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# PRF Reporting + Strategies for Recruiting/Retaining Top Talent

July 28, 2022


**Chris Tyhurst**
Principal
Audit & Assurance

**Claire Hilleary**
Senior Manager
Audit & Assurance

**Chris Ekrem**
Forum Moderator
EqualizeRCM

**Carol Cochran**
Principal
Practice Leader, HR Consulting

**Cristin Heyns-Bousliman, Esq.**
Principal
Practice Leader, HR Consulting

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# Agenda

PRF Reporting + Strategies for Recruiting/Retaining Top Talent

*July 28, 2022*

1. Program Timeline
2. Key Dates for Usage and Reporting
3. Allowable Uses
4. Reporting Pitfalls/Preparing for Upcoming Audits
5. Interesting FAQ Updates
6. Other Outstanding Issues

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# About REDW and Speakers

# SERVING THE SOUTHWEST SINCE **1953**

**Albuquerque, New Mexico** – *130+ Professionals*
- Headquarters established in 1953
- Largest locally-owned CPA firm in New Mexico

**Phoenix, Arizona** – *70+ Professionals*
- Opened in 2011 upon merger with prominent local Audit & Tax firms
- Joined the Southwest's Top 10

**Oklahoma City, Oklahoma** – *10+ Professionals*
- Opened in late 2020, part of strategic talent acquisition
- Expanded National Tribal Practice

**CHRIS TYHURST**, CPA
Principal, *REDW LLC*

REDW LLC
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For over 25 years, Chris has been deeply involved in the firm's healthcare industry service team. He provides a wide range of audit and consulting services to hospitals and health centers, including assistance with patient accounts receivable and allowances, implementation of new accounting standards, and staff training on accounting, internal controls, and federal grant management topics. Chris is a Past-President of the New Mexico Chapter of the Healthcare Financial Management Association (HFMA).

(602) 730-3669 CTyhurst@REDW.com


**CLAIRE HILLEARY**, CPA, MBA

Senior Manager, Audit & Assurance, *REDW LLC*


REDW LLC
CPAs | Advisors

Since joining REDW in 2008, Claire has specialized in providing financial, federal program, and internal audit compliance services for numerous healthcare organizations. She has also assisted with designing and updating financial policies and procedures for many tribal and non-profit organizations.


(505) 998-3458

CHilleary@REDW.com

**CRISTIN HEYNS-BOUSLIMAN**, Esq., THRP
Principal & Practice Leader, HR Consulting, *REDW LLC*

REDW LLC
CPAs | Advisors

Cristin leads REDW's HR Consulting practice, combining extensive experience in human resources management and strategy, employee relations and engagement, and compensation and benefits, with an in-depth understanding of federal and state employment law as a former litigation attorney specializing in employment law.

(505) 998-3452

Cristin.Bousliman@REDW.com

**CAROL M. COCHRAN**, CPA/PFS, CEBS, CCP, CMA, THRP, CFC, SHRM-SCP
Principal, *REDW LLC*

REDW LLC
CPAs | Advisors

Carol has more than 30 years of experience in the accounting industry, focused primarily in the field of employee benefits, including retirement plans, flexible spending accounts, and compensation planning. The numerous compensation planning engagements she has performed over the past 20 years typically involve job analysis and evaluation, compensation plan development, and incentive compensation consulting.

