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# CARES Act Provider Relief Fund

What We Know, What We Don't Know, What To Do Now

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**April 17, 2020**

Disclaimer: To the best of our knowledge, these answers were correct at the time of publication. Given the fluid situation, and with rapidly changing new guidance issued daily, be aware that these answers may no longer apply. Please visit our COVID-19 hub frequently for the latest information, as we are working diligently to put forth the most relevant helpful guidance as it becomes available.

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**Martie Ross**  
Principal – Strategy & Integration  
[mross@pyapc.com](mailto:mross@pyapc.com)



**Lori Foley**  
Principal – Compliance Advisory  
[lfoley@pyapc.com](mailto:lfoley@pyapc.com)

## Public Health and Social Services Emergency Fund

- **\$275M** (available through FY 22)
  - To be transferred to HRSA for Ryan White HIV/AIDS Program (\$90M); poison control programs (\$5M); and rural health initiatives (\$180M)
- **\$27B** (available through FY24)
  - Secure vaccines, therapeutics, diagnostics, and necessary medical supplies; develop medical surge capacity
  - Up to \$16B for National Strategic Stockpile
- **\$100B** (available until expended)
  - “[T]o reimburse ... providers for health care related expenses or lost revenues that are attributable to coronavirus”
  - “[M]ay not be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse”

# \$100B Provider Relief Fund

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568 Words (or \$176M per word)

1. Open to any entity that “provide[s] diagnoses, testing, or care for individuals with possible or actual cases of COVID–19”
2. Must submit “an application that includes a statement justifying the need of the provider for the payment”
3. HHS “shall, on a rolling basis, review applications and make payments” from the fund
4. HHS shall make payments “in consideration of the most efficient payment systems practicable to provide emergency payment”
5. Recipients must “submit reports and maintain documentation as the Secretary determines are needed to ensure compliance with conditions that are imposed by this paragraph....”
6. HHS must report to Congress every 60 days

# April 7 Coronavirus Task Force Briefing



“And so this week we will be putting out another \$30 billion which are grants. This is going to be based on Medicare revenue. There are *no strings attached*, so the healthcare providers that are receiving these dollars *can essentially spend that in any way that they see fit*. Also, this is going to be done in a very easy, simplified way for many of our healthcare providers. We actually do direct deposit with them and so those dollars will just go right into their bank accounts....”



## HHS to Begin Immediate Delivery of Initial \$30 Billion of CARES Act Provider Relief Funding

Today, the Department of Health and Human Services (HHS) is beginning the delivery of the initial \$30 billion in relief funding to providers in support of the national response to COVID-19 as part of the distribution of the \$100 billion provider relief fund provided for in the Coronavirus Aid, Relief, and Economic Security (CARES) Act recently passed by Congress and signed by President Trump.

The \$100 billion of funding will be used to support healthcare-related expenses or lost revenue attributable to coronavirus and to ensure uninsured Americans can get the testing and treatment they need without receiving a surprise bill from a provider. The initial \$30 billion in immediate relief funds will begin being delivered to providers today.

Recognizing the importance of delivering the provider relief funds in a fast, fair, and transparent manner, this initial broad-based distribution of the relief funds will go to hospitals and providers across the United States that are enrolled in Medicare. Facilities and providers are allotted a portion of the \$30 billion based on their share of 2019 Medicare fee-for-service (FFS) reimbursements. These are payments, not loans, to healthcare providers, and will not need to be repaid.

HHS and the Administration are working rapidly on additional targeted distributions to providers that will focus on providers in areas particularly impacted by the COVID-19 outbreak, rural providers, and providers of services with lower shares of Medicare FFS reimbursement or who predominantly serve the Medicaid population. This supplemental funding will also be used to reimburse providers for COVID-19 care for uninsured Americans.

HHS is partnering with UnitedHealth Group (UHG) to deliver the initial \$30 billion distribution to providers as quickly as possible. Providers will be paid via Automated Clearing House account information on file with UHG, UnitedHealthcare, or Optum Bank, or used for reimbursements from the Centers for Medicare & Medicaid Services (CMS). 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.

Within 30 days of receiving the payment, providers 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 and will be linked from [hhs.gov/providerrelief](https://hhs.gov/providerrelief).

UnitedHealth Group will donate all fees for the administration of the CARES Act provider relief fund.

