

HHS Announces Additional Allocations Under the CARES Act Provider Relief Fund

HEALTH CARE | CORONAVIRUS | APRIL 27, 2020



Enrique Miranda



Linda L. Fleming

VISIT THE CARLTON FIELDS CORONAVIRUS RESOURCE CENTER 

The Coronavirus Aid, Relief, and Economic Security (CARES) Act established a \$100 billion provider relief fund for the Department of Health and Human Services (HHS) to distribute financial assistance to health care providers fighting the COVID-19 outbreak. On April 22, 2020, HHS announced general and targeted allocations from the provider relief fund aimed at addressing the economic harm across the health care system due to the stoppage of elective procedures and addressing the additional expenses incurred by health care providers caring for COVID-19 patients.

General Allocation

HHS announced a general allocation of \$50 billion for distribution to Medicare facilities and providers impacted by COVID-19, based on eligible providers' 2018 net patient revenue. This allocation includes an initial \$30 billion distribution previously announced on April 10. The details of the initial distribution can be found [here](#).

Distributions of the remaining \$20 billion will begin automatically on April 24 based on revenue data submitted in CMS cost reports. The distributions will be made weekly, as information is validated. These distributions are intended to augment the initial distributions ensuring that allocations are distributed proportionally to health care providers based on the provider's share of the 2018 net patient revenue.

Upon receipt of the funds, providers must sign an attestation confirming receipt of the funds and agreeing to the terms and conditions. The portal to sign the attestation can be found [here](#).

Targeted Allocations

COVID-19 High-Impact Areas

An allocation of \$10 billion was made for targeted distribution to hospitals in areas that have experienced significant impact by the COVID-19 outbreak. HHS requested hospitals to submit response data for identifying areas of high impact, including the total number of intensive care unit beds as of April 10, 2020, and the total number of admissions with a positive diagnosis for COVID-19 from January 1, 2020, to April 10, 2020. HHS will use the reported information to identify which facilities will receive the targeted distributions, noting that not all applicants will receive funds.

Rural Providers

An allocation of \$10 billion will be made to rural health clinics and hospitals. This distribution will begin next week based on operating expenses. This methodology is intended to distribute the funds proportionately to each facility and clinic.

Indian Health Services

An allocation of \$400 million will be made to Indian Health Service facilities. These distributions will begin as early as next week based on operating expenses.

Treatment of the Uninsured

An unspecified amount of the provider relief fund will be used to reimburse health care providers for COVID-19-related

treatment of uninsured patients. Health care providers that have provided treatment for uninsured patients on or after February 4, 2020, can request reimbursement at Medicare rates, subject to available funding.

In order to receive reimbursement under the program, health care providers may begin to register for the program on April 27, 2020. Beginning May 6, 2020, enrolled providers may submit claims through the program. Participation requires health care providers to attest to:

- Checking patients' health care coverage eligibility and confirming the patient is uninsured;
- Accepting program reimbursement in full;
- Agreeing not to balance bill; and
- Agreeing to the program's terms and conditions, including possible post-reimbursement audit review.

Additional Allocations

HHS indicated that certain health care providers, such as skilled nursing facilities, dentists, and providers that solely accept Medicaid, will receive further funding, but did not elaborate on such distributions or how providers will be determined.

©2020 Carlton Fields, P.A. Carlton Fields practices law in California through Carlton Fields, LLP. Carlton Fields publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information and educational purposes only, and should not be relied on as if it were advice about a particular fact situation. The distribution of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship with Carlton Fields. This publication may not be quoted or referred to in any other publication or proceeding without the prior written consent of the firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our Contact Us form via the link below. The views set forth herein are the personal views of the author and do not necessarily reflect those of the firm. This site may contain hypertext links to information created and maintained by other entities. Carlton Fields does not control or guarantee the accuracy or completeness of this outside information, nor is the inclusion of a link to be intended as an endorsement of those outside sites.