(505) 998-3208 CCochran@REDW.com

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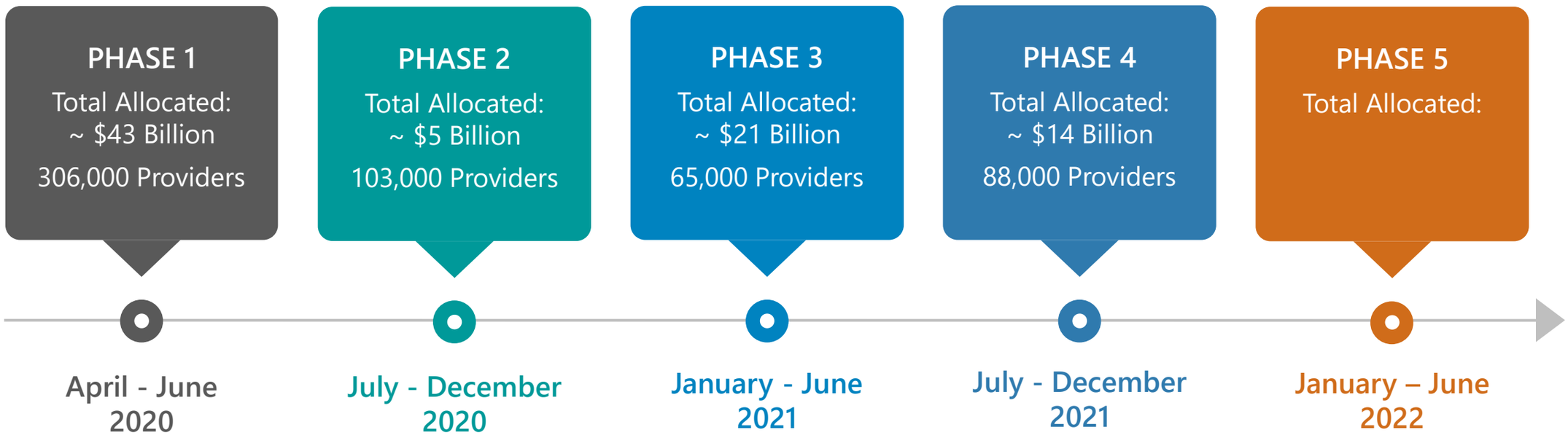
# Provider Relief Fund (PRF) Considerations


**Chris Tyhurst**
Principal
Audit & Assurance

**Claire Hilleary**
Senior Manager
Audit & Assurance

# Provider Relief Fund Timeline



# American Rescue Plan (ARP) Rural Payments

- **WHO:** Every eligible provider/supplier that served at least one rural **Medicare, Medicaid,** or **CHIP** beneficiary during the period specified below received ARP Rural payments from HRSA, beginning November 2021.
- **WHEN:** January 1, 2019 – September 30, 2020
- **HOW MUCH:** $170,700 on average, with payments ranging from $500 to about $43 million
- **WHERE:** All 50 states; Washington, DC; and 6 territories

# Key Dates – Usage and Reporting

| PERIOD | PAYMENT RECEIVED PERIOD (Exceeding $10,000 in Aggregate) | PERIOD OF AVAILABILITY | PRF PORTAL REPORTING PERIOD | FISCAL YEAR ENDS (FYEs) to include each PRF Reporting Period on the SEFA* Report |
|---|---|---|---|---|
| 1 | April 10, 2020 to June 30, 2020 | January 1, 2020 to June 30, 2021 | July 1, 2021 to September 30, 2021 | June 30, 2021 through June 29, 2022 |
| 2 | July 1, 2020 to December 31, 2020 | January 1, 2020 to December 31, 2021 | January 1, 2022 to March 31, 2022 | December 1, 2021 through December 30, 2022 |
| 3 | January 1, 2021 to June 30, 2021 | January 1, 2020 to June 30, 2022 | July 1, 2022 to September 30, 2022 | June 30, 2022 through June 29, 2023 |
| 4 | July 1, 2021 to December 31, 2021 | January 1, 2020 to December 31, 2022 | January 1, 2023 to March 31, 2023 | December 31, 2022 through June 29, 2023 |
| 5 | January 1, 2022 to June 30, 2022 | January 1, 2020 to June 2023 | July 1, 2023 to September 30, 2023 | June 30, 2023; guidance to be included in 2023 Compliance Supplement |

**Schedule of Expenditures for Federal Awards*

# Eligible Expenses

## G&A Examples

- **Mortgage/Rent:** rent for a clinical setting, medical office building, etc.
- **Insurance:** property, malpractice, or other business insurance
- **Personnel:** direct employee expenses for staff such as nurses, contractor payroll administrators, or support personnel
- **Fringe Benefits:** employee health insurance, childcare assistance, transportation, temporary housing, overtime pay, recruitment and retention payments to expand or maintain patient/client care capacity
- **Utilities/Operations:** HVAC services, environmental services for cleaning, or food and nutrition services

