

March 31, 2020

AHA Urges HHS and CMS to ‘Directly and Expediently’ Distribute Funds to Hospitals and Health Systems as Designated by CARES ACT

Letter outlines how HHS and CMS should distribute funds to hospitals

The AHA today asked the Department of Health and Human Services and Centers for Medicare & Medicaid Services to directly and expediently distribute to rural and urban hospitals and health systems funds from the Public Health and Social Services Emergency Fund that were designated for providers in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The CARES Act increased funding for the Public Health and Social Services Emergency Fund by \$100 billion in order to reimburse eligible health care providers for health care-related expenses or lost revenues that are attributable to COVID-19. Eligible providers are public entities, Medicare- or Medicaid-enrolled suppliers and providers, and other for-profit and non-profit entities as designated by the HHS Secretary. The law specified that funding be distributed on a rolling basis through “the most efficient payment systems practicable to provide emergency payment.”

In a letter sent to HHS Secretary Alex Azar and CMS Administrator Seema Verma, AHA asked HHS and CMS distribute these funds directly to providers. In past, relatively similar situations, Medicare Administrative Contractors (MACs) have been used to pay claims and distribute monies directly to providers for purposes other than Medicare payment. “We believe that again using the MACs to process applications and make payments either to individual hospitals or to a health system for all of its hospitals is appropriate,” AHA wrote. However, “we recognize that standing up a process for the MACs over time to directly distribute funds based on hospital applications is not an easy or quick task.” Therefore, the AHA asked HHS and CMS to direct the MACs to immediately distribute funds to every hospital in the U.S.

In addition, AHA said all types of hospitals, including rural and urban short-term acute-care, long-term care and critical access hospitals, as well as inpatient rehabilitation and inpatient psychiatric facilities, are incurring expenses related to COVID-19 as they work to treat patients and expand the capacity of the health care system. Thus, all types of hospitals must be eligible for funds.

Read the [full letter](#) for more details on how AHA proposed that HHS and CMS distribute the funds to hospitals and health systems, as well as the types of costs and lost revenue that should be eligible for funds.