

LEGAL UPDATES

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Service

Healthcare
Operations

Industry

Healthcare

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JOSEPH "JOE" V. GERACI
AUSTIN:
512.703.5774
JOE.GERACI@
HUSCHBLACKWELL.COM

\$30 Billion First Tranche of Public Health and Social Services Emergency Fund Distributed

As part of the CARES Act, \$100 billion in relief funds will be provided to hospitals and other healthcare providers on the front lines of the coronavirus response. A total of \$30 billion is being distributed immediately, with payments arriving via direct deposit beginning April 10, 2020. These are payments, not loans, to healthcare providers, and will not need to be repaid so long as the recipient signs an attestation confirming receipt of the funds and agrees to specific terms and conditions within 30 days of receipt of the payment.

Providers will be paid via automated clearing house (ACH) account information on file with UnitedHealth Group (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.

Providers who receive payment must sign an attestation confirming receipt of the funds and agreeing to the terms and conditions within 30 days of receipt of payment. The portal for signing the attestation will be open the week of April 13, 2020, and will be linked on this page. If providers receive payment and do not wish to comply with the terms and conditions above, they must do the following: contact the U.S. Department of Health and Human Services (HHS) within 30 days of receipt of payment and then remit the full payment to HHS.

The HHS CARES Act Provider Relief Fund website also lays out the eligibility determination:

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Providers will be distributed a portion of the initial \$30 billion based on their share of total Medicare fee-for-service (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.

As an example: A community hospital billed Medicare FFS \$121 million in 2019. To determine how much they would receive, use this equation:

$$\$121,000,000 / \$484,000,000,000 \times \$30,000,000,000 = \$7,500,000$$

Contact us

If you would like more information on the applicability and implications of provider relief fund to your business model, please contact your Husch Blackwell healthcare attorney.

COVID-19 resource

Husch Blackwell has launched a COVID-19 response team providing insight to businesses as they address challenges related to the coronavirus outbreak. The page contains programming and content to assist clients and other interested parties across multiple areas of operations, including labor and unemployment, retailing, and supply chain management, among others.