

April 22, 2020

HHS Announces How it Will Distribute Additional Funds to Providers Under CARES Act

The Department of Health and Human Services (HHS) today [announced](#) that it is distributing additional funds from the Public Health and Social Services Emergency Fund, beginning April 24. The Coronavirus Aid, Relief, and Economic Security (CARES) Act added [\\$100 billion to this fund](#) to reimburse health care providers for health care-related expenses or lost revenues not otherwise reimbursed that are attributable to COVID-19. HHS [previously distributed](#) \$30 billion from this fund based on providers' proportions of Medicare fee-for-service (FFS) payments. Details on HHS's announcement are below.

AHA Take: In a statement today, AHA President and CEO Rick Pollack said, "America's hospitals and health systems appreciate the announcement from HHS regarding the distribution of additional funds from the CARES Act emergency relief fund. As urged by the AHA, this will help hospitals with a high percentage of payments under Medicare Advantage and hospitals caring for high numbers of Medicaid patients. We also are pleased that HHS has allocated additional targeted relief for hospitals in hot spots and rural hospitals.

"Nobody has been a stronger advocate for covering the uninsured than America's hospitals and health systems, particularly during a public health emergency. That's why we continue to encourage Congress and the Administration to look at other options to provide coverage for treatment of the uninsured for the Coronavirus other than utilizing the emergency fund from the CARES Act. This could include opening up a special enrollment period for the Affordable Care Act's marketplaces, using the National Disaster Medical System or other federal emergency programs, and creating a new, separate fund to specifically address the costs associated with treatment of the uninsured. The emergency relief fund in the CARES Act was intended to provide hospitals with an infusion of emergency relief as providers incur substantial expenses and lost revenue in preparing and fighting this battle against COVID-19.

"The AHA continues to urge remaining emergency funds to be sent as soon as possible to all providers on the front lines. This funding is a life-line to hospitals and health systems and will help ensure that we can continue to deliver the care that our patients and communities are depending on."

HIGHLIGHTS OF HHS'S ANNOUNCEMENT

General \$20 Billion Distribution. According to the HHS announcement, \$20 billion will be allocated to providers generally. The payment made to each provider will take into

account what they previously received under the \$30 billion distribution, so that their total allocation under both waves (\$50 billion total) is proportional to their share of 2018 total net patient revenue. This methodology appears to account for the fact that providers with lower shares of Medicare FFS payments, such as hospitals with high-Medicaid or Medicare Advantage populations, received proportionally less funds under the first distribution of \$30 billion.

HHS stated that on April 24, a portion of providers will automatically be sent a payment based on the revenue data they submit in their Medicare cost reports. Providers without adequate cost report data will need to submit this information to a [portal](#) opening this week.

As with the \$30 billion distribution, providers receiving funds will have to sign an [attestation](#) confirming receipt and agreeing to the terms and conditions of payment. The terms appear to be the same as they were previously, including agreeing not to seek collection of out-of-pocket payments from a presumptive or actual 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 also will have to confirm the revenue data from the Medicare cost report.

High-impact Area Distribution. HHS stated that \$10 billion will be allocated to hospitals in areas that have been particularly impacted by COVID-19. **Hospitals must apply for a portion of these funds by 11:59pm PST on Thursday, April 23, by [submitting data requested by HHS](#).** The AHA encourages all hospitals to submit this information. HHS also states that this distribution will take into account a hospital's share of low-income patients, as reflected by their Medicare Disproportionate Share Hospital (DSH) Adjustment.

Distribution for Treatment of the Uninsured. HHS announced that providers that have treated uninsured patients with COVID-19 on or after Feb. 4, 2020, can request reimbursement at Medicare rates, subject to available funding. Steps will involve: enrolling as a provider participant, checking patient eligibility and benefits, submitting patient information, submitting claims, and receiving payment via direct deposit. HHS stated that providers can register for the program on April 27, 2020, and begin submitting claims in early May 2020, with more information available [online](#).

Distribution to Rural Providers. HHS is allocating \$10 billion to rural hospitals and health clinics. This money will be distributed as early as next week on the basis of operating expenses, using a methodology that distributes payments proportionately to each facility and clinic.

Distribution to the Indian Health Service. HHS is allocating \$400 million to Indian Health Service facilities, distributed on the basis of operating expenses, to be distributed as early as next week.

Additional Distributions. HHS stated that certain providers will receive further, separate funding, including skilled-nursing facilities, dentists and providers that solely take Medicaid.

Further Questions

If you have questions, please contact AHA at 800-424-4301.