

## HHS Begins Distributing Initial \$30 Billion in COVID-Relief Funds to Providers

The Department of Health and Human Services (HHS) began distributing the initial \$30 billion in COVID-19 relief funding to providers as part of the distribution of the \$100 billion included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act to support healthcare-related expenses or lost revenue attributable to coronavirus, including caring for the uninsured. This initial distribution of funds will go to hospitals and providers currently enrolled in Medicare and take effect immediately. ***These are payments, not loans, and will not need to be repaid.***

Facilities and providers are allotted a portion of the \$30 billion based on their share of 2019 Medicare fee-for-service (FFS) reimbursements. Fund recipients will be prohibited from balancing billing COVID-19 patients for related services. HHS is partnering with UnitedHealth Group to deliver the initial \$30 billion provider distribution and providers will be paid via Automated Clearing House account information on file with UnitedHealth Group, UnitedHealthcare, or Optum Bank, or used for reimbursements from CMS. Providers will have 30 days to agree to the terms.

Here are the details:

- **Eligibility**
  - All facilities and providers that received Medicare FFS reimbursements in 2019.
  - Payments to practices that are part of larger medical groups will be sent to the group's central billing office.
- **Payment Amount**
  - Payments are based on providers share of total Medicare FFS reimbursement in 2019
  - A provider can estimate their payment by dividing their 2019 Medicare FFS (not including Medicare Advantage) payments they received by \$484 billion (total FFS payments in 2019) and multiply that ratio by \$30 billion (amount of initial distribution).
  - Example: A community hospital billed Medicare FFS \$121 million in 2019. To determine how much they would receive, use this equation:  $\$121,000,000 / \$484,000,000,000 \times \$30,000,000,000 = \$7,500,000$
- **Payment Distribution**
  - All payments are made to the billing organization by its Taxpayer Identification Number (TIN), such as:
    - *Large Organizations and Health Systems* will receive relief payments for each of their billing TINs that bill Medicare.
    - *Employed Physicians* should not expect to receive an individual payment directly. The employer organization will receive the relief payment as the billing organization.
    - *Physicians in a Group Practice* will receive payment to the TIN that bills Medicare, individual physicians and providers in the practice are unlikely to receive individual payments.
    - *Solo Practitioners* who bill Medicare will receive a payment under the TIN used to bill Medicare.
  - Providers will be paid via Automated Clearing House account information on file with United Health Group (UHG) or the Centers for Medicare & Medicaid Services (CMS).
    - HHS partnered with UHG to provide the relief payments

- Automatic payments will come to providers via Optum Bank with "HHSPAYMENT" as the payment description
- Providers who normally receive a paper check for reimbursement from CMS, will receive a paper check in the mail for this payment as well, within the next few weeks
- **Conditions of Payment**
  - Sign an attestation confirming receipt of the payment and agreeing to the [Terms and Conditions](#) within 30 days of receiving the payment. The portal for signing the attestation will be open the week of April 13, 2020 and will be linked on the [HHS announcement page](#).
  - If a provider receives payment and does not wish to comply with these Terms and Conditions, the provider must contact HHS within 30 days of receipt of payment and then remit the full payment to HHS as instructed. Appropriate contact information will be provided soon.
  - Terms and conditions, include but are not limited to:
    - 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
    - The payment cannot be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse
    - Any recipient receiving more than \$150,000 in funds shall submit a quarterly report providing information on how the funds were used
    - The funds must generally follow the FY2020 consolidation appropriation guidelines regarding prohibited uses (e.g. lobbying, embryo research, unpaid federal tax liability, etc)

In this announcement the Administration noted they are working on targeted distributions for the remaining \$70 billion. The focus will be on areas particularly impacted by the COVID-19 outbreak, rural providers, providers of services with lower shares of Medicare reimbursement or who predominantly serve the Medicaid population, and providers requesting reimbursement for the treatment of uninsured Americans.

CMS [announced](#) it has distributed more than \$50 billion to providers through the Accelerated and Advanced Payment Program. Premier advocated for the expansion of this program, which was also included in the CARES Act. Separate from today's announcement, these are loans which provide three to six months of Medicare Parts A and B payments to help providers with immediate cash flow. As of yesterday, CMS had approved more than 21,000 of the 32,000 requests it received from providers.

#### Resources

- [HHS fact sheet on terms and conditions](#)
- [HHS press release](#)
- [Premier summary of COVID-19 funding opportunities for providers](#)
- [State-by-state allocation](#)