

April 10, 2020

HHS Distributes \$30 Billion to Providers as Part of CARES Act Emergency Fund

The Department of Health and Human Services (HHS) today [announced](#) that it is immediately distributing to providers \$30 billion from the Public Health and Social Services Emergency Fund. 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 directly attributable to COVID-19. Funds are arriving via direct deposit beginning today as payments, not loans, which will not need to be repaid. HHS provides additional details, including on eligibility; calculation of distribution amount; necessary provider actions; and priorities for distribution of the \$70 billion remaining from the CARES Act appropriation. These areas are highlighted below.

Our Take: The AHA is pleased that HHS today released emergency funds to hospitals and health systems from the CARES Act. This initial round of funding will begin to give providers on the front lines of the fight against the virus much-needed support and resources.

We continue to urge HHS to release the remaining CARES Act emergency relief funds in an expedited manner. In particular, additional targeted relief for hospitals in hot spots, children's hospitals, rural hospitals, hospitals with a high percentage of payments under Medicare Advantage and hospitals caring for high numbers of Medicaid and uninsured patients need immediate relief. In addition, hospitals that received funds today will clearly need additional assistance. This is a life-line to many front line providers and will help ensure that we can continue to deliver the care that our patients and communities are depending on.

HIGHLIGHTS

Eligibility for and Distribution of Funds. All facilities and providers that received Medicare fee-for-service (FFS) payments in 2019 are eligible for today's distribution.

HHS partnered with UnitedHealth Group (UHG) to distribute funds. Providers will be paid via the Automated Clearing House account information that is on file with UHG or the Centers for Medicare & Medicaid Services (CMS). The automatic payments will come from Optum Bank with "HHSPAYMENT" as the payment description. HHS stated that providers who normally receive a paper check for reimbursement from CMS will receive a paper check for this as well within the next few weeks. Payments are being made to the billing organization according to its Taxpayer Identification Number (TIN). Payments

to practices that are part of larger medical groups are being sent to the group's central billing office.

Distribution Amount. Providers are receiving a portion of the \$30 billion allocation based on their share of total 2019 Medicare FFS payments. HHS states that total FFS payments were approximately \$484 billion in 2019; therefore, a provider can estimate their payment by dividing their 2019 Medicare FFS (not including Medicare Advantage) payments by \$484 billion and multiplying that ratio by \$30 billion. For example, if a hospital billed Medicare FFS \$121 million in 2019, this equation should be used:

$$(\$121,000,000 / \$484,000,000,000) \times \$30,000,000,000 = \$7,500,000$$

Provider Actions Required. Within 30 days of receiving the payment, providers must sign an attestation confirming receipt of the funds and agreeing to the [terms and conditions of payment](#). The portal for signing the attestation will be open the week of April 13. If a provider receives payment and does not wish to comply with the terms and conditions, it must contact HHS within 30 days of receipt and remit back the full payment. HHS stated it will soon provide appropriate contact information for those wishing to take this action.

It is important to note that as a condition of receiving these funds, providers must agree not to seek collection of out-of-pocket payments from a 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.

Priorities for Remaining Funds. HHS stated that it is working to make additional distributions from the fund to target certain providers. This would include those in areas particularly impacted by the pandemic, rural providers, and providers with lower shares of Medicare FFS payments, such as those treating a high proportion of patients with Medicare Advantage or children's hospitals.

Further Questions

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