

This morning the Department of Health and Human Services (HHS) announced the immediate disbursement of the first \$30 billion out of the \$100 billion that Congress allocated to hospitals, physicians and other health care providers in the Public Health and Social Services Emergency Fund in the Coronavirus Aid, Relief and Economic Security (CARES) Act. The distribution policy adopted by HHS reflects the recommendations from organized medicine made to Secretary Azar by the AMA and 137 medical societies earlier this week, although it is not exactly what we proposed. In part, the difference stems from the administration's approach of first disbursing \$30 billion and later determining how the remainder of the funds will be allocated.

This initial \$30 billion is being directed to hospitals and physician practices in direct proportion to their share of Medicare fee-for-service spending. The total amount of Medicare FFS spending in 2019 was \$484 billion. Hypothetically, if a Medicare provider with a Taxpayer ID Number (TIN) accounted for 1% of total Medicare FFS spending in 2019, the TIN would receive 1% of the \$30 billion.

This allocation method is similar to the recommendation from organized medicine because we recommended that the distribution be tied to physicians' Medicare FFS spending from a portion of 2019, pre-COVID-19. It differs from our recommendation in several respects: instead of using a one-month average of three months of Medicare spending, it uses spending for the entire year 2019; and it does not multiply that amount by three to average all-payor revenue for a month. Also, it does not employ any methodology to pay physicians who may have no or few Medicare claims but rely significantly on Medicaid funding; but, at a White House Coronavirus Task Force briefing earlier this week, Administrator Verma indicated that a subsequent distribution from the Emergency Fund will be directed to pediatricians, children's hospitals, and others who rely on Medicaid.

All facilities and health professionals that billed Medicare FFS in 2019 are eligible for the funds. These are grants, not loans, and do not have to be repaid. Note that the funds will go to each organization's TIN which normally receives Medicare payments, not to each individual physician. The automatic payments will come to the organizations via Optum Bank with "HHSPAYMENT" as the payment description.

Additional details about the allocation are available at: <https://www.hhs.gov/provider-relief/index.html>

This website also includes a link to [Terms and Conditions](#) for receipt of the funds that each organization receiving the grants will need to attest to within 30 days of receiving the grant. The funds may be used either for health care related expenses or for lost revenues that are attributable to coronavirus.



[CARES Act Provider Relief Fund |](#)

[HHS.gov](#)

President Trump is providing support to healthcare providers fighting the COVID-19 pandemic. On March 27, 2020, the President signed the bipartisan CARES legislation that provides \$100 billion in relief funds to hospitals and other healthcare providers on the front lines of the coronavirus response.

www.hhs.gov