Visit [hhs.gov/providerrelief](https://hhs.gov/providerrelief) for additional information.

# Provider Relief Fund Payments

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- \$30B distributed to all facilities and providers that billed Medicare in 2019
- Payments based on 6.2% of TIN's 2019 Medicare payments
- Distributed by UnitedHealth Group through direct deposit
- Not a loan; not payment for services; no repayment obligation

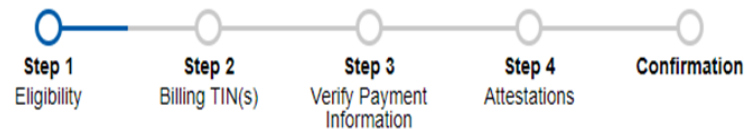
*We haven't received our payment yet -*

*The amount we received was less than we expected -*

CARES Provider Relief Hotline - **(866) 569-3522**

Managed by UnitedHealth Group

- Within 30 days of receiving the payment, recipient must sign attestation confirming receipt of funds and agreeing to terms and conditions of payment
- Alternatively, recipient may reject funds and remit full payment to HHS as instructed
- Complete thru on-line portal which opened April 16  
<https://covid19.linkhealth.com/>





# Step 1 - Eligibility



## Eligibility

As a reminder, you must sign an attestation confirming receipt of the funds and agree to the terms and conditions within 30 days of payment. Should you choose to reject the funds, you must also complete the attestation to indicate this. This Payment Portal will guide you through the attestation process to accept or reject the funds.

Are you a billing entity that received Medicare fee-for-service (FFS) payments from the Centers for Medicare and Medicaid Services (CMS) in 2019?

- Yes
- No



## Privacy Act Statement

**The following statement serves to inform you of the purpose for collecting personal information required by the [covid19.linkhealth.com](https://www.covid19.linkhealth.com) website and how it will be used.**

**AUTHORITY:** 31 U.S.C. 3512, 3711, 3716, 3721, 1321; note E.O. 13520

**PURPOSE:** To collect information to determine eligibility for CARES Act funds and process payment to you.

**ROUTINE USES:** The information collected is used by HHS to determine eligibility for payments from the Public Health and Social Services Fund, maintain an accounting of payments, and process payments from the Fund. Examples of other permissible uses include, but are not limited to, a contractor (and/or to its subcontractor) who has been engaged to perform services on an automated data processing (ADP) system used in processing financial transactions, to appropriate law enforcement agencies when relevant to an investigation, to the Treasury Department, and to auditing organizations conducting financial or compliance audits. A complete list of routine uses may be found at <https://www.federalregister.gov/documents/2015/11/03/2015-27980/privacy-act-of-1974-system-of-records-notice>

**DISCLOSURE:** Voluntary. If you choose not to provide your information, absence of the requested information may result in administration delays or the inability to process payments to you under the CARES Act.

# Step 2 – Billing TINs



## Billing Tax ID Number(s)

Please enter the Taxpayer Identification Number (TIN) (either Employer Identification Number or Social Security Number) connected to the billing entity you entered in the previous step. You may enter up to 20 TINs as long as they are attached to the same billing entity. TINs must have all 9 digits entered to be accepted.

### Billing TIN(s)

Example:  
123456789,  
987654321

Type, or copy/paste TIN(s) here. Multiple TINs should be separated by commas.


Continue

# Step 3 – Verify Payment Information



## Verify Payment Information

Relief fund payments are made to your billing entity account via Optum Bank with "HHSPAYMENT" as the payment description. Please confirm the account number and payment(s) you received for each TIN. If you have not yet received payment, please call the toll-free CARES Provider Relief line at (866) 569-3522.

Billing TIN(s)	Last Six Digits of Deposit Account Number	Relief Fund Payment	Remove TIN
	<input type="text"/>	<input type="text"/>	

Continue

# Step 4 –Attestation

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## Checkbox # 1

- I acknowledge receipt of [\$amount] from the ... Relief Fund, and accept the [Terms & Conditions](#).
- If you received a payment from [the Relief Fund] and retain that payment for at least 30 days without contacting HHS regarding remittance of those funds, ***you are deemed to have accepted the following Terms & Conditions***. This is not an exhaustive list and you must comply with any other relevant statutes and regulations, as applicable.
- Your commitment to full compliance with all Terms and Conditions is material to the Secretary’s decision to disburse these funds to you. ***Non-compliance with any Term or Condition is grounds for the Secretary to recoup some or all of the payment made from the Relief Fund.***
- In general, the requirements that apply to the recipient, ***also apply to subrecipients and contractors*** under grants, unless an exception is specified.

