

## Federal Provider Relief Fund: Guidance on How to Access “General Distribution” Funds

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Congress created a \$175 billion Provider Relief Fund to support providers as they deal with COVID-19. Recently, the federal Department of Health and Human Services (HHS) began distribution of the first \$50 billion of this fund—through the so-called “General Distribution” mechanism—for providers who billed Medicare in 2019.

This document summarizes instructions for eligible providers to ensure they understand how to access funding. To be eligible, providers must have:

- Billed Medicare in 2019, *and*
- Provided some patient care after Jan. 31, 2020.<sup>1</sup>

**Providers who are eligible for a portion of this funding will have already received at least one payment notice.**

HHS has also begun releasing an additional \$22 billion from the Provider Relief Fund to hospitals highly impacted by the COVID-19 pandemic and to rural health care providers. A high-level summary of how these funds are allocated is provided at the end of this document, along with the latest information from HHS about how the remainder of the Provider Relief Fund may be allocated in the future. North Carolina Division of Health Benefits (NC Medicaid) will release additional instructions about how to access this funding, as necessary, when HHS provides this information.

To ensure NC Medicaid providers have a complete view of federal funding available during the pandemic, [Key Federal Funding Available for Health Care Providers and Hospitals to Address COVID-19](#) provides a high-level overview of the Provider Relief Fund and other key sources of federal funding, and instructions for providers to access those funds. This overview document is updated regularly to reflect new information as it becomes available.

Thank you for your dedication and commitment to ensure our North Carolina Medicaid beneficiaries receive the services and treatment they need during the COVID-19 pandemic.

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<sup>1</sup> The provider must have provided diagnoses, testing, or care for individuals with possible or actual cases of COVID-19. HHS views every patient as a possible case of COVID-19 and indicates that “care does not have to be specific to treating COVID-19.” - [Provider Relief Fund website](#) and [General Distribution Portal FAQs](#)

## Instructions for Accessing Federal General Distribution Funds for Eligible Providers

**Context:** The General Distribution Fund represents the first \$50 billion available through the federal Provider Relief Fund being distributed to eligible health care providers. HHS is distributing these funds in two installments: (1) the first \$30 billion, which was distributed on or before April 24, 2020; (2) the second \$20 billion, the distribution of which is underway now. Some providers will receive an automatic payment from the first and second distributions without having to submit any initial information. Some providers will receive an automatic payment from the first distribution but will need to take additional actions to obtain the second payment. Instructions are below.

### ***Did you receive a General Distribution Fund payment before April 24, 2020?***

***If yes...***

#### **Review the Terms and Conditions & Accept the Funds**

- Within 45 days of receipt, go to the CARES Act Provider Relief Fund [Payment Application Portal](#) to review and accept the payment.
- You will need to:
  - Confirm you are a billing entity that received Medicare fee-for-service payments from CMS in 2019
  - Provide your 9-digit Taxpayer Identification Number (TIN) (either Employer Identification Number or Social Security Number). You may enter up to 20 TINs as long as they are attached to the same billing entity.
  - Verify payment information
  - Review the “Terms and Conditions.” The Terms and Conditions will require you to attest to several statements, including:
    - Payments will only be used to prevent, prepare for, and respond to coronavirus
    - Payments will only be used for health care related expenses or lost revenues attributable to coronavirus
    - Payments will not be used to reimburse expenses/losses that have been reimbursed from other sources or that other sources are obligated to reimburse
    - Provider will not collect out-of-pocket expenses from patients in an amount greater than what the patient would pay if care was provided in-network (or “balance bill”).
- If you accept the Terms and Conditions, sign to accept the funds.

#### **Notes:**

- *If you do not accept the Terms and Conditions (for example, because you did not operate in 2020), you should reject the funding. To do so, follow the instructions in the Portal to reject and return the funds.*
- *If you receive a payment and retain that payment for at least 45 days without taking action, HHS will deem you to have accepted the Terms and Conditions.*

## ***If no...***

### **You are not eligible for any funds from the General Distribution Fund**

However, you may be eligible for other sources of federal funding. North Carolina Division of Health Benefits (NC Medicaid) is reviewing all available funding for NC Medicaid providers and will provide additional information and instructions through the resource [Key Federal Funding Available for Health Care Providers and Hospitals to Address COVID-19](#) or other means as additional allocations become available.