## Healthcare-related Examples

- **Supplies:** N95 or surgical masks, gowns, temperature monitoring devices, or cleaning agents
- **Equipment:** ventilators, HVAC systems or improved filtration for infection control, or lab and radiology diagnostic equipment
- **Information Technology:** telehealth software and hardware, improved internet services to support increased telehealth or remote working, or new Electronic Medical Record modules to support patient or client care
- **Facilities:** temporary Emergency Department expansions for patient volume increases, inpatient unit retrofits to accommodate COVID-19 or other patients, or outpatient clinics, school-based health centers, adult day centers, assisted living facilities, or enhancements for improved infection control

# Qualified Expenses – $500,000 or Less

***If you received $10,000.01 - $499,999.99 in aggregate PRF Payments July 1, 2020 - December 31, 2020, Table A is required.***

| **Other PRF Expense Table A** | Q1 (2020) | Q2 (2020) | Q3 (2020) | Q4 (2020) |
|---|---|---|---|---|
| General and Administrative (G&A Expenses | $0.00 | $0.00 | $0.00 | $0.00 |
| Healthcare Related Expenses | $0.00 | $0.00 | $0.00 | $0.00 |
| **Total Nursing Home Infection Control Expenses** | **$0.00** | **$0.00** | **$0.00** | **$0.00** |

# Qualified Expenses – $500,000+

***If you received $500,000 or more in aggregate PRF Payments July 1, 2020 - December 31, 2020, Table B is required.***

| Other PRF Expenses Table B | Q1 (2020) | Q2 (2020) | Q3 (2020) | Q4 (2020) |
|---|---|---|---|---|
| **General and Administrative (G&A Expenses** | **$0.00** | **$0.00** | **$0.00** | **$0.00** |
| Mortgage/Rent | $0.00 | $0.00 | $0.00 | $0.00 |
| Insurance | $0.00 | $0.00 | $0.00 | $0.00 |
| Personnel | $0.00 | $0.00 | | $0.00 |
| Fringe Benefits | $0.00 | $0.00 | $0.00 | $0.00 |
| Lease Payments | $0.00 | $0.00 | $0.00 | $0.00 |
| Utilities/Operations | $0.00 | $0.00 | $0.00 | $0.00 |
| Other G&A Expenses | $0.00 | $0.00 | $0.00 | $0.00 |
| **Healthcare Related Expenses** | **$0.00** | **$0.00** | **$0.00** | **$0.00** |
| Supplies | $0.00 | $0.00 | $0.00 | $0.00 |
| Equipment | $0.00 | $0.00 | $0.00 | $0.00 |
| Information Technology (IT) | $0.00 | $0.00 | $0.00 | $0.00 |
| Facilities | $0.00 | $0.00 | $0.00 | $0.00 |
| Other Healthcare Expenses | $0.00 | $0.00 | $0.00 | $0.00 |
| **Total Other PRF Expenses** | **$0.00** | **$0.00** | **$0.00** | **$0.00** |

# Lost Revenues – Option 1

- **Actual Revenues** in 2019, 2020, and 2021
- **Medicare Part A + B:** actual revenues/net charges received from Medicare Part A + B for patient care
- **Medicare Part C (Medicare Advantage):** actual revenues/net charges received from Medicare Part C for patient care
- **Medicaid/Children's Health Insurance Program (CHIP):** actual revenues/net charges received from Medicaid/CHIP for patient care
- **Commercial Insurance:** actual revenues/net charges from commercial insurance payers for patient care
- **Self-Pay (No Insurance):** actual revenues/net charges received from self-pay patients, including the uninsured or individuals without insurance who bear the burden of paying for health care themselves
- **Other:** actual revenues/net charges from other sources received for patient care services and not included in the list above.

# Lost Revenues – Option 2

**Option 2: Budgeted Revenue**

| Total Revenue/Net Charges from Patient Care (2020 Budgeted) | | | | | |
|---|---|---|---|---|---|
| **Total Revenue/Net Charges from Patient Care** | **Q1 (2020) Budgeted** | **Q2 (2020) Budgeted** | **Q3 (2020) Budgeted** | **Q4 (2020) Budgeted** | **Total (2020)** |
| Medicare A+B | $0.00 | $0.00 | $0.00 | $0.00 | **$0.00** |
| Medicare C | $0.00 | $0.00 | $0.00 | $0.00 | **$0.00** |
| Medicaid/Children's Health Insurance Program (CHIP) | $0.00 | $0.00 | $0.00 | $0.00 | **$0.00** |
| Commercial Insurance | $0.00 | $0.00 | $0.00 | $0.00 | **$0.00** |
| Self-Pay (No Insurance) | $0.00 | $0.00 | $0.00 | $0.00 | **$0.00** |
| Other | $0.00 | $0.00 | $0.00 | $0.00 | **$0.00** |
| **Total Revenue/Net Charges from Patient Care** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | **$0.00** |