# Step 4 –Attestation

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## Checkbox # 2

- By receiving and accepting Relief Fund payment, you attest that in accordance with the [CARES Act], you are eligible for this payment. You acknowledge that you may be asked to submit to the review process established by [HHS], including its contractor...to determine your eligibility for this payment.
- Additionally, upon request by HHS, you will ***provide any and all information related to the disposition or use of the funds*** received under Relief Fund for auditing and/or reporting purposes.
- I attest that I have the legal authority to act on behalf of the provider group that has received payment under the Relief Fund.
- For Electronic Funds Transfer/ACH Payments, ***HHS or its contractor may make adjustments to the payment whenever a correction or change is required.*** For example, if there is an error, you agree that HHS may correct the error immediately and without notice. Such errors include, but are not limited to, reversing an improper credit, and correction calculation and input errors. ***The right to make adjustments are not subject to any limitations or time constraints, except as required by law.***

# Final Step - Accept/Reject Payment



I have read and agree to the [Optum Pay Enrollment Agreement Terms and Conditions](#).

I'm not a robot   
reCAPTCHA  
Privacy - Terms

Optum Pay - <https://covid19.linkhealth.com/#/optum-pay-enrollment-agreement>

“You hereby authorize us, acting directly or indirectly on behalf of [Payers] to credit or debit the account(s) listed on your enrollment..., in connection with processing transactions between you and any Payers.”

# Terms & Conditions



DEPARTMENT OF HEALTH & HUMAN SERVICES

## Relief Fund Payment Terms and Conditions

- Certify that recipient provides “diagnoses, testing, or care for individuals with possible for actual cases of COVID-19”
  - HHS: “Care does not have to be specific to treating COVID-19. HHS broadly views every patient as a possible case of COVID-19.”
- Certify that funds “will only be used to prevent, prepare for, and respond to coronavirus, and shall reimburse the Recipient only for health care related expenses or lost revenues that are attributable to coronavirus.”

- The Payment means the funds received from the Public Health and Social Services Emergency Fund (“Relief Fund”). The Recipient means the healthcare provider, whether an individual or an entity, receiving the Payment.
- The Recipient certifies that it billed Medicare in 2019; provides or provided after January 31, 2020 diagnoses, testing, or care for individuals with possible or actual cases of COVID-19; is not currently terminated from participation in Medicare; is not currently excluded from participation in Medicare, Medicaid, and other Federal health care programs; and does not currently have Medicare billing privileges revoked.
- The Recipient certifies that the Payment will only be used to prevent, prepare for, and respond to coronavirus, and shall reimburse the Recipient only for health care 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 shall submit reports as the Secretary determines are needed to ensure compliance with conditions that are imposed on this Payment, and such reports shall be in such form, with such content, as specified by the Secretary in future program instructions directed to all Recipients.
- Not later than 10 days after the end of each calendar quarter, any Recipient that is an entity receiving more than \$150,000 total in funds under the Coronavirus Aid, Relief, and Economics Security Act (P.L. 116-136), the Coronavirus Preparedness and Response Supplemental Appropriations Act (P.L. 116-123), the Families First Coronavirus Response Act (P.L. 116-127), or any other Act primarily making appropriations for the coronavirus response and related activities, shall submit to the Secretary and the Pandemic Response Accountability Committee a report. This report shall contain: the total amount of funds received from HHS under one of the foregoing enumerated Acts; the amount of funds received that were expended or obligated for reach project or activity; a detailed list of all projects or activities for which large covered funds were expended or obligated, including: the name and description of the project or activity, and the estimated number of jobs created or retained by the project or activity, where applicable; and detailed information on any level of sub-contracts or subgrants awarded by the covered recipient or its subcontractors or subgrantees, to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 allowing aggregate reporting on awards below \$50,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.
- The Recipient shall maintain appropriate records and cost documentation including, as applicable, documentation required by 45 CFR § 75.302 – Financial management and 45 CFR § 75.361 through 75.365 – Record Retention and Access, and other information required by future program instructions to substantiate the reimbursement of costs under

