U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PROVIDER RELIEF FUND

The following is available to members as an informational resource. KMA expresses no opinion as to the feasibility, applicability, or impact to your practice.

The CARES Act includes relief to health care providers, including physician practices, who are suffering financial loss due to COVID-19 by designating $175 billion funding for the Department of Health and Human Services (HHS) **Public Health and Social Services Emergency Fund (Provider Relief Fund)**. The statute requires HHS to interpret eligibility for the funding broadly to include all physicians who are experiencing revenue losses and non-reimbursable expenses as a result of the COVID-19 pandemic.

Here's what you need to know:

GENERAL ALLOCATION

On April 10, 2020, the Department of Health and Human Services (HHS) announced the immediate disbursement of the first $30 billion out of the $100 billion that Congress allocated to hospitals, physicians and other health care providers through the Coronavirus Aid, Relief and Economic Security (CARES) Act's Provider Relief Fund.

The initial $30 billion was directed to all hospitals and physician practices that billed Medicare fee-for-service (FFS) in 2019, and disbursements were in direct proportion to the health care provider's share of total Medicare FFS reimbursements for that year. These distributions were automatically sent to providers by automatic deposit or by paper check. Providers were not required to engage in any activity or application in order to get these funds, though providers are required to sign an attestation if they wish to keep the funds.

On April 24, 2020, HHS announced that it will begin distributing the second tranche of funds, totaling $20 billion, to those hospitals, physicians, and other healthcare providers who **previously received payments from the first round of funding**. This subsequent payment, together with the initial payment received from the first tranche, will represent the provider's allocation from the $50 billion general distribution. The total amount received by the provider will be proportional to the provider's 2018 net patient revenue.

Some providers may automatically receive their payment based on the revenue data they ordinarily submit in CMS cost reports. Within 90 days of receiving the payment, such providers must sign an attestation confirming receipt of the funds and agreeing to the terms and conditions of payment. Should providers choose to decline the funds, they must complete the attestation to so indicate. Not returning the payment within 90 days of receipt will be viewed as acceptance of the Terms and Conditions. Also, providers receiving an automatic payment will still need to submit required revenue information (IRS filings and estimates of lost revenues in March and April of 2020) via the General Distribution Portal .

Providers who do not ordinarily submit CMS cost reports will not receive an automatic payment. Such providers will need to submit their revenue information (IRS filings and estimates of lost revenues in March and April of 2020) to the General Distribution Portal **in order claim the second distribution**.

Payments will be sent out weekly, on a rolling basis, as information is validated, with the first wave being delivered on April 24, 2020.

These are grants, not loans, and do not have to be repaid. Note that the funds will go to each organization's TIN which normally receives Medicare payments, not to each individual provider. The automatic payments will come to the organizations via Optum Bank with "HHSPAYMENT" as the payment description. The funds may be used either for health care related expenses or for lost revenues that are attributable to coronavirus.

HHS partnered with UnitedHealth Group (UHG) to deliver the stimulus payments, and providers should contact UHG's Provider Relations at 866-569-3522 about eligibility, whether a payment has been issued, and where it was sent. Note, if a provider or practice did not already set up direct deposit through CMS or UHG's Optum Pay, they will receive a check at a later date. Practices that would like to set up direct deposit now can call the UHG Provider Relations number.

As noted above, providers who receive a payment from the $50 billion general distribution must sign an attestation confirming receipt of the funds and agree to the terms and conditions within 90 days of payment. As a part of the Terms and Conditions, providers must attest that they will not give any surprise medical bills to COVID-19 patients. Furthermore, all recipients will be required to submit documents to ensure that these funds were used for healthcare-related expenses or lost revenue attributable to coronavirus. There will be significant anti-fraud and auditing work done by HHS, Office of the Inspector General.

MEDICAID & CHIP ALLOCATION

In addition to the General Distribution Portal, HHS launched a new application portal, called the Enhanced Provider Relief Fund Payment Portal, to distribute $15 billion in CARES Act Provider Relief Fund payments to eligible Medicaid and Children's Health Insurance Program (CHIP) physicians and organizations (e.g., pediatricians, long-term care, and behavioral health providers) that participate in the state Medicaid and CHIP programs. Eligible providers may begin requesting such payments starting Wednesday, June 10, 2020. The payment will be at least 2 percent of reported gross revenue from patient care, and the final amount will be determined based on submitted data, including the number of Medicaid patients served. Eligible physicians and organizations have until July 20, 2020, to submit their application and report other necessary information, such as annual patient revenue data, through the new portal.

TARGETED ALLOCATION – UNINSURED PROGRAM

For dates of service or admittance on or after February 4, 2020, physicians will be eligible to seek reimbursement for COVID-19 testing and testing-related visits for uninsured individuals, as well as treatment for uninsured individuals with a primary COVID-19 diagnosis. Physicians can request the reimbursement electronically, which will be reimbursed generally at Medicare rates, subject to available funding. All claims will be subject to the same timely filing requirements required by Medicare, and all claims submitted must be complete and final.

Claims for reimbursement will be priced as described below for eligible services.

- Reimbursement will be based on current year Medicare fee schedule rates except where otherwise noted.
- Reimbursement will be based on incurred date of service.
- Publication of new codes and updates to existing codes will be made in accordance with the Centers for Medicare and Medicaid Services (CMS).
- For any new codes where a CMS published rate does not exist, claims will be held until CMS publishes corresponding reimbursement information.

To participate, physicians must enroll as a provider participant, check patient eligibility, submit patient information, submit claims, and receive payment via direct deposit.

Physicians also must attest to the following at registration.

- Physician has checked for health care coverage eligibility and confirmed that the patient is uninsured. Physician has verified that the patient does not have coverage such as individual, employer-sponsored, Medicare or Medicaid coverage, and no other payer will reimburse the physician for COVID-19 testing and/or care for that patient.
- Physician will accept defined program reimbursement as payment in full.
- Physician agrees not to balance bill the patient.
- Physician agrees to program terms and conditions and may be subject to post-reimbursement audit review.

RESOURCES

CARES Act Provider Relief Fund: General Information
CARES Act Provider Relief Fund: For Providers
CARES Act Provider Relief Fund Application Guide

Sources: *The Department for Health and Human Services*
The American Medical Association