



Willeford Group
Business, Tax & Wealth Advisors

New Funds Available: CARES Act Provider Relief Fund Expanded to Include More Dentists

Overview of the Relief Fund

Did you receive the ADA's email on Friday stating that all dentists are now eligible?

While it appears that more dentists will be eligible, it may not be all dentists and the Health & Human Services (HHS) website has not been fully updated. While the application process is expected to be easy,



the terms of the program are unique and we recommend you take the time to read all of them.



In actuality, you will not know if you are eligible for the funds until you start the application process. It is at that point your Taxpayer Identification Number (TIN) will be verified against the HHS list.

Application deadline is July 24th and we recommend you apply soon, if you would like to receive these funds. As has been typical of most COVID related fund programs, many questions surround the Relief Fund and we highly recommend you read all terms and conditions before applying as you will be required to consent to terms that may not be desirable or accurate for your business.

As part of the 2.2 Trillion CARES Act signed by the President on March 27, \$175 billion was allocated to the CARES Act Provider Relief Fund. This fund was intended to provide funds to healthcare providers to help them fight the COVID-19 virus for their patients. This fund was limited up until recently to physicians, hospitals and other healthcare providers other than dentists.

A few weeks ago it was opened up to dentists who treated Medicare and Medicaid patients.

On Friday, July 10, the Department of Health and Human Services has opened this program up to more dentists.

Key Facts to Know Before Applying for the Funds



- You are eligible only if your TIN matches a list approved by the HHS. There are steps in the FAQs to follow if your TIN is not on the approved list.
- **The money received is taxable income.** The ADA is lobbying for this to be non-taxable but we recommend you assume it will be taxable and you will receive a 1099.
- This is not a loan--you do not pay this money back to the government.

- The amount of money you receive is 2% of Gross Revenue on the most recently

filed tax return. Note that the funds you receive will be made public so if privacy is a concern to you then you may not want to apply for the Relief Funds. Anyone reading the list will be able to estimate your annual Collections. For example, if you Gross \$1 million you are eligible for \$20,000.

- If you already received Relief Funds from HHS (see below), you are not eligible for another round of Relief Funds.
- It appears you will be required to attest to the fact that you have treated patients who either likely had COVID or you know had COVID at time of visit.

Details of Terms & Conditions

Below are three links for your review. We suggest you review these links VERY CAREFULLY.

- **The first link is the link to the CARES Act Provider Relief Fund page** on the Department of Health and Human Services website.

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html>

- **The second link is a list of Frequently Asked Questions (FAQs)** for dentists as it applies to this program. Below, from that link, is a list of six items that make a dentist eligible for these funds.

To be eligible, a dental provider must meet all of the following requirements:

1. Must not have received payment from the initial \$50 billion Medicare-focused General Distribution
2. Must not have received payment from the \$15 billion Medicaid and CHIP Distribution
3. Must have either (i) filed a federal income tax return for fiscal years 2017, 2018 or 2019 or (ii) be an entity exempt from the requirement to file a federal income tax return and have no beneficial owner that is required to file a federal income tax return. (e.g. a state-owned hospital or healthcare clinic)
4. Must have provided patient dental care after January 31, 2020
5. Must not have permanently ceased providing patient dental care directly, or indirectly through included subsidiaries
6. If the applicant is an individual, have gross receipts or sales from providing patient dental care reported on Form 1040, Schedule C, Line 1, excluding income reported on a

W-2 as a (statutory) employee.

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/faqs/dental-distribution/index.html>

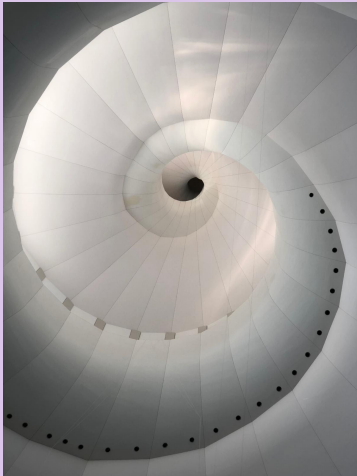
- **The third link are the terms and conditions to the program.** PLEASE READ THESE CAREFULLY. There are a few of these terms and conditions which need clarification. Below are three of the terms and conditions to carefully review:

A) The Recipient certifies that it provides or provided after January 31, 2020 diagnoses, testing, or care for individuals with possible or actual cases of COVID-19

B) Recipient is not currently terminated from participation in Medicare or precluded from receiving payment through Medicare Advantage or Part D; is not currently excluded from participation in Medicare, Medicaid, and other Federal health care programs; and does not currently have Medicare billing privileges revoked.

C) The Recipient certifies that it will not use the Payment to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.

<https://www.hhs.gov/sites/default/files/terms-and-conditions-medicaid-relief-fund.pdf>



Should you Apply?

If your business needs the 2% of Revenue, as a taxable benefit and not a loan, then it is worth reading the terms and applying if you meet the conditions. In reality, only you can evaluate if you feel comfortable with all of these.

If you do not need the additional cash then you may want to skip this relief funding. Why? Because the terms currently appear to be difficult to meet and it could be time consuming for you to work on this on an ongoing basis.

Currently, the conditions of receipt of the funds state that you cannot use the money for the same expenses you used the EIDL or PPP money on and you cannot use it to pay yourself.

In addition, it currently appears you will be required to file a Quarterly report with HHS detailing exactly how you spent the funds.

Documents you will need to upload when you apply include:

- Most recent federal tax return for 2017, 2018 or 2019

- First Quarter 2020 Form 941, Form 940 Annual Federal Unemployment Tax Return or a statement as to why neither from is required to be filed.
- Potentially a Full Time Equivalent worksheet
- Potentially a Gross Revenue Worksheet

Please call us if you would like more specific assistance with the program. We will continue to monitor the Relief Fund, as well as other opportunities, and share the latest news with you.

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