

Delivery of Next Wave of HHS Provider Relief Authorized

April 22, 2020: The Department of Health and Human Services (HHS) [announced](#) this afternoon the distribution of over \$40 billion of additional funds from the \$100 billion provider relief fund (the Relief Fund) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Additional \$20 Billion in General Allocation

HHS announced that an additional \$20 billion will be distributed to hospitals and other health care providers beginning April 24, 2020.

HHS also clarified—for the first time—that a total of \$50 billion from the \$100 billion Relief Fund has been specifically set aside for general distribution to Medicare facilities and providers impacted by COVID-19, **based on eligible providers' 2018 net patient revenue**.

The initial \$30 billion from this general \$50 billion allocation was distributed on April 10 and April 17, based upon 2019 Medicare fee-for-service reimbursements. HHS indicated that the formula used to distribute the initial \$30 billion was based upon “data on hand” in order to get the money into providers' hands as quickly as possible.

Distribution of the remaining \$20 billion from the general \$50 billion allocation will begin this Friday, April 24 using providers' share of 2018 net patient revenue. This formula is intended, in part, to enlarge prior allocations received by providers who have relatively small shares of revenue coming from Medicare fee-for-service reimbursements.

Some providers will automatically receive payment from this second wave of Relief Fund dollars based upon revenue data they submit in CMS cost reports. Importantly, because Medicare cost reports are typically submitted only by Medicare certified institutional providers (hospitals, skilled nursing facilities, home health agencies, hospices, etc.), it appears HHS may be signaling a preference for ensuring that such institutional providers are first in line to receive their portion of this next \$20 billion tranche. Although it is unclear, this position would seem to be supported by HHS' indication that **providers without adequate cost report data on file (i.e., non-Medicare certified institutional providers) will need to submit their revenue information to CMS through a portal to be opened this week**. Payments will thereafter be based upon validated information and will go out on a weekly, rolling basis.

We, therefore, encourage providers who do not qualify as Medicare certified institutional providers to continue to monitor information from HHS for the opening of this revenue information portal, as affirmative reporting appears to be required in order to receive payment from this second installment of the Relief Fund.

Indeed, all providers are encouraged to watch for the opening of this portal, as even those receiving their money automatically will need to verify revenue information.

HHS also indicated that recipients will be required to certificate and attest to the same Terms and Conditions previously addressed in our prior client update [Health Care Providers: What Can I Do With the Money I Just Received from HHS?](#) and that balance billing from presumptive or actual COVID-19 patients continues to be prohibited.

Additional \$20+ Billion in Targeted Allocations

HHS is allocating \$10 billion for 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. HHS has opened a portal which is now live through which hospitals can provide the following data to apply for the funds:

- 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

HHS will allocate another \$10 billion for rural health clinics and hospitals, which are perceived as particularly vulnerable. These funds will be distributed as early as next week on the basis of operating expenses.

An additional \$400 million will be allocated for Indian Health Service facilities, also on the basis of operating expenses.

Finally, an additional undisclosed amount of funds will be allocated to reimburse health care providers, at Medicare rates, for COVID-related treatment of uninsured COVID-19 patients on or after February 4, 2020, subject to available funding. Providers can register for the program on April 27, 2020, and begin submitting claims in early May 2020. For more information, providers can visit coviduninsuredclaim.hrsa.gov.

Additional \$75 Billion Expected to be Authorized

These allocations come one day before the expected impending approval of another [\\$75 billion to support hospitals and health care providers in Phase 3.5 of the CARES Act](#). If passed, this will combine with the original \$100 billion to total \$175 billion in authorized relief.

We will continue to review HHS' guidance and provide further updates as appropriate. For questions about provider relief funding options and requirements, please contact [Jed Roebuck](#), [Mark Cunningham](#) or a member of our Chambliss [Health Care team](#).

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