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<https://www.hhs.gov/sites/default/files/relief-fund-payment-terms-and-conditions-04132020.pdf>

# More Terms & Conditions

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- Recipient will not use funds “to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse”
- Recipient will not balance bill any out-of-network patient for COVID-19-related treatment
  - T&Cs do not address diagnosis and treatment for uninsured
- Recipient will not use funds for any purpose for which CARES Act funds cannot be used
  - To pay individual salary in excess of \$197,300
  - To fund lobbying, abortion, embryonic research, needle exchange, ACORN, capture or procurement of wild chimpanzees, human trafficking
  - To do business with any entity that requires employees to sign confidentiality agreement prohibiting reporting of fraud, waste, or abuse to federal officials
  - To do business with a corporation that has unpaid Federal tax liability or has been convicted of a felony Federal criminal violation in preceding 24 months



# Still More Terms & Conditions

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- Submit reports as HHS determines necessary to monitor T&C compliance
- If receive > \$150,000 in federal funds for coronavirus response and related activities, submit quarterly reports to Pandemic Response Accountability Committee (PRAC) with detailed accounting of expenditures
- Maintain records and cost documentation, including documentation required by 45 CFR §§ 75.302, 361-365 and by any future program instructions
- Fully cooperate in all audits the Secretary, OIG, or PRAC conducts to ensure compliance with these Terms and Conditions.

- Currently no guidance that states the funds are excluded from gross income
  - Contrast with PPP that expressly states that forgiven amounts are not considered as taxable revenue
- Conservative approach = assume the payments will be considered in gross income and recognized as taxable
- Tax exempt entity – no taxable event
- For profit entity – taxable event but unlikely to generate revenue in excess of expenses incurred
- Stay tuned for additional guidance/rule making

- Funds are not loans, do not have to be repaid subject to terms and conditions
- Funds should be **recognized as revenue when received** if the provider
  - believes it can meet the list of program criteria;
  - agrees to be bound by the terms and conditions; and
  - attests to such within 30 days of receipt of payment
- Funds should be recorded as **deferred revenue**
  - If the provider is unsure of whether it can meet the program criteria
  - Until such time that the provider determines fulfillment of the criteria is likely to occur (and the probability of having to pay back the funds is unlikely).

# Recording Revenue and Expenses

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- Create a separate general ledger account to record the Relief Fund payments.
  - Separate bank account?
- Report Relief Fund revenues as a line item in operating revenues on the financial.
- Use footnote disclosures to adequately explain the portion of revenue related to Relief Fund payments.
- Consult your external auditors to discuss additional accounting for these payments.

- Establish a process to fully vet the requirements – known, implied, potential – of each funding mechanism to ensure the entity can comply with the requirements.
- Designate informed individuals to monitor regularly for additional guidance, rules and regulations.
  - Update internal guidance, educate teams, modify policies and procedures accordingly.
- Create a process to efficiently track sources and uses of funds to ensure compliance with spending requirements and attestations.
  - Prepare in advance for an audit.

# What About the Other \$70B?

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- On April 3, Secretary Azar stated “a portion of that funding [will be used] to cover providers’ costs of delivering COVID-19 care for the uninsured” at Medicare rates
  - Payments to be made through the National Disaster Medical System, but no details have been provided
  - April 7 KFF analysis estimates these costs at \$13.9 billion to \$41.8 billion
  - Families First appropriated \$1B for testing for uninsured also to be paid through NDMS, but no details have been provided
  - To bill or not to bill?
- HHS Relief Fund website
  - “The Administration is working rapidly on targeted distributions that will focus on providers in areas particularly impacted by the COVID-19 outbreak, rural providers, providers of services with lower shares of Medicare reimbursement or who predominantly serve the Medicaid population, and providers requesting reimbursement for the treatment of uninsured Americans.”

## COVID-19 HUB

Because we are living through an unprecedented healthcare phenomenon, PYA is committed to sharing timely and relevant information that we hope will benefit our clients and colleagues. The COVID-19 HUB will centralize PYA's thought leadership, guidance, and resources related to the COVID-19 pandemic.

- Prior webinar recordings, slides, transcripts, follow-up Q&As
- PYA thought leadership
- Links to important resources

[www.pyapc.com/covid-19-hub/](http://www.pyapc.com/covid-19-hub/)

**Thank you, and stay well!**