

## **HHS Announces Additional Allocations of CARES Act Provider Relief Fund**

President Donald J. Trump signed the bipartisan *CARES Act* legislation to provide relief to American families, workers, and the heroic healthcare providers on the frontline of the COVID-19 outbreak. \$100 billion is being distributed by the Administration to healthcare providers, including hospitals battling this disease.

In allocating the funds, the Administration is working to address both the economic harm across the entire healthcare system due to the stoppage of elective procedures, and addressing the economic impact on providers incurring additional expenses caring for COVID-19 patients, and to do so as quickly and transparently as possible.

### **GENERAL ALLOCATION**

- \$50 billion of the Provider Relief Fund is allocated for general distribution to Medicare facilities and providers impacted by COVID-19, based on eligible providers' 2018 net patient revenue.
  - To expedite providers getting money as quickly as possible, \$30 billion was distributed immediately, proportionate to providers' share of Medicare fee-for-service reimbursements in 2019. On Friday, April 10, \$26 billion was delivered to bank accounts. The remaining \$4 billion of the expedited \$30 billion distribution was sent on April 17.
  - This simple formula, working with the data we had, was used to get the money out the door as quickly as possible. We were very clear that additional funds would be going out quickly to help providers with a relatively small share of their revenue coming from Medicare fee-for-service, such as children's hospitals.
  - Those funds are beginning to be delivered this week. HHS will begin distribution of the remaining \$20 billion of the general distribution to these providers to augment their allocation so that the whole \$50 billion general distribution is allocated proportional to providers' share of 2018 net patient revenue.
  - On April 24, a portion of providers will automatically be sent an advance payment based off the revenue data they submit in CMS cost reports. Providers without adequate cost report data on file will need to submit their revenue information to a portal opening this week at <https://www.hhs.gov/providerrelief> for additional general distribution funds.
    - Providers who receive their money automatically will still need to submit their revenue information so that it can be verified.
  - Payments will go out weekly, on a rolling basis, as information is validated, with the first wave being delivered at the end of this week (April 24, 2020).

- Providers who receive funds from the general distribution have to [sign an attestation](#) confirming receipt of funds and agree to the terms and conditions of payment and confirm the CMS cost report.
- The terms and conditions also include other measures to help prevent fraud and misuse of the funds. All recipients will be required to submit documents sufficient to ensure that these funds were used for healthcare-related expenses or lost revenue attributable to coronavirus. There will be significant anti-fraud and auditing work done by HHS, including the work of the Office of the Inspector General.
- President Trump is committed to ending surprise bills for patients. As part of this commitment, as a condition to receiving these funds, providers must agree not to seek collection of out-of-pocket payments from a presumptive or actual COVID-19 patient that are greater than what the patient would have otherwise been required to pay if the care had been provided by an in-network provider.

## **TARGETED ALLOCATIONS**

### **ALLOCATION FOR COVID-19 HIGH IMPACT AREAS**

- \$10 billion will be allocated for a targeted distribution to hospitals in areas that have been particularly impacted by the COVID-19 outbreak. As an example, hospitals serving COVID-19 patients in New York, which has a high percentage of total confirmed COVID-19 cases, are expected to receive a large share of the funds.
  - Hospitals should apply for a portion of the funds by providing four simple pieces of information via an authentication portal before midnight PT, Thursday April 23. This portal is live, and hospitals have already been contacted directly to provide this information.
  - Hospitals will need to provide:
    - Tax Identification Number
    - National Provider Identifier
    - Total number of Intensive Care Unit beds as of April 10, 2020
    - Total number of admissions with a positive diagnosis for COVID-19 from January 1, 2020 to April 10, 2020
  - The authentication and data-sharing process should take less than five minutes via a system that should be familiar to most hospitals.
  - This information is necessary for the government to determine what facilities will qualify for a targeted distribution. Supplying this information does not guarantee receipt of funds from this distribution.

- The Administration will use the data it receives to distribute the targeted funds to where the impact from COVID-19 is greatest. The distribution will take into consideration the challenges faced by facilities serving a significantly disproportionate number of low-income patients, as reflected by their Medicare Disproportionate Share Hospital (DSH) Adjustment.

### **ALLOCATION FOR TREATMENT OF THE UNINSURED**

- The Trump Administration is committed to ensuring that Americans are protected against financial obstacles that might prevent them from getting the treatment they need for COVID-19.
- As announced in early April, a portion of the \$100 billion Provider Relief Fund will be used to reimburse healthcare providers, at Medicare rates, for COVID-related treatment of the uninsured.
- Every health care provider who has provided treatment for uninsured COVID-19 patients on or after February 4, 2020, can request claims reimbursement through the program and will be reimbursed at Medicare rates, subject to available funding.
- Steps will involve: enrolling as a provider participant, checking patient eligibility and benefits, submitting patient information, submitting claims, and receiving payment via direct deposit.
- Providers can register for the program on April 27, 2020, and begin submitting claims in early May 2020. For more information, visit [hrsa.gov/coviduninsuredclaim](https://hrsa.gov/coviduninsuredclaim)

### **ALLOCATION FOR RURAL PROVIDERS**

- \$10 billion will be allocated for rural health clinics and hospitals, most of which operate on especially thin margins and are far less likely to be profitable than their urban counterparts.
  - This money will be distributed as early as next week on the basis of operating expenses, using a methodology that distributes payments proportionately to each facility and clinic.
  - This method recognizes the precarious financial position of many rural hospitals, a significant number of which are unprofitable.
  - Rural hospitals are more financially exposed to significant declines in revenue or increases in expenses related to COVID-19 than their urban counterparts.

### **ALLOCATION FOR INDIAN HEALTH SERVICE**

- Recognizing the strain experienced by the Indian Health Service, \$400 million will be allocated for Indian Health Service facilities, distributed on the basis of operating

expenses. Indian Country is also being impacted by COVID-19.

- This money will be distributed as early as next week on the basis of operating expenses for facilities.
- This complements other funding provided to IHS and work we've done to expand IHS capacity for telehealth.

### **ADDITIONAL ALLOCATIONS**

- There are some providers who will receive further, separate funding, including skilled nursing facilities, dentists, and providers that solely take Medicaid.

### **HELPING ENSURE ALL AMERICANS HAVE ACCESS TO CARE**

- The *Families First Coronavirus Response Act*, as amended by the *CARES Act*, requires private insurers to waive an insurance plan member's cost-sharing payments for COVID-19 testing. The President also secured funding to cover COVID-19 testing for uninsured Americans.
- President Trump has also secured commitments from private insurers, including Humana, Cigna, UnitedHealth Group, and the Blue Cross Blue Shield system, to waive cost-sharing payments for treatment related to COVID-19 for plan members.
- Additionally, President Trump is committed to ending surprise bills for patients. As part of this commitment, as a condition to receiving general funds, providers must agree not to seek collection of out-of-pocket payments from a presumptive or actual COVID-19 patient that are greater than what the patient would have otherwise been required to pay if the care had been provided by an in-network provider.