

June 9, 2020

HHS Announces Distribution of Funds to Hospitals Serving High Numbers of Medicaid and Uninsured Patients

The Department of Health and Human Services (HHS) today announced that it will distribute **\$10 billion** from the **Public Health and Social Services Emergency Fund** to hospitals that serve a disproportionate number of Medicaid patients or provide large amounts of uncompensated care. The Department identified eligible hospitals as those with:

- A Medicare Disproportionate Payment Percentage (DPP) of 20.2% or greater;
- Average uncompensated care per bed of \$25,000 or more. For example, a hospital with 100 beds would need to provide \$2.5 million in uncompensated care in a year to meet this requirement; and
- Profitability of 3% or less, as reported to the Centers for Medicare & Medicaid Services in the most recently filed cost report.

Eligible hospitals this week will receive a minimum distribution of \$5 million and a maximum distribution of \$50 million. This payment is being sent via direct deposit.

For more details on the announcement, as well as on other distributions, see the [HHS press release](#).

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and Paycheck Protection Program and Health Care Enhancement Act included \$175 billion in the Public Health and Social Services Emergency Fund to reimburse health care providers for health care-related expenses or lost revenues not otherwise reimbursed that are attributable to COVID-19.

AHA Take: In a statement, AHA said that it is pleased that HHS will be distributing additional funds from the CARES Act emergency relief fund to hospitals serving high numbers of Medicaid and uninsured patients, as we have suggested. These hospitals care for our nation's most vulnerable patients and communities, which have suffered disproportionately from the pandemic. Due in large part to underlying health conditions, the patients these hospitals treat have been hospitalized at greater rates and require more care and resources once hospitalized. This emergency funding will help these hospitals, many of which were already facing serious financial pressures before the pandemic, continue to deliver care to their patients and communities.

While we appreciate the emergency funds released by HHS to date, the AHA continues to urge the department to distribute substantial additional funds to hospitals and health systems in an expedited manner as the COVID-19 virus continues to spread, hospitalizations continue to occur, and many Americans continue to forgo care, including primary care and other specialty care visits.

Further Questions

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