

DEPARTMENT OF HEALTH & HUMAN SERVICE PROVIDER RELIEF FUND – POLICY BRIEF

JUNE 16, 2020

To address the COVID-19 public health emergency fiscal burdens, Congress authorized and appropriated \$100 billion in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and \$75 billion in the Payroll Protection Program and Health Care Act (3.5) to the Department of Health and Human Services' Public Health and Social Services Emergency Fund (Relief Fund).

GENERAL DISTRIBUTIONS:

Tranche 1 - \$30 billion

6.2% of 2019 Medicare FFS reimbursement

Tranche 2 - \$20 billion

Reconciliation to 2% of provider's 2018 net patient revenue -or- incurred losses for March and April 2020

TARGETED ALLOCATIONS:

High-Impact Distribution - \$12 billion - 395 hospitals in high-impact areas

Rural Distribution - \$10 billion - ~4,000 rural health care providers

Allocation for Skilled Nursing Facilities (SNFs) - \$4.9 billion -13,000+ skilled nursing facilities

Allocation for Tribal Hospitals, Clinics, and Urban Health Centers - \$500 million - ~300 THCUHCs

Medicaid and CHIP Distribution - ~\$15 billion - Medicaid and CHIP providers and did not receive General Distribution funds

Allocation for Safety Net Hospitals - \$10 billion -Eligible safety net hospitals

GOVERNING LEGISLATION:

P.L. 116-136

Amount appropriated: \$100 billion

Purpose: to prevent, prepare for, and respond to coronavirus, domestically or internationally, for necessary expenses to reimburse, through grants or other mechanisms, eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus.

Provided further, that funds appropriated under this paragraph in this Act shall be available for building or construction of temporary structures, leasing of properties, medical supplies and equipment including personal protective equipment and testing supplies, increased workforce and trainings, emergency operation centers, retrofitting facilities, and surge capacity.

Provided further, That, in this paragraph, the term "payment" means a pre-payment, prospective payment, or retrospective payment, as determined appropriate by the Secretary: Provided further, That payments under this paragraph shall be made in consideration of the most efficient payment systems practicable to provide emergency payment.

P.L. 116-139

Amount appropriated: \$75 billion Purpose: to prevent, prepare for, and respond to coronavirus, domestically or internationally, for necessary expenses to reimburse, through grants or other

mechanisms, eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus.

Provided, That 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: Provided further, That recipients of payments under this paragraph in this Act shall submit reports and maintain documentation as the Secretary of Health and Human Services (referred to in this paragraph as the "Secretary") determines are needed to ensure compliance with conditions that are imposed by this paragraph in this Act for such payments, and such reports and documentation shall be in such form, with such content, and in such time as the Secretary may prescribe for such purpose: Provided further, That "eligible health care providers" means public entities, Medicare or Medicaid enrolled suppliers and providers, and such for-profit entities and not-for-profit entities not otherwise described in this proviso as the Secretary may specify, within the United States (including territories), that provide diagnoses, testing, or care for individuals with possible or actual cases of COVID-19: Provided further, That the Secretary shall, on a rolling basis, review applications and make payments under this paragraph in this Act.

Provided further, That funds appropriated under this paragraph in this Act shall be available for building or construction of temporary structures, leasing of properties, medical supplies and equipment including personal protective equipment and testing supplies, increased workforce and trainings, emergency operation centers, retrofitting facilities, and surge capacity: Provided further, That, in this paragraph, the term "payment" means a pre-payment, prospective payment, or retrospective payment, as determined appropriate by the Secretary: Provided further, That payments under this paragraph in this Act shall be made in consideration of the most efficient payment systems practicable to provide emergency payment: Provided further, That to be eligible for a payment under this paragraph in this Act, an eligible health care provider shall submit to the Secretary an application that includes a statement justifying the need of the provider for the payment and the eligible health care provider shall have a valid tax identification number.

TERMS AND CONDITIONS GOVERNING LEGISLATION CROSSWALK:

Tranche 1: 116-136

Tranche 2: 116-136

FFCRA Relief Fund Payment: 116-127

Uninsured Relief Fund Payment: 116-136

High Impact Relief Fund Payment: 116-136 Rural Provider Relief Fund Payment: 116-139 Skilled Nursing Facility Relief Fund Payment: 116-139

Indian Health Service Relief Fund Payment: 116-139 Safety Net Provider Relief Fund Payment: 116-139

Medicaid & CHIP Provider Relief Fund Payment: 116-139

SUMMARY – ELIGIBLE CATEGORIES:

- building or construction of temporary structures
- leasing of properties
- medical supplies and equipment including personal protective equipment and testing supplies
- increased workforce and trainings
- emergency operation centers
- retrofitting facilities, and
- surge capacity
- loss of revenue

SUMMARY – INELIGIBLE CATEGORIES:

- Salaries in excess of Executive Level II (\$197,300)
- Gun Control Advocacy
- Lobbying
- Abortions – with some limitations
- Embryo Research, and
- Promotion of Legalization of Controlled Substances