NELSON HARDIMAN
HEALTHCARE LAWYERS

CARES Act "Provider Relief Fund" – Round Two – Follo these Steps for a Second Payment

In our April 14, 2020 Task Force Newsletter, we provided information regarding the $30 billion that was earmarked for immediate distribution to Medicare Part A and Part B providers nationwide in recognition of the strain on providers caring for patients during the COVID-19 pandemic.

Now, for those Medicare providers who previously received a payment from the General Distribution of the Provider Relief Fu the U.S. Department of Health and Human Services (HHS) has approved a second payment be made under the General Distribution Fund. The total fund earmarked for this purpose is $20 billion and applications will be processed on Wednesday o each week.

Who is eligible?

Eligibility is limited to Medicare FFS facilities and providers that previously received a General Distribution payment by 5:00 P EST on Friday April 24, 2020.

If providers did not receive this prior payment, then they may still be eligible for Targeted Distributions being made from the Provider Relief Fund (another $50 billion has been earmarked for that purpose). **Please note: More information about "Targeted Allocations" is available here about halfway down the page.**

As with the last payment, Medicare FFS providers must have billed Medicare in 2019 and must be in the position to provide diagnoses, testing or care of individuals with possible or actual COVID-19 (at any time after January 31, 2020). 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 are the terms of payment?

The payment will come via direct deposit or check from the Health Resources Service Administration (HRSA) section of HHS. funds do not need to be repaid if certain terms and conditions are met. **Please click here for a full list of terms and conditi**

How do you apply?

To apply for the second payment, providers must log into the "Provider Relief Fund Application Portal" using this link and prov the following information for use in allocating the General Distribution funds:

- The provider's "Gross Receipts or Sales" or "Program Service Revenue" as submitted on its federal income tax return;
- The provider's estimated revenue losses in March and April 2020 due to COVID;
- A copy of the provider's most recently filed federal income tax return; and
- A list of taxpayer identification numbers (TINs) of the provider and any subsidiary organizations that have received relief funds, but which **do not** file separate income tax returns.

Will you be penalized if you take time to collect the necessary information?

There will be no penalty for taking several days to submit the required information. HHS will be processing applications in bat every Wednesday. Each applicant will be given equal consideration regardless of when the provider applied.

Why is this information being collected?

The information provided may be used to allocate other Provider Relief Fund distributions, including the "Targeted Distribution that have not yet been announced.

The purpose of collecting “gross receipt of sales” or “program service revenue” data is to understand a provider’s usual operations. Meanwhile, HHS is collecting revenue loss information to understand COVID impact. Finally, the purpose of collecting tax returns and TINs is to verify the self-reported information and to ensure that HHS does not overpay or underpay providers covering multiple legal entities.

What if providers file consolidated tax returns?

A group of providers that files a consolidated tax return will have only the tax return filer apply. That tax return filer should then list the TINs of each subsidiary that:

- has received a Provider Relief Fund payment as of 5:00 on April 24, 2020; and
- has not filed its own tax returns for 2017, 2018 or 2019.

Please Note: Providers should not list any subsidiary’s TIN that has filed a federal income tax return, because such subsidiary is required to submit a separate application.

For more information on how to apply, see https://www.hhs.gov/sites/default/files/20200425-general-distribution-portal-faqs.pdf.

For more COVID-19 related legal updates, please consider subscribing to our COVID-19 Task Force Newsletter.

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