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CARES Act Provider Relief Fund
April 2020

BACKGROUND:

On Friday, March 27, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748) into law. The $2.2 trillion emergency supplemental funding package, which passed the Senate by a unanimous vote of 96-0 and the House of Representatives by voice vote, included $100 billion in relief funds to hospitals and other healthcare providers on the front lines of the coronavirus response.

On Friday, April 10, the Department of Health and Human Services (HHS) announced that it will immediately begin distributing $30 billion of the $100 billion in CARES Act funding to providers responding to the pandemic on the front lines. The Department said facilities and providers will be allotted a portion of the funding based on their share of 2019 Medicare fee-for-service reimbursements. HHS emphasized that these are payments, not loans, and therefore, will not need to be repaid.

This document was prepared using government resources, all of which can be found on the HHS website here: https://www.hhs.gov/provider-relief/index.html.

HHS FREQUENTLY ASKED QUESTIONS:

Who is eligible for initial $30 billion?

- All facilities and providers that received Medicare fee-for-service (FFS) reimbursements in 2019 are eligible for this initial rapid distribution.
- 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.

How are payment distributions determined?

- Providers will be distributed a portion of the initial $30 billion based on their share of total Medicare FFS reimbursements in 2019. Total FFS payments were approximately $484 billion in 2019.
- A provider can estimate their payment by dividing their 2019 Medicare FFS (not including Medicare Advantage) payments they received by $484,000,000,000, and multiply that ratio by $30,000,000,000. Providers can obtain their 2019 Medicare FFS billings from their organization's revenue management system.

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- As an 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 x $30,000,000,000 = $7,500,000

What to do if you are an eligible provider?

- HHS has partnered with UnitedHealth Group (UHG) to provide rapid payment to providers eligible for the distribution of the initial $30 billion in funds.
- Providers will be paid via Automated Clearing House account information on file with UHG or the Centers for Medicare & Medicaid Services (CMS).
    - The 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.
- 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, 2020, and will be linked on this page.
- HHS' payment of this initial tranche of funds is conditioned on the healthcare provider's acceptance of the Terms and Conditions - PDF, which acceptance must occur within 30 days of receipt of payment. If a provider receives payment and does not wish to comply with these Terms and Conditions, the provider must do the following: 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.

Is this different than the CMS Accelerated and Advance Payment Program?

- Yes. The CMS Accelerated and Advance Payment Program has delivered billions of dollars to healthcare providers to help ensure providers and suppliers have the resources needed to combat the pandemic. The CMS accelerated and advance payments are a loan that providers must pay back. For more information from CMS, click here.

How does this apply to different types of providers?

- All relief payments are being made to providers and according to their tax identification number (TIN). For example:
    - *Large Organizations and Health Systems:* Large Organizations will receive relief payments for each of their billing TINs that bill Medicare. Each organization should look to the part of their organization that bills Medicare to identify details on Medicare payments for 2019 or to identify the accounts where they should expect relief payments.
    - *Employed Physicians:* 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:* Individual physicians and providers in a group practice are unlikely to receive individual payments directly, as the group practice will receive the relief fund payment as the billing organization. Providers should look to the part of their organization that bills Medicare to identify details on Medicare payments for 2019 or to identify the accounts where they should expect relief payments.
    - *Solo Practitioners:* Solo practitioners who bill Medicare will receive a payment under the TIN used to bill Medicare.

HHS PRIORITIES FOR THE REMAINING $70 BILLION:

The Trump Administration says it will focus the remaining funds on providers in 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. We expect additional details on this to be forthcoming.

SURPRISE MEDICAL BILLS:

The Department says it is also working to address the issue of surprise medical billing using authorities provided to them in the CARES Act. On Friday, April 3, Secretary Alex Azar said health care providers (including hospitals) are not permitted to bill uninsured COVID-19 patients for treatment if they are accepting funding from the $2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748), which Congress passed late last month. Instead, he said providers will be reimbursed at Medicare rates which will come out of a $100 billion piece of the legislation.

Additionally, the Administration has received commitments from several private insurers, including Humana, Cigna, UnitedHealth Group, and the Blue Cross Blue Shield system to waive cost-sharing payments for treatment related to COVID-19 for plan members.