

HHS Releases Key Guidance for Health Care Providers Seeking Phase 3 Funding

Health care providers who are interested in applying for the new Phase 3 General Distribution of \$20 billion from the Provider Relief Fund (PRF) now have access to key guidance from the U.S. Department of Health and Human Services (HHS). Late yesterday (October 5, 2020), HHS released [43 frequently asked questions \(FAQs\)](#) related to general information and eligibility, the Tax Identification Number (TIN) process, and the application process.

We realize there is a lot to digest with this new guidance, and we will be working closely with our clients to address their specific situations and needs. Stay tuned for our breakdown of the most critical information you need related to Phase 3. For now, here are some quick highlights of the details presented in this first round of FAQs:

- Phase 3 payments will be distributed "as soon as practical" following the application deadline for those entities that have not yet received 2% of annual revenue from patient care. Remember, the application deadline is November 6, and HHS is urging providers not to wait to apply.
- If you are newly eligible for Phase 3 of the General Distribution, HHS recommends you submit a TIN as soon as possible, which is needed in order to submit an application. Providers that have received General Distribution payments under Phases 1 and/or 2 will not undergo any further validation.
- HHS has not yet determined whether there will be additional General Distribution phases. Providers should not have the expectation that they will be advantaged by applying for funds from one distribution over another, and providers should apply for the first distribution in which they are eligible.
- Phase 3 does not require the funds to cover coronavirus-related losses or increased expenses experienced during the first two quarters of calendar year 2020. The Terms and Conditions do not place limits on which quarters these funds must be applied to cover eligible losses or expenses provided that funds are expended by July 31, 2021.
- If you submitted a TIN for validation as part of Phase 2 but had your TIN validated on or after October 5, you will need to fill out a Phase 3 application and be considered for additional payment based on Phase 3 payment methodology in addition to approximately 2% of annual revenue from patient care.
- When calculating lost revenue, estimates should be based on budget-to-actual or year-over-year, and should include revenue from all sources that can be attributed to COVID-19.

As we mentioned before, HHS will continue to host webinars to assist providers through the application process, and our team will continue to help provide clarity and guidance for our clients.

Our Chambliss team continues to monitor health care developments and other legal impacts of the COVID-19 pandemic. Please contact [Courtney Keehan](#), [Jed Roebuck](#), or your relationship attorney if you have questions or need additional information.

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