

HHS Announces Additional Allocations to Relief Fund

The Department of Health and Human Services have announced [details on remaining allocations](#) of the Provider Relief Fund created by the CARES Act. The legislation authorized \$100 billion to hospitals, physicians, and other healthcare providers for lost revenues and increased expenses due to the coronavirus pandemic. \$50 billion of the fund is allocated for general distribution to Medicare facilities and providers impacted by COVID-10. As of Friday April 24th, [an initial \\$30 billion of that funding](#) was distributed to providers based off their Medicare fee-for-service billing amounts. Additionally, some providers were sent a second payment based on their Medicare Cost Reports.

Medicare providers who have already received a payment from the Provider Relief Fund are now eligible to apply for additional funds by submitting data about their annual revenues and estimated COVID-related losses via the [Provider Relief Fund Application Portal](#). Providers who have not yet received any payment from the Provider Relief Fund should not use the General Distribution Portal. However, providers who have not yet received any payments from the Provider Relief Fund may still receive funds in other distributions.

\$20 Billion of the Remaining General Allocation Funds:

- A portion of providers (primarily hospitals, not private clinics) will automatically be sent an advance payment based upon the revenue data they submit in CMS cost reports.
- Providers without adequate cost report data on file who have already received a payment from the initial \$30 billion allocated by the Provider Relief Fund as of 5:00 PM EST Friday, April 24th can apply for additional funding via the [application portal](#) which is now open.
- Providers who have not received funding from the initial \$30 billion allocation as of 5:00 pm EST Friday April 24th are not eligible to use the Provider Relief Fund Application Portal. However, these providers may still be eligible for payments from the Provider Relief Fund through other mechanisms, including the other targeted distributions (*see next section*) and future allocations.
- The HHS has created a [guide](#) and [FAQ document](#) to help walk providers through the application process, but eligible providers will need the following information to complete the [application](#):
 - “Gross Receipts or Sales” or “Program Service Revenue” as submitted on its federal income tax return in order for the HHS to understand a provider’s usual level of operations.
 - Estimated revenue losses in March 2020 and April 2020 due to COVID. Realizing that a final revenue number may not be available until a certain time after the end of April, the HHS has allowed providers to use a “reasonable method” of estimating the revenue during March and April compared to the same period had COVID-19 not appeared. For example, if a budget was prepared without taking into account the impact of COVID-19, the estimated lost revenue could be the difference between the budgeted revenue and actual revenue. It would also be reasonable to compare the revenues to the same period last year.
 - Copy of most recently filed federal income tax return in order to verify self-reported information.
 - A listing of the TINs any of the provider’s subsidiary organizations that have received relief funds but that did file separate tax returns in 2017, 2018 or 2019. Any subsidiary receiving relief funds that has filed a federal income tax return is required to submit a separate application

- Funds will not be disbursed on a first-come-first-served basis. Providers will be given equal consideration regardless of when they apply. Providers will receive an email when their application is completed but will receive no future notifications regarding their applications once submitted. Applications will be processed in batches every Wednesday at 12:00 noon EST and providers should expect additional funds, if they are to receive any, within 10 days of application submission. HHS is not taking direct inquiries from providers, and no remedy or appeals process will be available.

Other Targeted Allocations:

- \$10 billion will be allocated for a targeted distribution to hospitals in areas that have been particularly impacted by the COVID-19 outbreak. Hospitals can apply now for a portion of the funds via an authentication portal and should have already been contacted directly on how to provide the proper information.
- \$10 billion will be allocated for rural health clinics and hospitals, recognizing the precarious financial position of these institutions with a significant number of which are unprofitable. This money will be distributed as early as the week of April 27th based on operating expenses, using a methodology that distributes payments proportionately to each facility and clinic.
- \$400 million will be allocated for Indian Health Service facilities.
- A portion of the remaining \$29.6 billion will be used to cover costs of uninsured patients. 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. On April 27, the signup period is expected to begin for the program followed by training on April 29. Claims can then be submitted on May 6. More information regarding this program can be found [here](#).

Additional Information to Come:

- The Senate and House of Representatives passed an update to the CARES Act which provides an additional \$75 billion to the Public Health and Social Services Emergency Fund.
- The ACR will distribute more information as details about allocation and distribution are released.
- The ACR recognizes the concerns it has heard from providers regarding the various interpretations and ambiguities surrounding the calculation of lost revenue and permissible uses of funds received. It will continue to communicate with the HHS and other organizations to gather more specific guidance, so practices can appropriately prepare for the possibility of future audits.

Please reach out to the ACR at covid@rheumatology.org with questions or if you need assistance. Visit the ACR's website for [COVID-19 updates, advocacy, and resources](#) specific to the rheumatology community, to help rheumatology practices and patients during this challenging time. Note that the recommendations in this document are based on current knowledge and are subject to revision as circumstances evolve. This document is for reference purposes only. It is intended to provide general guidance and is not legal or financial advice.