

December 16, 2020

## HHS Begins ‘Phase 3’ General Distribution of \$24.5 Billion in Provider Relief Funds Under CARES Act

The Department of Health and Human Services (HHS) today announced that it has begun distributing \$24.5 billion in “Phase 3” funds from the Public Health and Social Services Emergency Fund to eligible hospitals, as well as other providers. This amount is an increase from the \$20 billion the Department had originally intended to distribute. Distributions, while beginning today, will continue in the coming days and weeks as applications continue to be reviewed and payment accounts are set up, HHS said.

To be eligible for this third general distribution, providers must have applied for additional payments, which HHS stated would take into account actual COVID-19-related financial losses and changes in operating expenses. In determining payment amounts, HHS first ensured that applicants had received a baseline payment of 2% of their patient revenue. It then distributed to over 70,000 providers funds totaling up to 88% of their reported revenue losses and expenses attributable to COVID-19. HHS stated that these providers were disproportionately impacted by COVID-19 and include rural and other hospitals serving vulnerable communities. Finally, the Department noted that over 35,000 providers who applied for funds will not receive an additional payment either because they experienced no change in revenues or net expenses attributable to COVID-19, or because they already received funds that equal or exceed reimbursement of 88% of reported losses and expenses. [See the HHS announcement for more details.](#)

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.