



TO: KHA Member CEOs and CFOs

FROM: Tish Hollingsworth, Vice President of Reimbursement
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DATE: April 23, 2020

RE: Additional CARES Act Funding for Hospitals

On April 22, the Department of Health and Human Services (HHS) [announced](#) that it is distributing additional funds from the Public Health and Social Services Emergency Fund (PHSSEF), 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. Below is a summary of the tranches of the \$100 billion payments from the PHSSEF:

- **CARES Act Provider Relief Funds (\$30 billion) – Funds disbursed on April 10 and April 17**
In order to expedite emergency funds to hospitals and health systems from the CARES Act, HHS disbursed \$30 billion to all facilities and providers that received Medicare fee-for-service payments in 2019. Health care providers received a disbursement on either April 10 or April 17 based on their share of the total 2019 Medicare fee-for-service (FFS) payments. Providers are required to sign an [attestation](#) confirming receipt of payment and agreeing to the [terms and conditions of the payment](#). Additional information can be found in the [April 10th AHA Special Bulletin](#).
- **CARES Act Provider Relief Funds Round 2 (\$20 billion) – Funds disbursed beginning on April 24th**
An additional tranche of \$20 billion will be disbursed to a portion of providers on April 24th based on revenue data from their 2018 Medicare cost reports. The payment made to each provider will take into account what they previously received under the first round of Provider Relief Funds, 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 24th, a portion of providers will automatically be sent a payment based on the revenue data from their Medicare cost reports. Providers without adequate cost report data will need to submit this information to a [portal](#) which HHS indicates will open 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. Payments will go out weekly, on a rolling basis, as information is validated.

NOTE: HHS has noted that the terms and conditions of the Provider Relief Funds include measures to help prevent fraud and misuse of the funds. All recipients will be required to submit documents sufficient to ensure that the dollars received from the CARES Act Provider Relief Funds were used for healthcare-related expenses or lost revenue attributable to coronavirus. An additional part of the commitment of receiving these funds, indicates providers must agree 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 has been provided by an in-network provider. HHS has also indicated there will be significant anti-fraud and auditing on the funds.

- **CARES Act Targeted Funding (\$10 billion) –[Delay in Application Deadline](#)**

On April 21, HHS announced that it would be distributing \$10 billion to hospitals in areas that have been particularly impacted by the COVID-19 outbreak. Hospitals have been asked to apply for the funds by submitting four pieces of data through the Teletracking website by **12:00 PM Pacific Time on Saturday, April 25, 2020**. Hospitals are being asked to provide:

- Tax Identification Number
- National Provider Identifier
- Total number of Intensive Care Unit beds as of April 10, 2020
- Total number of admissions with a positive diagnosis for COVID-19 from January 1, 2020 to April 10, 2020

In addition, HHS has indicated that the distribution formula will use Medicare Disproportionate Share Hospital (DSH) adjustment to make adjustments for hospitals serving a significantly disproportionate number of low-income patients.

- [HHS Announces Additional Allocation of CARES Act Provider Relief Fund - 4-22-2020](#)
- [HHS Request for data for Targeted Relief Funds 4-21-2020](#)
- Link to AHA Bulletin (attached to e-mail)

- **CARES Act for Rural Providers (\$10 billion)**

HHS is allocating \$10 billion to rural hospitals and rural health clinics as early as the week of April 27 on the basis of operating expenses, using a methodology that distributes payment proportionately to each facility and clinic.

- **CARES Act for Indian Health Service (\$400 million)**

Recognizing the strain experienced by the Indian Health Service, \$400 million will be allocated for IHS facilities distributed on the basis of operating expenses for the facilities.

- **CARES Act for High Medicaid Providers**

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

- **CARES Act for Treatment of the Uninsured**

HHS announced that providers that have treated uninsured patients with COVID-19 on or after February 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. Additional information is available on the [HRSA website](#).

Additional information on the funding provided through the CARES Act can be found in the [HHS news release](#) and the April 22 AHA Special Bulletin (attached).