

## *COVID-19 Provider Relief Fund – Distributions to Date and Upcoming Disbursements*

The Provider Relief Fund (PRF) was established through the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* (enacted March 27, 2020). Pursuant to the CARES Act, \$100 billion in grants will be disbursed from the Office of the Assistant Secretary for Preparedness and Response (ASPR) Public Health and Social Services Emergency Fund (PHSSEF). The *Paycheck Protection Program and Health Care Enhancement Act (PPPHCEA)* (enacted April 24, 2020), added \$75 billion to the PRF, totaling \$175 billion. General information on the PRF, including eligibility requirements, Terms and Conditions, and relevant attestation and data submission portals, is available [here](#).

According to its revamped PRF webpage, HHS appears to have parsed out the \$100 billion from the CARES Act and the \$75 billion from the PPPHCEA. Specifically, HHS lists \$50 billion for the General Distribution and \$50 billion for Targeted Allocations (described below). It is unclear whether or how the \$75 billion will be distributed.

Overall, the distributions fall under the following categories as of **May 28, 2020**:

1. CARES Act – \$100 billion
  - a. **General Distribution to Medicare Facilities and Providers** – \$50 billion total
  - b. **Targeted Allocations** – \$50 billion total
    - i. **COVID-19 High Impact Areas** – \$12 billion total<sup>1</sup>
    - ii. **Treatment for Uninsured** – portion of remaining \$22.627 billion plus \$1 billion<sup>2</sup>
    - iii. **Rural Providers** – \$10 billion
    - iv. **Indian Health Service (IHS)** – \$500 million
    - v. **Additional Allocations**
      1. Skilled Nursing Facilities (SNFs) – \$4.873 billion
      2. TBD – portion of remaining \$22.627 billion
2. PPPHCEA – \$75 billion
  - a. **Distribution TBD**

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<sup>1</sup> Initially \$10 billion, HHS added \$2 billion that will be distributed to the eligible hospitals based on Medicare and Medicaid disproportionate share and uncompensated care payments.

<sup>2</sup> The *Families First Coronavirus Response Act* (enacted March 18, 2020) appropriated \$1 billion for COVID-19 testing and related visits for the uninsured. While this is separate from the PRF, HRSA, the administering agency, will distribute these funds through the same HRSA portal ([here](#)) and methodology.

On May 14, CDC released new data that lists each health care provider and amount of payments received from the PRF (currently includes General, High Impact, and Rural Provider distributions). This will be [dataset](#) will be updated every Tuesday and Thursday. Through May 13, \$34.09 billion has been distributed from the \$72 billion allocated to these distribution categories. This data has not been updated since its release.

Updates from the prior version are highlighted.

Distribution	Eligible Entities	Distribution Methodology	Required Provider Action
<b>General Distribution (\$50 billion)<sup>3</sup></b>	<u>In general</u> <ul style="list-style-type: none"> <li>Medicare facilities and providers impacted by COVID-19</li> </ul>	<u>In general</u> <ul style="list-style-type: none"> <li>All payments are made to the billing organization according to its Taxpayer ID Number (TIN)</li> </ul>	<u>In general</u> <ul style="list-style-type: none"> <li>Within 90<sup>4</sup> days of receipt of payment, acknowledge receipt and attest to <a href="#">Terms and Conditions</a> at the “Attestation Portal” (<a href="#">here</a>)</li> <li>Providers who have already received payments will need to upload their most recent IRS tax filings as well as estimates of lost revenues for March and April 2020 at the “Revenue Information Portal” (<a href="#">here</a>)</li> <li>See the Revenue Information Portal <a href="#">User Guide</a> and General Distribution <a href="#">FAQs</a> for additional information</li> </ul>
	<u>\$30 billion</u> <ul style="list-style-type: none"> <li>All facilities and providers that received Medicare FFS reimbursements in 2019</li> </ul>	<u>\$30 billion</u> <ul style="list-style-type: none"> <li>Based on share of total Medicare FFS payments in 2019</li> <li>Distributed via automatic payments or mail (\$26 billion distributed on April 10, \$4 billion on April 17)</li> </ul>	<u>\$30 billion</u> <ul style="list-style-type: none"> <li>Acknowledge receipt of payment and attest to <a href="#">Terms and Conditions</a> (specific to the \$30 billion) (<a href="#">here</a>)</li> <li>This step must be completed before moving on to the Revenue Information Portal</li> </ul>

<sup>3</sup> HHS released updated FAQs on the General Distribution ([here](#)) (*last updated 5/21/2020*).

<sup>4</sup> HHS [extended](#) the deadline from 30 days to 90 days on May 22.