***If you received a General Distribution Fund payment before April 24, 2020, you may be eligible for and may even have already received a second payment. Have you received a second payment from the General Distribution Fund (on or after April 24, 2020)?***

## ***If yes...***

### **Submit Information to Validate the Payment Amounts You Have Received**

- Go to the [General Distribution Portal](#)
- Have the following information ready to submit for validation:
  - TIN that received prior Provider Relief Fund payment
  - A listing of the TINs for any of the provider's subsidiary organizations that *have* received relief funds but do *not* file separate tax returns<sup>2</sup>
  - Amount of Provider Relief Fund General Distribution payments received and account number or check number
  - "Gross Receipts or Sales" or "Program Service Revenue" as submitted on most recent federal income tax return<sup>3</sup> or, for public providers, the most recent audited financial statements
  - Estimated revenue losses in March 2020 and April 2020 due to COVID-19<sup>4</sup>
  - A copy of the provider's most recently filed federal income tax return or, for public providers, the most recent audited financial statements
- Accept the Terms and Conditions. There will be two new conditions in addition to what you attested to with the first payment, including:
  - Recipients must submit general revenue data for calendar year 2018 when applying to receive a Payment, or within 45 days of having received a Payment.
  - Recipients consent to HHS publicly disclosing the payment amount received through the General Distribution Fund.
- Follow directions to complete the DocuSign process.

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<sup>2</sup> Providers that *have* received relief funds and *do* file separate tax returns must submit a separate portal application.

<sup>3</sup> Refer to the Federal Tax Classification Matrix in the [user guide](#).

<sup>4</sup> HHS indicates that this amount may be calculated by using "a reasonable method" and provides two example calculations it deems acceptable: (1) the difference between the provider's budgeted revenue and actual revenue during these months; and (2) the difference between revenues in March and April of 2020 and March and April of 2019.

***If no...***

**Submit Information to Apply for the Second General Distribution Fund Payment by June 3, 2020.**

- Go to the [General Distribution Portal](#)
- Have the following information ready to apply for the second payment:
  - TIN that received prior Provider Relief Fund payment
  - A listing of the TINs for any of the provider's subsidiary organizations that *have* received relief funds but do *not* file separate tax returns<sup>5</sup>
  - Amount of Provider Relief Fund General Distribution payments received and account number or check number
  - "Gross Receipts or Sales" or "Program Service Revenue" as submitted on most recent federal income tax return<sup>6</sup> or, for public providers, the most recent audited financial statements
  - Estimated revenue losses in March 2020 and April 2020 due to COVID-19<sup>7</sup>
  - A copy of the provider's most recently filed federal income tax return or, for public providers, the most recent audited financial statements
- Accept the Terms and Conditions. There will be two new conditions in addition to what you attested to with the first payment, including:
  - Recipients must submit general revenue data for calendar year 2018 when applying to receive a Payment, or within 45 days of having received a Payment.
  - Recipients consent to HHS publicly disclosing the payment amount received through the General Distribution Fund.
- Follow directions to complete the DocuSign process.

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<sup>5</sup> Providers that *have* received relief funds and *do* file separate tax returns must submit a separate portal application.

<sup>6</sup> Refer to the Federal Tax Classification Matrix in the [user guide](#).

<sup>7</sup> HHS indicates that this amount may be calculated by using "a reasonable method" and provides two example calculations it deems acceptable: (1) the difference between the provider's budgeted revenue and actual revenue during these months; and (2) the difference between revenues in March and April of 2020 and March and April of 2019.

## Overview of Next Approximately \$50 Billion Available in the Federal Provider Relief Fund

HHS has indicated that the next set of distributions from the Provider Relief Funds will be allocated as follows:

- \$12 billion for hospitals in areas that have been particularly impacted by the COVID-19 outbreak. Hospitals were directly contacted regarding this funding opportunity and those eligible were required to apply for the funds before 3:00pm EST on Saturday, April 25.
  - On May 1, 2020, HHS [announced](#) it began processing these payments. Four North Carolina providers will [receive](#) approximately \$79 million in total.
- \$10 billion for rural health clinics and hospitals distributed on the basis of operating expenses, using a methodology that distributes payments proportionately to each facility and clinic.
  - On May 1, 2020, HHS [announced](#) it would begin processing these payments shortly. In North Carolina, 254 providers will [receive](#) approximately \$282.6 million in total.
- \$400 million allocated for Indian Health Services facilities distributed on the basis of operating expenses.
- An unspecified amount for COVID-19 testing and treatment for the uninsured. See this update from NCTracks on behalf of NC Medicaid for more information on the HRSA COVID-19 Uninsured Program Portal.
- An unspecified amount for other providers, including skilled nursing facilities, dentists and providers that solely take Medicaid.

The NC Division of Health Benefits (NC Medicaid) will provide more information about these sources of provider funding, including how to access it, if applicable, when HHS makes this information available.

## Additional Resources for Providers

Providers are encouraged to seek information from the following resources:

- An overview of [Key Federal Funding Available for Health Care Providers and Hospitals to Address COVID-19](#) and instructions to access these funds.
- The new Provider Relief Fund [landing page](#) for updates and information on new distributions.
- The [Terms and Conditions home page](#).
- The CARES Act [Provider Relief Fund Payment Application Portal](#)
- The [General Distribution Portal](#), and supporting [FAQs](#) and an interactive [User Guide](#).
- HHS' CARES Act Provider Relief hotline (866-569-3522)