

CAREs Act Provisions for Health Care Providers

CARES Act Provider Relief Fund

Appropriates **\$100 billion** for eligible health care providers **for healthcare related expenses or lost revenues that are attributable to coronavirus**. (Eligible health care providers include public entities, Medicare or Medicaid enrolled suppliers and providers, profit or not-for-profit entities that provide diagnoses, testing or care for individuals with possible or actual cases of COVID-19).

\$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' net patient revenue.

***\$30 billion was distributed immediately** – with payments arriving via direct deposit beginning **April 10, 2020** – and the remaining **\$20 billion** is being distributed on a rolling basis beginning on **April 24, 2020**.

- Payments to eligible providers throughout the American healthcare system. These are payments, not loans, to healthcare providers, and will not need to be repaid.
- All facilities and providers that received Medicare fee-for-service (FFS) reimbursements in 2019 are eligible for the initial rapid distribution.
- Rolling distribution of the \$20 billion will be allocated proportional to providers' share of net patient revenue.
- Payments to practices that are part of larger medical groups will be sent to the group's central billing office.
- All relief payments are made to the billing organization according to its Taxpayer Identification Number (TIN).
- As a condition to 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.
- This quick dispersal of funds will provide relief to both providers in areas heavily impacted by the COVID-19 pandemic and those providers who are struggling to keep their doors open due to healthy patients delaying care and cancelled elective services.

An additional **\$27 billion** is to remain available through fiscal year (FY) 2024, to fund activities such as developing vaccines, and purchasing vaccines, diagnostics and medical surge capacity. It funds workforce modernization, telehealth access and other preparedness and response activities.

- At least **\$250 million** of these funds must be made available to entities that are part of the Hospital Preparedness Program.
- In addition, at least **\$16 billion** of these funds must be used to purchase products for the Strategic National Stockpile

An additional **\$275 million** is to remain available until Sept. 30, 2022, for the services administered under the Health Resources and Services Administration (HRSA).

- Of which **\$180 million** will need to be used to carry out telehealth and rural health activities. Included within this amount is **\$15 million** that is allocated to tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes.

These funds may not be used to reimburse expenses or losses that have been reimbursed from other sources, or that other sources are obligated to reimburse.

****Applications must be made to the Secretary of Health and Human Services with a statement justifying the need of the provider for the payment.****

The act specifically provides availability of funds for the following uses:

- Building or construction of temporary structures
- Leasing of properties
- Medical supplies and equipment including PPE and testing supplies
- Increased workforce and training
- Emergency operation centers
- Retrofitting facilities
- Surge Capacity

***Healthcare providers may also be eligible for small business loans, paycheck protection, and payroll tax delay programs. See below for links to information on those programs.**

Further info about SBA Loans, Paycheck Protection, and Payroll Tax Delay

<https://www.aha.org/advisory/2020-03-30-special-bulletin-cares-act-financial-resources-assist-hospitals-and-health>

Additional Info on Medicare Payment Improvements and Flexibilities <https://www.aha.org/special-bulletin/2020-03-27-special-bulletin-house-passes-coronavirus-aid-relief-and-economic>

CARES Act Provider Relief Fund Eligibility and Calculation Info: <https://www.hhs.gov/provider-relief/index.html>

Enforcement Discretion Under HIPAA To Allow Uses and Disclosures of Protected Health Information by Business Associates for Public Health and Health Oversight Activities in Response to COVID-19: <https://www.federalregister.gov/documents/2020/04/07/2020-07268/enforcement-discretion-under-hipaa-to-allow-uses-and-disclosures-of-protected-health-information-by>

Coronavirus Frequently Asked Questions: <https://bphc.hrsa.gov/emergency-response/coronavirus-frequently-asked-questions.html>

CDC Coronavirus Preparedness and Response Supplemental Funding Data (April 6, 2020): <https://www.hhs.gov/about/news/2020/04/06/updated-cdc-funding-information.html>

HHS Awards \$1.3 Billion to Health Centers in Historic U.S. Response to COVID-19: <https://www.hhs.gov/about/news/2020/04/08/hhs-awards-billion-to-health-centers-in-historic-covid19-response.html>