Distribution	Eligible Entities	Distribution Methodology	Required Provider Action
	<p><u>\$20 billion</u></p> <ul style="list-style-type: none"> <li>It appears that all facilities and providers eligible to receive the initial \$30 billion will be eligible for this distribution</li> </ul>	<p><u>\$20 billion</u></p> <ul style="list-style-type: none"> <li>Allocated to ensure entire \$50 billion General Distribution is allocated proportional to recipients' share of 2018 net patient revenue<sup>5</sup></li> <li>Some providers (those with adequate cost report data) will receive automatic payments</li> <li>Payments started to go out on April 24 and will continue on a weekly, rolling basis based on provider submissions and data validation</li> </ul>	<p><u>\$20 billion</u></p> <ul style="list-style-type: none"> <li>All providers must submit revenue information, acknowledge receipt of payment, and attest to <a href="#">Terms and Conditions</a> (specific to the \$20 billion)</li> <li>Eligible providers may request payments and providers who received automatic payments must submit the required information through the Revenue Information Portal (<a href="#">here</a>)</li> <li>Revenue information must be submitted by June 3, 2020 to be eligible for this payment</li> </ul>
<p><b>COVID-19 High Impact Areas (\$12 billion)</b></p>	<ul style="list-style-type: none"> <li>395 hospitals that provided inpatient care for 100 or more COVID-19 patients through April 10, 2020</li> </ul>	<ul style="list-style-type: none"> <li>\$10 billion distributed to the eligible entities based on a fixed amount per COVID-19 inpatient admission<sup>6</sup> <ul style="list-style-type: none"> <li>395 hospitals received \$76,975 per COVID-19 admission</li> </ul> </li> <li>\$2 billion distributed to these hospitals in proportion of each</li> </ul>	<ul style="list-style-type: none"> <li>Within 90 days of receipt of payment, acknowledge receipt and attest to <a href="#">Terms and Conditions</a> at the "Attestation Portal" (<a href="#">here</a>)</li> <li>Providers should update their capacity and COVID-19 census data and can use the "same method they used previously" to update this information<sup>8</sup></li> </ul>

<sup>5</sup> HHS indicated that moving to an overall revenue model should address concerns from providers in high Medicare Advantage penetration areas. The expected distribution methodology is as follows: (Gross Receipts or Sales/\$2.5 Trillion) X \$50 Billion = Expected Combined General Distribution

<sup>6</sup> Hospitals were required to submit information via an authentication portal before 3pm ET on April 25. Hospitals were required to provide: TIN; National Provider Identifier; the total number of ICU beds as of April 10, and the total number of COVID-19 positive admissions from January 1 to April 10.

<sup>8</sup> In an FAQ modified 5/19, HHS states: *Providers should update their capacity and COVID-19 census data to ensure that HHS can make timely payments in the event that the provider becomes a high-impact provider. Providers can continue to update their information through the same method they used previously.*

Distribution	Eligible Entities	Distribution Methodology	Required Provider Action
		facility's share of Medicare Disproportionate Share funding • Distributions began May 7 <sup>7</sup>	
<b>Uninsured (portion of remaining \$22.627 billion plus \$1 billion)</b>	<ul style="list-style-type: none"> <li>Every health care provider who has tested, provided testing-related visits, and provided treatment for uninsured COVID-19 patients after February 4</li> </ul>	<ul style="list-style-type: none"> <li>Based on requested claims reimbursement</li> <li>Will be reimbursed at Medicare rates (subject to available funding)</li> <li>Payment disbursed via direct deposit</li> <li>Qualifying COVID-19 testing and treatment services (when COVID-19 is the primary diagnosis) include:               <ul style="list-style-type: none"> <li>Specimen collection, diagnostic, and antibody testing</li> <li>Testing-related visits in the following settings: office, urgent care, emergency room, or via telehealth</li> <li>Treatment<sup>9</sup></li> <li>FDA-approved vaccine (when available)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Providers can register for this program <b>on April 27</b> (<a href="#">here</a>) and begin submitting claims in May</li> <li>The provider portal is available (<a href="#">here</a>)</li> <li>HRSA released FAQs (<a href="#">here</a>)</li> <li>Providers will have to:               <ul style="list-style-type: none"> <li>Enroll as a participant</li> <li>Check patient eligibility and benefits</li> <li>Submit patient information</li> <li>Submit claims</li> <li>Attest to Terms and Conditions for <a href="#">Testing</a> and <a href="#">Treatment</a></li> </ul> </li> </ul>

<sup>7</sup> A state and county breakdown is available [here](#).

