NCPA Member Summary of the CARES Act Provider Relief Fund

The Department of Health and Human Services (HHS) is distributing the $100 billion Provider Relief Fund provided for in the Coronavirus Aid, Relief and Economic Security (CARES) Act. Details regarding eligibility, payment distribution determination, and more are summarized below.

December 11 update: Clarification on use of funds and minimum payments

HHS has clarified in its most recent FAQ document the following regarding use of Provider Relief Funds:

- Expenses incurred “to secure and maintain adequate personnel,” such as offering hiring bonuses and retention payments, child care, transportation, and temporary housing, are deemed to be COVID-19-related expenses if the activity generating the expense was newly incurred after the declaration of the Public Health Emergency and the expenses were necessary to secure and maintain adequate personnel.”
- Provider Relief Fund payments can be used to pay taxes, and HHS “considers taxes imposed on Provider Relief Fund payments to be ‘healthcare related expenses attributable to coronavirus’ that are reimbursable with Provider Relief Fund money.”
- “Provider Relief Fund payments may be used to support expenses associated with distribution of a COVID-19 vaccine licensed or approved by the Food and Drug Administration (FDA) that have not been reimbursed from other sources or that other sources are not obligated to reimburse,” which “may include using funds to purchase additional refrigerators, personnel costs to provide vaccinations, and transportation costs not otherwise reimbursed.” HHS also states that funds may “not be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse, which include, but is not limited to, Medicare, Medicaid, and CHIP,” adding that if “reimbursement does not cover the full expense of administering vaccines, Provider Relief Funds may be used to cover the remaining associated costs.”

HHS has also clarified that the Provider Relief Fund does not issue payments that are less than $100, and that there is a minimum amount for the Provider Relief Fund to issue payments, and if a provider returns a payment to the Provider Relief Fund determined to be $500 or more in excess of the required returned amount, HHS will issue a refund.

For the latest information on the Provider Relief Fund, please refer to the [HHS Provider Relief Fund website](https://www.hhs.gov/).
October 28 update: Durable medical equipment excluded from patient care revenue, accrued interest on any returned payments

HHS has clarified in its most recent FAQ document that the sale of durable medical equipment should not be included when reporting gross sales or program service revenue when applying for the Phase 3 General Distribution of the Provider Relief Fund.

HHS has also clarified that if a provider returns a Provider Relief Fund payment to HHS, if the payment was held in an interest-bearing account, the provider must return the accrued interest associated with the amount being returned to HHS. However, if the funds were not held in an interest-bearing account, there is no obligation for the provider to return any additional amount other than the Provider Relief Fund payment being returned to HHS. HHS reserves the right to audit Provider Relief Fund recipients in the future to ensure that payments that were held in an interest-bearing account were subsequently returned with accrued interest.

You will have until November 6, 2020 to apply for Phase 3 General Distribution funding through the HHS Provider Relief Fund website.

October 16 update: Prescription sales excluded from patient care revenue

HHS has clarified in its most recent FAQ document that prescription drug sales should not be included when reporting gross sales or program service revenue when applying for the Phase 3 General Distribution of the Provider Relief Fund. Patient care revenues do include savings obtained by providers through enrollment in the 340B Program. You will have until November 6, 2020 to apply for Phase 3 General Distribution funding through the HHS Provider Relief Fund website.
October 1 update: Provider Relief Fund third general distribution

HHS has announced a Phase 3 General Distribution allocation of $20 billion in new funding for providers. Providers that have previously received, rejected, or accepted a General Distribution Provider Relief Fund payment are invited to apply for additional funding that considers financial losses and changes in operating expenses caused by coronavirus. Providers will be considered for payment against the following criteria:

- Applicants that have not yet received Provider Relief Fund payments of 2 percent of patient revenue will receive a payment that, when combined with any prior payments, equals 2 percent of patient care revenue.
- The remaining balance of the $20 billion in new funding will be calculated as equitable add-on payments that consider the following:
  - A provider’s change in operating revenues from patient care;
  - A provider’s change in operating expenses from patient care, including expenses incurred related to coronavirus; and
  - Payments already received through prior Provider Relief Fund distributions.

Providers will have from October 5, 2020 through November 6, 2020 to apply for Phase 3 General Distribution funding through the HHS Provider Relief Fund website. Please be aware that when submitting your Provider Relief Fund application to not include prescription drug sales when reporting gross sales or program service revenue. NCPA is working to get clarification from HHS officials regarding potential exceptions to this exclusion.