# Lost Revenues – Option 3

- Alternate Reasonable Methodology
- Narrative document required
- Revenue loss only requires input of a single number for a given quarter (i.e., does not need to be presented by payor)
- Organization's burden to demonstrate reasonableness: If deemed unreasonable, an organization would have 30 days to resubmit lost revenue calculations via Option 1 or Option 2

# Reporting Pitfalls & How to Prepare for Upcoming Audits

## Expenses

- Use only once!
- Ensure they are reasonable and used to prevent, prepare and respond to the pandemic

## Lost Revenue

- Maintain system documentation
- Formula révisions

# Interesting FAQ #1

## Question

If a provider returns a payment to the Provider Relief Fund and the returned amount is greater than what should be returned to the Government, will the HRSA refund those amounts returned in error?

## Answer

Yes. Generally, if the applicable reporting period for the funds has not closed and the provider believes that they have returned an amount greater than what was owed, HRSA will refund the provider the erroneously returned amount.

# Interesting FAQ #2

## Question

What are the documentation retention requirements for the Provider Relief Fund?

## Answer

Providers need to retain original documentation for three years after the date of submission of the final expenditure report, in accordance with 2 CFR 200.333. (Updated 10/28/20)

# Interesting FAQ #3

## Question

How will a Reporting Entity know if HRSA determines if its revenue estimation approach is considered reasonable?

## Answer

HRSA will notify a Reporting Entity if their proposed methodology is not reasonable, including if it does not demonstrate, with a reasonable certainty, that claimed lost revenues were caused by coronavirus. If HRSA determines that a Reporting Entity's proposed alternate methodology is not reasonable, the entity will be asked to resubmit its report within 30 days of notification using either Option i or Option ii to calculate lost revenues attributable to coronavirus. *(Updated 7/1/21)*

# Interesting FAQ **#4**

## Question

If a provider received both Provider Relief Fund and ARP Rural payments, can they use these payments for the same eligible expenses or lost revenues?

## Answer

No. Provider Relief Fund (PRF) payments and ARP Rural payments must be used for different expenses or lost revenues attributable to coronavirus or COVID-19. A provider may not use an ARP Rural payment to cover eligible healthcare expenses or lost revenues attributable to coronavirus or COVID-19 if the provider has already reported that their PRF payment(s) have covered the eligible expense or lost revenues. If a provider receives both types of payments, the provider should apply their ARP Rural payment towards eligible healthcare expenses and lost revenues attributable to COVID-19 before utilizing PRF payments to cover eligible healthcare expenses or lost revenues attributable to coronavirus. One way to ensure funds are not used for the same expenses or lost revenues attributable to coronavirus or COVID-19 may be to use them for different time periods. *(Updated 4/6/22)*

# Interesting FAQ **#5**

## Question

What if a Reporting Entity missed the reporting deadline and subsequently returned funds, as requested by HRSA, but would now like to receive the funds and report on the use of funds due to extenuating circumstances?

## Answer

HRSA will not reissue funds to those Reporting Entities that did not comply with the Terms and Conditions and subsequently returned funds to the government. *(Updated 4/6/22)*

# Interesting FAQ **#6**

## Question

If an entity received Provider Relief Fund and/or ARP Rural payment(s) totaling over $10,000, but returned some, do they still have to report?

## Answer

A Reporting Entity must report on their PRF and/or ARP Rural payment(s) only when they have retained, as of the end of the Reporting Time Period, over $10,000 in aggregated PRF and ARP Rural payments received during a Payment Received Period. Entities that do not return a portion of the funds that places them below the $10,000 threshold, or report on the use of funds by the end of the applicable Reporting Time Period, must return all funds received during the Payment Received Period. *(Updated 4/6/22)*

# Interesting FAQ **#7**

## Question

Are providers able to request extensions on submissions of their required reports for any of the required reporting periods?