<sup>9</sup> [According to HRSA](#), treatment is defined as: office visit (including via telehealth); emergency room; inpatient; outpatient/observation; skilled nursing facility; long-term acute care; acute inpatient rehab; home health; durable medical equipment (e.g., oxygen, ventilator); emergency ambulance transportation (any type); non-emergent patient transfers via ambulance; and FDA approved drugs as they become available for COVID-19 treatment and administered as part of an inpatient stay.

Services **not** covered include: services not covered by traditional Medicare; any treatment without a COVID-19 primary diagnosis (except for pregnancy when the COVID-19 code may be listed as secondary); hospice services; outpatient prescription drugs.

Distribution	Eligible Entities	Distribution Methodology	Required Provider Action
<b>Rural Providers (\$10 billion)</b>	<ul style="list-style-type: none"> <li>Rural acute care general hospitals</li> <li>Critical Access Hospitals (CAHs)</li> <li>Rural Health Clinics (RHCs)</li> <li>Rural Community Health Centers (CHCs)</li> <li>Must be located in in a rural location defined as:                             <ul style="list-style-type: none"> <li>All non-Metro counties</li> <li>All Census Tracts within a Metro county that have a Rural-Urban Commuting Area (RUCA) code of 4-10</li> <li>132 large area Census Tracts with RUCA codes 2 or 3</li> <li>Independent RHCs – Census Bureau definition</li> <li>CAHs – all designated CAHs</li> </ul> </li> <li>Facilities were identified from the December 2019 <a href="#">CMS Provider of Services</a> file</li> </ul>	<p><i>Per Hospital Allocation = Graduated Base Payment + (1.97% X Operating Expenses)</i></p> <ul style="list-style-type: none"> <li>Graduated base payment (minimum \$1 million) = (50% of first \$2 million of expenses) + (40% of next \$2 million) + (30% of next \$2 million) + (20% of next \$2 million) + (10% of next \$2 million)</li> <li>Provider-based RHCs (i.e., connected with rural hospitals) have allocation included with the hospital’s allocation</li> </ul> <p><i>Per Independent RHC Allocation = \$100k + (3.6% X Operating Expenses)</i></p> <p><i>Per FQHC Allocation = \$100k per site</i></p> <p>Payments were multiplied by a modifier to ensure the total value of distributions equaled \$10 billion.<sup>10</sup></p> <p>Distributions began May 6 based on the facility’s physical address as reported to CMS and HRSA, regardless of affiliation with urban-area organizations<sup>11</sup></p>	<ul style="list-style-type: none"> <li>Within 90 days of receipt of payment, acknowledge receipt and attest to <a href="#">Terms and Conditions</a> at the “Attestation Portal” (<a href="#">here</a>)</li> </ul>

<sup>10</sup> See the [payment allocation methodology](#) for more details.

<sup>11</sup> A state-by-state breakdown is available [here](#) (pages 5-6).

Distribution	Eligible Entities	Distribution Methodology	Required Provider Action
<b>IHS (\$500 million)</b>	<ul style="list-style-type: none"> <li>IHS and tribal hospitals, clinics, and urban health centers</li> </ul>	<ul style="list-style-type: none"> <li><b>IHS and tribal hospitals:</b> \$2.81 million base payment plus 3% of total operating expenses</li> <li><b>IHS and tribal clinics and programs:</b> \$187,000 base payment plus 5% of estimated service population multiplied by average cost per user</li> <li><b>IHS urban programs:</b> \$181,000 base payment plus 6% of estimated service population multiplied by average cost per user</li> <li><b>Estimated operating cost per person:</b> \$3,943 (based on actual IHS spending per user from 2019 IHS Expenditures Per Capita and Other Federal Health Care Expenditures Per Capita report)</li> </ul>	<ul style="list-style-type: none"> <li>None specifically identified</li> </ul>
<b>Additional Allocations (portion of remaining \$22.627 billion plus \$4.873 billion for SNFs)</b>	<p><u>Skilled Nursing Facilities (SNFs)</u></p> <ul style="list-style-type: none"> <li>All certified SNFs with six or more certified beds are eligible</li> <li>State-by-state breakdown available <a href="#">here</a></li> </ul> <p><u>TBD</u> (may include dentists, Medicaid-only providers)</p>	<p><u>SNFs</u></p> <ul style="list-style-type: none"> <li>\$50,000 fixed distribution per SNF</li> <li>\$2,500 distribution per bed</li> </ul>	<p><u>SNFs</u></p> <ul style="list-style-type: none"> <li>Must attest to <a href="#">Terms and Conditions</a></li> </ul>

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