

# COVID-19 Alert: Medical Providers Offered Relief

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## Department of Health and Human Services Begins Delivery of Healthcare Provider Relief Funding under CARES Act

As a part of the ongoing rollout of relief provisions under the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, signed into law by President Trump on March 27, 2020, the Department of Health and Human Services (“HHS”) announced on April 10, 2020 that it would begin to immediately distribute \$30 billion of a total \$100 billion allocated in relief, to eligible healthcare providers.

The purpose of these funds is to provide healthcare providers with support for healthcare-related expenses or lost revenue attributable to coronavirus, and to ensure that uninsured Americans can get testing and treatment they need without a surprise bill from a provider. Notably, the amount to be provided is a payment, not a loan, and does not need to be repaid.

Healthcare providers should review the key provisions for these funds to determine their eligibility for these funds, and if eligible, to consider the conditions for use of these funds particularly in conjunction with other forms of coronavirus related relief that might be utilized.

### **What is the Financial Relief Available to Healthcare Providers?**

- A total of \$100 billion has been allocated under the CARES Act for the Provider Relief Fund, with \$30 billion of that amount being distributed to providers currently.
- Providers are distributed a portion of the initial \$30 billion based on their share of total Medicare FFS reimbursements in 2019 (approximate total of \$484 billion).
- Providers can estimate their payment by dividing their 2019 Medicare FFS (not including Medicare Advantage) payments they received by \$484,000,000,000 and multiplying that ratio by \$30,000,000,000. Providers can obtain their 2019 Medicare FFS billings from their organization's revenue management system.

## **What are the Eligibility Terms for Healthcare Providers to Receive Relief?**

- In order to utilize the funds, the recipient must sign an attestation confirming receipt of the funds and agreeing to the terms and conditions of payment.
- The recipient must certify that:
  - It billed Medicare in 2019;
  - It currently provides diagnoses, testing, or care for individuals with possible or actual cases of COVID-19;
  - It is not currently terminated from participation in Medicare;
  - It is not currently excluded from participation in Medicare, Medicaid, and other Federal health care programs; and does not currently have Medicare billing privileges revoked.

## **How will the Funds be Distributed to Healthcare Providers?**

- No separate application is necessary.
- The funds will be paid via the provider's ACH account information on file with UnitedHealth Group or the Centers for Medicare & Medicaid Services.
- If the provider normally receives CMS payment via check, a check will be issued instead.
- The relief payments are made to providers according to their tax identification number. Generally, this means the payment will go to the provider's organization or practice, rather than directly to the individual provider.

## **What are the Conditions for Receipt of these Funds?**

- The recipient must certify that the funds will only be used to prevent, prepare for, and respond to coronavirus, and will reimburse the recipient only for healthcare related expenses or lost revenues that are attributable to coronavirus.
- The recipient certifies that it will not use the payment to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.
- The recipient 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.
- Within 30 days of receiving the payment, the recipient 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.
- If the recipient does not wish to comply with the terms and conditions, the recipient must contact HHS within 30 days of receipt of payment, and then remit full payment to HHS as instructed.

## Are there any Additional Considerations for Use of the Funds by Healthcare Providers?

- Since the recipient of the funds must specifically certify that it will not use the payment to reimburse expenses that have been reimbursed from other sources, or that other sources are obligated to reimburse, potential overlap with other coronavirus related relief funds or loans must be considered. The broad language for use may allow use of the funds in conjunction with other forms of relief, however, each case will present its own unique circumstances, and providers must plan and take care to prevent any circumstances of double-dipping of relief.
- In the event the entity the provider belongs to receives more than \$150,000 total in funds under CARES Act, or Families First Coronavirus Response Act, or any other coronavirus related act, which would include PPP loans or other loans/grants, they must submit a detailed report no later than 10 days after each calendar quarter about the funds from HHS and how they are being used.
- Appropriate records and cost documentation must be maintained by any recipient, and the recipient must agree to cooperate in any potential audit.

If you are a medical provider and have questions regarding the terms and conditions for receipt of these funds, please contact an attorney with Einhorn Barbarito's [Business Practice Group](#) to arrange a consultation. It remains our commitment to be with you *Every Step of the Way*.