## Answer

Generally, no. Providers that received one or more payments exceeding $10,000, in the aggregate, during a Payment Received Period are required to report by the stated deadline for each applicable Reporting Time Period. However, HRSA will provide an opportunity based on extenuating circumstances for Reporting Entities to complete reports and come into compliance in order to retain the funds received during the applicable Payment Received Period. Providers should monitor their email and the PRF webpage for additional information on the process for late report submissions due to extenuating circumstances. If the late submission is approved, the provider must complete the report within the HRSA communicated timeframe. Providers who are granted additional reporting time due to an extenuating circumstance and do not submit as instructed will be considered out of compliance with program Terms and Conditions. Providers that are out of compliance with the Terms and Conditions must return PRF payments associated with the missed Reporting Time Period.  (Updated 4/6/22)

# Outstanding Issues: Uncertainty in Late Reporting Options

## Late Reporting Categories

- Severe illness or death
- Impacted by natural disaster
- Lack of receipt of reporting communications
- Failure to click “submit”
- Internal miscommunication or error
- Incomplete Targeted Distribution payments
- One Healthcare ID required for future distributions

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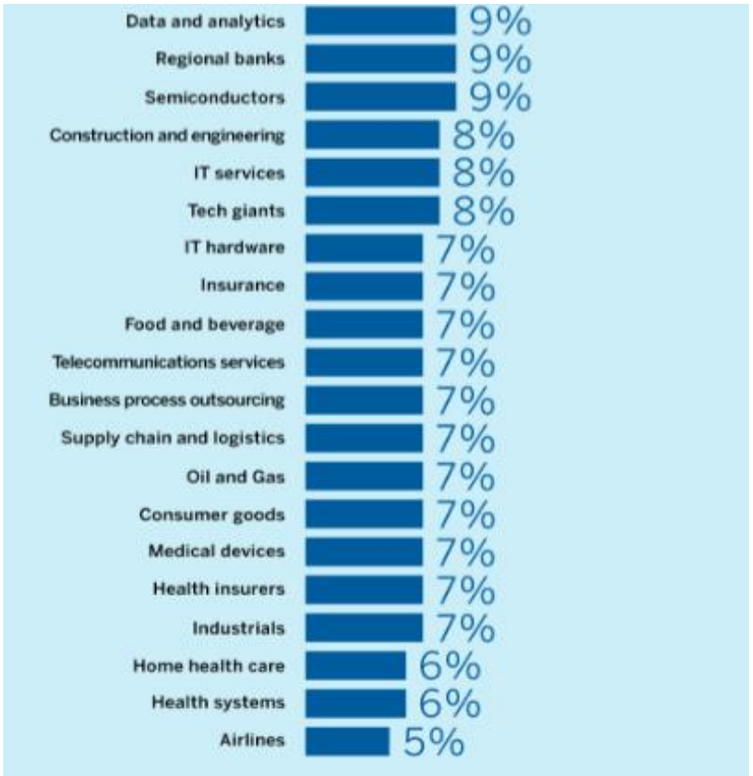
# Recruiting and Retention Strategies in 2022


