

## Provider Relief Fund

### Background

On March 27, 2020 the CARES Act provided **\$100 billion in relief funds** to hospitals and other healthcare providers on the front lines of the coronavirus response.

\$50 billion of the Provider Relief Fund is allocated for general distribution to Medicare facilities and providers impacted by COVID-19, based on eligible providers' 2018 net patient revenue.

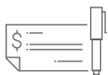
Unlike the Accelerated Payment Program these are payments, not loans to healthcare providers and will not need to be repaid.<sup>1</sup>



\$10 billion was targeted to hospitals in geographic areas that have been particularly impacted by the COVID-19 outbreak. Hospitals received an email directly from the U.S. Department of Health & Human Services (HHS) and were required to apply for these funds before 3:00 PM ET, Saturday, April 25, 2020.



Another \$10 billion was allocated for rural health clinics and hospitals. This money will be distributed automatically and payment amount is based on the operating expenses of, using a methodology that distributes payments proportionately to each facility and clinic.



\$400 million went to Indian Health Service facilities, based on operating expenses.

HHS will begin distribution of the remaining \$20 billion in funds of the general distribution to these providers on April 24. This will augment available funds so that the whole \$50 billion general distribution pool is allocated proportional to providers' share of 2018 net patient revenue.

To expedite providers receiving money as quickly as possible, \$30 billion was distributed immediately proportionate to providers' share of Medicare fee-for-service reimbursements in 2019. This initial \$30 billion was distributed paid between April 10 and April 17, 2020.

According to HHS, beginning April 24, a portion of providers will automatically be sent an advance payment based off the revenue data they have previously submitted in CMS cost reports. Providers without adequate cost report data on file will need to submit their revenue information to the [General Distribution Portal](#) for additional general distribution funds.

Providers who receive money automatically will still need to submit their revenue information for verification via the General Distribution Portal.

Payments will go out weekly on a rolling basis as information is validated. The first wave of payments began April 24, 2020.

In addition, providers who receive funds from the general distribution must sign an attestation confirming receipt of funds and agree to the terms and conditions of payment and confirm the CMS cost report which is found at: <https://covid19.linkhealth.com/#/step/1>

As a condition of receiving these funds, providers are obligated to abstain from "balance billing" **any patient** for COVID-related treatment.

- ✓ The Families First Coronavirus Response Act requires private insurers to cover a member's cost-sharing payments for COVID-19 **testing**.
- ✓ President Trump has also secured commitments from private insurers, including Humana, Cigna, UnitedHealth Group, and the Blue Cross Blue Shield system to waive cost-sharing payments for **treatment** related to COVID-19 for plan members.

The HHS cautions providers that all recipients will be required to submit applicable supporting documentation to prove these funds were used for healthcare-related

expenses or lost revenue attributable to Coronavirus. The HHS also warns there will be significant anti-fraud and auditing work done by their department as well as the Office of the Inspector General.

Additionally, as a condition to receiving these funds, 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 had been provided by an in-network provider.

A portion of the \$100 billion Provider Relief Fund will be used to reimburse healthcare providers, at Medicare rates, for COVID-related treatment of the uninsured.

Every health care provider who has provided treatment for uninsured COVID-19 patients on or after February 4, 2020, can request claims reimbursement through the program and will be reimbursed at Medicare rates, subject to available funding. To receive this funding providers will need to:

- ✓ Enroll as a provider participant,
- ✓ Check patient eligibility and benefits,
- ✓ Submit patient information,
- ✓ Submit claims,
- ✓ Receive payment via direct deposit, and
- ✓ Abstain from “balance billing” any patient for COVID-19-related treatment.

Providers can register for the program on April 27, 2020 and begin submitting claims in early May 2020.

Providers can find additional information at: [coviduninsuredclaim.hrsa.gov](https://coviduninsuredclaim.hrsa.gov).

## Guidance

- ✓ Submit or validate revenue or cost report information through the General Distribution Portal.
- ✓ Sign attestation once funds are received.
- ✓ Enroll to receive reimbursement for uninsured COVID-19 patients.
- ✓ Prepare uninsured claims for submission in May 2020.
- ✓ Implement strategies eliminate balance billing on uninsured claims.



## Sources

1. <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html> ■