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CARES Act "Provider Relief Fund" Makes Medicare Part A and B Payments to Providers

As part of the CARES Act, $30 billion is being distributed immediately to Medicare providers nationwide in recognition of the strain on providers caring for patients during the COVID-19 pandemic. Beginning on April 10, 2020, payments will be made via direct deposit to providers' billing Tax Identification Number on file. There is no expectation of repayment (this is not a loan), though there are a handful of conditions.

Who is eligible?

All facilities and providers that received Medicare fee-for-service (FFS) reimbursements in 2019 are eligible for relief payments from Medicare if they provided diagnoses, testing or care of individuals with possible or actual COVID-19. Care does not have to be specific to treating COVID-19. In fact, HHS broadly views every patient as a possible case of COVID-19.

What is the purpose?

The quick dispersal of funds is intended to provide relief to healthcare providers in areas heavily impacted by the COVID-19 pandemic but also to providers struggling to keep their doors open for healthy patients due to delayed care and canceled elective procedures.

What are the conditions?

As a condition of 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 otherwise have been required to pay if the care had been provided by an in-network provider. Essentially, the payment attempts to prevent patient balance billing and surprise billing for care relating to COVID-19.

Within 30 days of receiving the payment, providers must sign an attestation confirming receipt of the funds and agreeing to the terms and conditions set forth here. The portal for signing the attestation will be open the week of April 13, 2020, and will be linked here.

What is the payment amount?

A provider may estimate the payment by dividing 2019 Medicare FFS (not including Medicare Advantage) payments by $484 billion then multiplying by $30 billion. For example, a community hospital that billed $121 million in 2019 would use this equation:

$121,000,000 / $484,000,000,000 x $30,000,000,000 = $7,500,000

For more information, see https://www.hhs.gov/provider-relief/index.html.

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