**Carol Cochran**
Principal
Practice Leader, HR Consulting

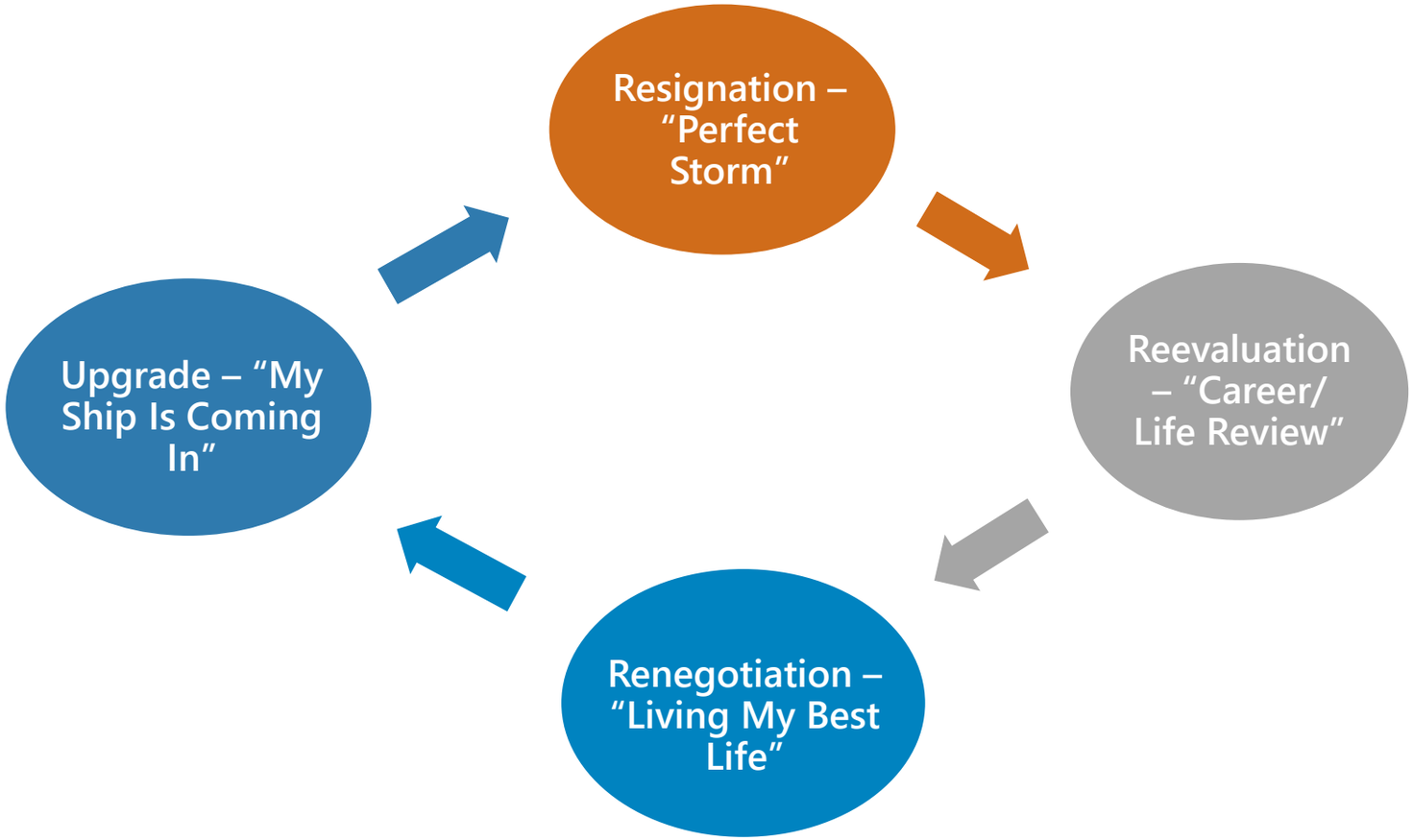
**Cristin Heyns-Bousliman, Esq.**
Principal
Practice Leader, HR Consulting

# Industry Average Attrition Rate In **“The Great Resignation”**

This chart shows the average attrition rate across 38 industries from April through September 2021. The industries with the highest percentage of blue-collar workers are noted in light blue.

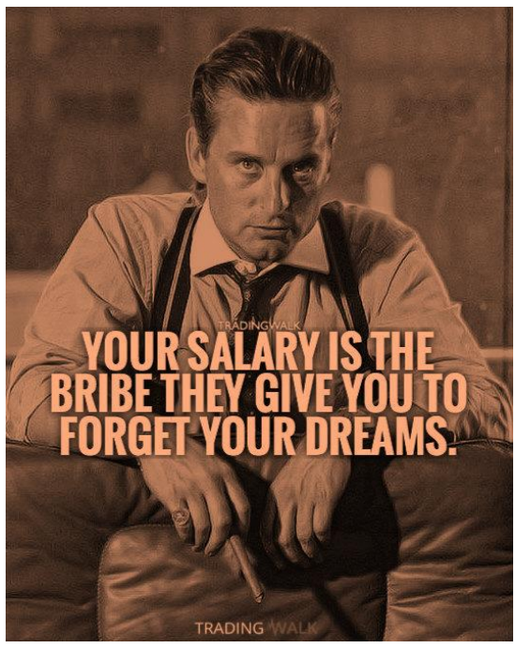
# The Great What?



