

Update: Financial Assistance for Health Care Providers

As noted in our prior [memo](#), the CARES Act included \$100 billion for eligible health care providers. Prior to April 9, there was no guidance on how this money would be distributed or any proactive steps that providers could take to apply for a portion of the funds.

However, on April 9 the Department of Health and Human Services (HHS) announced that it would begin immediate delivery of the first \$30 billion of this funding. Accordingly, Medicare enrolled hospitals and providers will receive their proportionate share of \$30 billion based on their share of 2019 Medicare fee-for-service reimbursements. Total reimbursements made in 2019 were \$484 billion, so a provider can estimate its share by dividing its 2019 reimbursements by \$484 billion.

The payments began April 10 and should be completed by next week for providers who receive electronic payments from Medicare. Providers that receive paper checks should receive a check in the mail within the next few weeks. It should be noted that payments will be made according to the tax identification number that bills Medicare and individual providers are unlikely to receive any payments directly.

As a condition of receiving the payment, each provider will have to sign an attestation within 30 days of payment to confirm receipt and acknowledge the [terms and conditions](#) of payment. These terms and conditions state that the funds will be used to “prevent, prepare for, and respond to coronavirus, shall reimburse the Recipient only for health care related expenses or lost revenues attributable to coronavirus,” and the payment cannot be used to reimburse expenses or losses that have been reimbursed from other sources.

HHS is working on a more targeted distribution of additional funding to areas impacted by coronavirus, rural providers, providers with lower shares of Medicare reimbursement or those who predominantly serve the Medicaid population. We will continue to provide updates as more information is disclosed.

If you have any questions, please contact [Samuel P. Burgess](#), [Jeffrey B. Scheer](#), any of the [attorneys](#) in our [Health Care Practice](#) or the attorney in the firm with whom you are regularly in contact.



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