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Health Care ADVISORY •

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Provider Relief Fund Reconsideration Requests Nixed by Debt Limit Deal

by **Brian Lee** and **CJ Frisina**

Payments to health care providers under the Provider Relief Fund (PRF) have ended, the Health Resources and Services Administration (HRSA) announced.

After President Biden signed into law the <u>Fiscal Responsibility Act of 2023</u> (FRA), the agency issued a <u>PRF program update</u> stating "no further payments will be made to providers under the Provider Relief Fund or the American Rescue Plan Rural Distribution." Notably, the HRSA statement specified there will be *no reconsideration payments*.

Besides suspending the federal debt limit until January 1, 2025, the FRA rescinded various unobligated funds that Congress authorized during the COVID-19 public health emergency. That funding included the Public Health and Social Services Emergency Fund, which financed the PRF program.

The PRF Phase 4 General Distribution was a \$17 billion portion of the \$178 billion program. <u>According to HRSA</u>, \$15.45 billion has been distributed, meaning more than \$1.5 billion is no longer available for entities seeking additional payments via the HRSA-established reconsideration request process. The American Rescue Plan (ARP) Rural Distribution was a separate \$8.5 billion program. HRSA calculated that \$8.33 billion had been distributed.

Before the rescission, HRSA was reviewing Phase 4 and ARP Rural reconsideration requests, with some providers anticipating millions of dollars in additional payments resulting from inaccurate HRSA calculations and reviews of original Phase 4 and ARP Rural payment applications.

After the determination that the FRA applies to and rescinds remaining PRF and ARP Rural dollars, it appears that HRSA will no longer process or complete reconsideration requests or make any additional payments.

Meanwhile, reporting and auditing requirements continue for previously distributed PRF and ARP Rural payments.

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ATLANTA: One Atlantic Center ■ 1201 West Peachtree Street ■ Atlanta, Georgia, USA, 30309-3424 ■ 404.881.7000 ■ Fax: 404.881.7777

BEUING: Hanwei Plaza West Wing ■ Suite 21B2 ■ No. 7 Guanghua Road ■ Chaoyang District ■ Beijing, 100004 CN ■ +86.10.85927500

BRUSSELS: Rue Guimard 9 et Rue du Commerce 87 ■ 3rd Floor ■ 1000 Brussels ■ Brussels, 1000, BE ■ +32.2.550.3700 ■ Fax: +32.2.550.3719

CHARLOTTE: 1120 South Tryon Street ■ Suite 300 ■ Charlotte, North Carolina, USA 28203-6818 ■ +1 704 444 1000 ■ Fax: +1 704 444 1111

DALLAS: Chase Tower ■ 2200 Ross Avenue ■ Suite 2300 ■ Dallas, Texas, USA, 75201 ■ 214.922.3400 ■ Fax: 214.922.3899

FORT WORTH: Bank of America Tower ■ 301 Commerce ■ Suite 3635 ■ Fort Worth, Texas, USA, 76102 ■ 214.922.3400 ■ Fax: 214.922.3899

LONDON: LDN:W ■ 6th Floor ■ 3 Noble Street ■ London ■ EC2V 7DE ■ +44 20 8161 4000

LOS ANGELES: 333 South Hope Street ■ 16th Floor ■ Los Angeles, California, USA, 90071-3004 ■ 213.576.1000 ■ Fax: 213.576.1100

NEW YORK: 90 Park Avenue ■ 15th Floor ■ New York, New York, USA, 10016-1387 ■ 212.210.9400 ■ Fax: 212.210.9444

RALEIGH: 555 Fayetteville Street ■ Suite 600 ■ Raleigh, North Carolina, USA, 27601-3034 ■ 919.862.2200 ■ Fax: 919.862.2260

SAN FRANCISCO: 560 Mission Street ■ Suite 2100 ■ San Francisco, California, USA, 94105-0912 ■ 415.243.1000 ■ Fax: 415.243.1001

SILICON VALLEY: 755 Page Mill Road ■ Building C - Suite 200 ■ Palo Alto, California, USA, 20004-1404 ■ 202.239.3300 ■ Fax: 202.239.3333
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