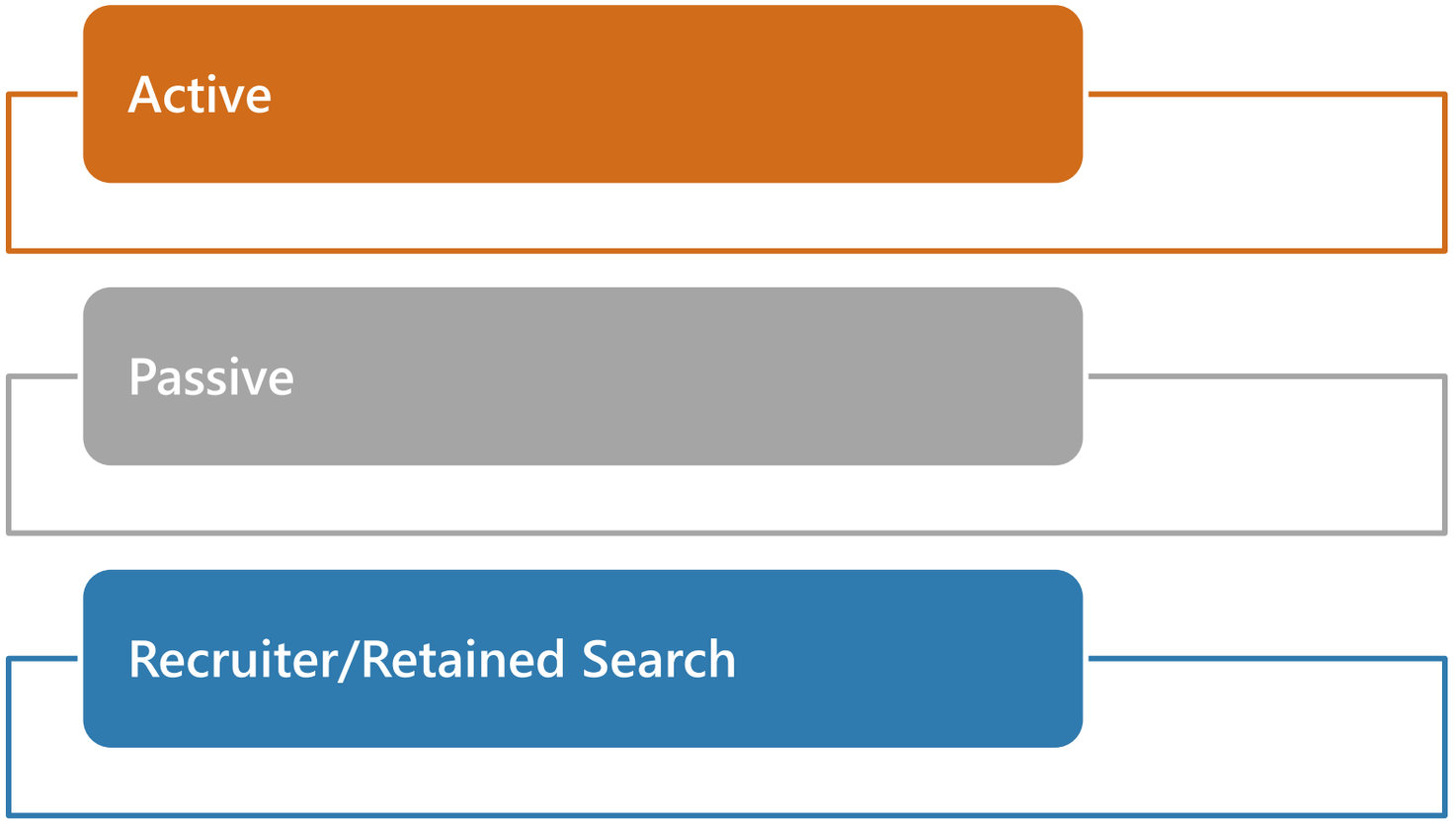
# Candidate Sourcing Strategies

- What is your employment brand?
  - Is there a defined company culture?
  - What is your value proposition?
- Does the employment brand reach the recruitment process?


