during COVID-19. That includes a guide to physician practice financial relief (PDF).
Also check out the AMA’s newly updated physician guide to keeping your practice open.

Stay current with the latest news on the COVID-19 pandemic, vaccines and variants, and reliable information directly from experts and physician leaders with the “AMA COVID-19 Update.” Catch every episode by subscribing to the AMA’s YouTube channel or the audio-only podcast version.