September 19 update: Provider Relief Fund reporting requirements

HHS has released guidance on the reporting requirements for Provider Relief Fund recipients. Providers who received a payment exceeding $10,000 will need to submit an initial report outlining how funds were used in 2020 once the reporting system opens in early 2021 (originally scheduled for October 2020). Providers that do not expend their Provider Relief Fund payments in full by the end of calendar year 2020 will have an additional six months in which to use the remaining amounts towards expenses attributable to coronavirus but not reimbursed by other sources, or to apply towards lost revenues in an amount not to exceed 2019 net gain from healthcare related sources. A second and final report will need to be filed no later than July 31, 2021 for any funds expended after December 31, 2020. Please be sure to regularly check the HHS Provider Relief Fund website for updates to reporting requirements.

August 25 update: Medicare, Medicaid/CHIP distribution deadlines extended to September 13

HHS announced that the deadline for applications to the Provider Relief Fund Medicare and Medicaid/CHIP distribution would be extended to September 13, 2020 (previously August 28). Please be sure to check the HHS Provider Relief Fund website for further instructions here. As a reminder, when submitting your Provider Relief Fund application to not include prescription drug sales when reporting gross sales or program service revenue.
July 31 update: HHS to accept Medicare applications again beginning August 10, Medicaid/CHIP distribution deadline extended to August 3

HHS has announced that beginning August 10, 2020, HHS will allow Medicare providers who missed the opportunity to apply for additional funding from the Medicare General Distribution, to complete an application to be considered for the balance of their additional funding up to 2 percent of their annual patient revenues, exclusive of prescription drug sales. The deadline to complete an application is August 28, 2020. Be sure to check the HHS Provider Relief Fund website for further instructions on August 10.

HHS announced that the deadline for applications to the Provider Relief Fund Medicaid/CHIP distribution would be extended to August 3, 2020 (previously July 20). Please be sure to begin the application process by August 3, 2020 on the HHS Provider Relief Fund provider portal here.

July 21, 2020 update: Medicaid/CHIP distribution deadline extended to August 3

HHS announced that the deadline for applications to the Provider Relief Fund Medicaid/CHIP distribution would be extended to August 3, 2020 (previously July 20). Please be sure to begin the application process by August 3, 2020 on the HHS Provider Relief Fund provider portal here.

July 10, 2020 update: HHS announces additional Provider Relief Fund payments, updates FAQ document

HHS has announced a second phase of General Distribution from the Provider Relief Fund, beginning with $4 billion to be made available through the Health Resources and Services Administration (HRSA) to hospitals serving vulnerable populations on thin margins. This second phase of General Distribution will continue to expand to include other providers submitting applications for future relief funding opportunities as directed by HHS.

Be sure to check the Provider Relief Fund FAQs regularly as HHS continues to update with new information. In the latest update: returned payments will be allocated by HHS to future Provider Relief Fund distributions; HHS will notify Provider Relief Fund recipients in the coming weeks with applicable audit requirements that need to be met to comply with the Terms and Conditions; and specific examples from multiple types of tax forms applicable to different organization categories are given to clarify what specific revenue information should be entered into the Enhanced Provider Relief Payment Portal.
July 6, 2020 update: General Distribution Fund reopening

The Administration is working to reopen the General Distribution Fund for the nearly one-third of providers who received a small General Distribution payment and who may have missed an opportunity to apply for additional funding due to confusion about the deadline and eligibility requirements. Many providers did not apply for additional General Distribution payments assuming they would be eligible for the round of funding targeted at Medicaid providers and were surprised that any amount of payment received under the General Distribution resulted in ineligibility for the Medicaid distribution. HHS has indicated that any provider that missed the deadline will be able to apply and be eligible to receive 2 percent of their revenue from seeing patients exclusive of prescription drug sales. More guidance will be forthcoming.

July 2, 2020 update: HHS to allocate returned Provider Relief Fund payments to future distributions

Be sure to check the Provider Relief Fund FAQs regularly for HHS updates. Latest updates include: information regarding HHS allocation of returned payments to future distributions; specific examples of revenue information to be entered into the Enhanced Provider Relief Payment Portal; and notice that HHS will notify Provider Relief Fund recipients in the coming weeks with applicable audit requirements to comply with the Terms and Conditions.

June 9, 2020 update: HHS announces additional distributions to Medicaid and CHIP providers, updates FAQ document

HHS has updated instructions on how to report gross sales or receipts for program service revenue when submitting an application for the Provider Relief Fund—prescription drug sales should not be included in calculating gross sales or revenue when submitting an application.

HHS also announced in a press release that it plans to distribute approximately $15 billion from the Provider Relief Fund to eligible providers that participate in Medicaid and CHIP and have not received a payment from the general allocation that was targeted to Medicare providers. HHS will launch an enhanced payment portal on June 10 to allow eligible Medicaid and CHIP providers to report their annual patient revenue, which will be used as a factor in determining Provider Relief Fund payments. HHS has indicated that each provider will receive at least 2 percent of reported gross revenue from patient care. Eligibility is limited to providers that did not receive payment from the $50 billion Provider Relief general distribution and have either directly billed state Medicaid/CHIP programs or Medicaid managed care plans for healthcare-related services between January 1, 2018 to May 31, 2020.

