

July 10, 2020

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

The Department of Health and Human Services (HHS) today announced that it will distribute over \$4 billion in additional funds from the Public Health and Social Services Emergency Fund to rural hospitals and hospitals that serve a high number of Medicaid patients and provide large amounts of uncompensated care.

In May, HHS distributed \$10 billion in funding to general acute-care hospitals, rural health clinics and community health centers located in rural areas, as well as critical access hospitals. Now, HHS will distribute funds to certain special rural Medicare designation hospitals in urban areas, as well as others who provide care in smaller, non-rural communities. These may include some suburban hospitals that are not considered rural but serve rural populations and operate with smaller profit margins and limited resources than larger hospitals. HHS estimates this funding will total \$1 billion.

In addition, in June, HHS distributed \$10 billion to hospitals serving a high number of Medicaid patients and providing large amounts of uncompensated care. One of the criterion for this distribution was that the hospital maintained a margin of 3% or less. However, HHS now will expand this criterion to be a margin of less than 3%, averaged consecutively over two or more of the last five cost-reporting periods. HHS expects this funding will total more than \$3 billion.

For more details on the announcement, 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.

Further Questions

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