*VS.*



# Candidate Sourcing Strategies



# Candidate Sourcing Strategies

- Review Your Process
- Assess Your Recruitment Tools
- Importance of Assessments
- Onboarding and Re-Boarding Experience

# Retention Strategies

- Elements of a Healthy Workplace Culture
- Equip Your Employees with Change Management Skills
- Meaningful Retention & Engagement Programs
- Address Compensation Readiness Gaps

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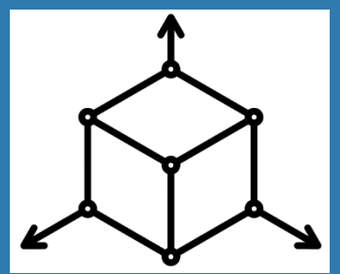
# Compensation Strategies in 2022

# The Compensation Conundrum

Rapidly changing compensation markets and the nature of work require a different compensation model.



- A "**readiness gap**" exists between the changing nature of compensation expectations and strategies: 69% of businesses say this is critical for their success, but only 9% are ready to address this trend – Deloitte 2021 Global Human Capital Trends
- Critical Access Hospitals and healthcare organizations must look beyond compensation as a "spot market" and view it as a way to effectively manage shifts in today's work environment
- Compensation must be aligned with evolving organizational and social objectives (to include immediate rewards for expanding responsibilities, fair pay, and employee engagement)
- Most healthcare organizations are currently in the middle of redesigning compensation or have changed their compensation strategy in the last three years.

# Labor Market Shifts Create Compensation Challenges

- Widespread dissatisfaction with compensation – both at the employee and management level
- Radical shifts in work and jobs – where, how, and why people work
- Roles are changing – the Bureau of Labor Statistics Occupation Employment Survey data suggests 1/2 to 2/3 of jobs are ripe for disruption
- Employees desire greater transparency and fairness with compensation and career progression
- Healthcare positions are at greater risk, due to significant changes in the work environment

# Forces that Drive Pay

## MARKET PRICE

What the position/employee is worth in the market

***Externally Competitive***

## INTERNAL VALUE

The contribution and/or impact the position/employee has on the organization

***Internally Fair***

# **Best Practices** for Making Compensation Count

| Aligned with Stakeholder Interests | Internally Equitable | Externally Competitive | Easily Administered | Readily Maintained |
|---|---|---|---|---|
| • Facilitates access to top talent, while available dollars for compensation are used most effectively. | • Ensures fairness by appropriately compensating jobs that have similar complexity. | • Healthcare-specific data gathered from multiple reliable sources is used to create salary ranges matched to your size, industry and geographic location. | • Compensation system facilitates salary budgeting, compensation structure updates, human resource cost analysis, and accurate review of compensation policies and practices. | • Able to evaluate new jobs as they are created and re-evaluate existing jobs as changes occur in job duties or responsibilities. |

# Methodology for Pay Adjustments

Pay adjustments recognize changes in market price and/or internal value, such as…

- Characteristics of employee and job impact – experience, unique skills, etc.
- Market price for employee's skills has changed – position becomes a "hard to fill" position (note that most clinical job positions are considered "hard to fill")
- Value of employee's work/skills to the organization has changed – high-performer, very effective, rising leader, unique skills

# **Best Practices** for a Winning Compensation Structure

- The compensation process is formalized and communicated.
- Internal pay relationships are fair and equitable based on impact.
- Roles and responsibilities are well-defined and reflected in position descriptions.
- Employee development and growth is a priority.
- A collaborative approach to compensation:
  - Finance and Human Resources
- Changes in market compensation levels are translated to salary ranges quickly.
- Annual compensation increases are linked to performance and facilitate employee growth.

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# Questions?

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# It's Raffle Time!

# Contact Us


**Chris** Tyhurst
Principal
REDW, LLC

(602) 730-3669

CTyhurst@REDW.com

**Claire** Hilleary
Senior Manager
REDW, LLC

(505) 998-3458

CHilleary@REDW.com

**Chris** Ekrem
Forum Moderator and Former CAH CEO

(806) 215-0549

Chris@CAHForum.com

**Carol** M. Cochran
Principal | Practice Leader, Compensation
REDW, LLC

(505) 998-3208

CCochran@REDW.com

**Cristin** Heyns-Bousliman
Principal | Practice Leader, HR Consulting
REDW, LLC

(505) 998-3452

Cristin.Bousliman@REDW.com


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