HHS also posted an updated version of its frequently asked questions (FAQ) document regarding terms and conditions, balance billing requirements for all distribution categories, distribution of funds to high impact areas, and distribution of funds to skilled nursing facilities. Please be sure to visit the FAQ document as it is updated on a regular basis.
May 27, 2020 update: Accept terms and conditions and submit revenue information by June 3, 2020

HHS is reminding eligible providers that they have until June 3, 2020 to accept the terms and conditions and submit revenue information to support receiving an additional payment from the Provider Relief Fund $50 billion General Distribution. All providers who automatically received an additional General Distribution payment prior to 5:00 pm, Friday, April 24, 2020 must provide HHS with an accounting of their annual revenues by submitting tax forms or financial statements through the General Distribution portal. These providers must also agree to the terms and conditions if they wish to keep the funds.

May 20, 2020 update: HHS posts updated version of FAQ document regarding implementation of funds

On May 20, HHS posted a further updated version of its frequently asked questions (FAQ) document regarding implementation of funds distributed to health care providers through the COVID-19 Provider Relief Fund. The new update adds and/or modifies information regarding actions a provider must take after receiving a Provider Relief Fund payment, actions a provider should take to return a payment received under the Fund, provider actions if a payment from the “General Distribution,” which applies to Medicare providers, is greater than expected, and more.

May 7, 2020 update: HHS extends deadline for attestation, acceptance of terms and conditions for Provider Relief Fund payments

On May 7, HHS extended the deadline for health care providers to attest to receipt of payments from the Provider Relief Fund and accept the terms and conditions. Providers now have 45 days, increased from 30 days, from the date they receive a payment to attest and accept the terms and conditions or return the funds. Additional information on the Provider Relief Fund and link to attestation form can be found here.

April 27, 2020 update: HHS launches COVID-19 Uninsured Program Portal

On April 27, HHS launched the COVID-19 Uninsured Program Portal that allows health care providers who have conducted COVID-19 testing or provided treatment to uninsured COVID-19 individuals to request claims for reimbursement as part of the CARES Act Provider Relief Fund. The program is being administered by the Health Resources and Services Administration (HRSA), and providers can begin requesting claims reimbursement for eligible services provided on or after February 4, 2020 beginning May 6, 2020. Pharmacies that are permitted under state law to bill for other testing services are eligible to request reimbursement for testing under this program (see HRSA FAQ document). The portal and additional information on the process and eligibility are available here.
HHS has set up a hotline to answer questions, including eligibility and payment status, at 1-866-569-3522.

Eligibility
- All providers that received Medicare FFS reimbursements in 2019 are eligible.
- As a condition to receiving these funds, providers must agree not to seek collection of out-of-pocket payments from a COVID-19 patient that are greater than what the patient would have otherwise been required to pay if the care had been provided by an in-network provider.
- Providers that have ceased operation as a result of the COVID-19 pandemic are still eligible to receive funds as long as diagnoses, testing, or care was provided for individuals with possible or actual cases of COVID-19. Care does not have to be specific to treating COVID-19; HHS broadly views every patient as a possible case of COVID-19.

Payment distribution determination
- Providers will be distributed a portion of the initial $30 billion based on their share of total Medicare FFS reimbursements (not including Medicare Advantage payments) in 2019.
- To determine how much will be received, an estimate can be calculated by dividing 2019 Medicare FFS payments received by $484 billion and multiplying that ratio by $30 billion.
Next steps

- Providers will be paid via Automated Clearing House (ACH) on file with UnitedHealth Group (HHS has partnered with UHG to provide rapid payment to eligible providers) or Centers for Medicare & Medicaid Services (CMS). **Automatic payments will come to providers via Optum Bank with “HHSPAYMENT” as the payment description.**
- If you normally receive a paper check for reimbursement from CMS, a paper check in the mail will be received within the next few weeks.
- An **attestation form must be signed within 45\(^1\) days of receiving the payment through the portal** here, confirming receipt and agreeing to the terms and conditions of payment.

HHS plans to distribute remaining $70 billion of Provider Relief Fund

HHS will release a formalized application process for providers who did not qualify to receive part of the initial $30 billion, and will be targeting distribution to providers in areas particularly impacted by the COVID-19 outbreak, rural providers, providers of services with lower shares of Medicare reimbursement, or who predominantly serve the Medicaid population.

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\(^1\) As of May 7, 2020, HHS has extended the deadline for providers to attest to the receipt of payments from the Provider Relief Fund and accept the terms and conditions from 30 days to 45.