

**MEMORANDUM**

TO: REDC

FROM: Center Road Solutions

DATE: October 16, 2020

**RE: HRSA COVID-19 CARES Act Provider Relief Fund Phase 3 General Distribution Webinar**

**Overview**

The Health Resources and Services Administration (HRSA) held a webinar on Thursday, October 15th on how to apply for Phase 3 General Distribution of the CARES Act Provider Relief Fund. The CARES Act Provider Relief Fund will distribute $175 billion to hospitals and healthcare providers that have been affected by the COVID-19 pandemic. Phases 1 and 2 of the fund distribution have already occurred, but eligibility has expanded for Phase 3 to include behavioral health providers, including behavioral health providers that only accept private insurance or direct payment. Phase 3 General Distribution will provide payments of up to 2% of annual patient care revenues, with the potential for an add-on payment for changes in operating revenues from patient care due to COVID-19. Providers have **through November 6th, 2020 to apply** for the funding. The application can be found [here](https://cares.linkhealth.com/#/).

**Stages of Application and Distribution Process**

There are six stages of the Provider Relief Fund payment process. The six steps are as follows:

Step 1: Determine Eligibility

* Eligibility requirements:
  + Filed a federal income tax return for fiscal years 2017, 2018, 2019 (if in operation before Jan. 1, 2020); or be exempt from filing a return.
  + Provided patient care after Jan. 31, 2020 (Note: patient care includes health care, services, and support, as provided in a medical setting, at home, or in the community).
  + Did not permanently cease providing patient care directly or indirectly.
  + For individuals providing care before Jan. 1, 2020, have gross receipts or sales from patient care reported on Form 1040 (or other tax form).
* Behavioral health providers who accept commercial insurance or bill patients directly for care are eligible for the first time.

Step 2: Validate Tax ID Number (TIN)

* First, the provider registers in portal and enters TIN.
  + HRSA shares unrecognized provider TINs with 3rd party validators.
  + Timing 7-10 business days
* Second, a validator reviews provider information for eligibility (e.g. actively in practice, in good standing, etc.) and shares the results with HRSA.
  + Timing: 7-10 business days
* Third, HRSA accepts the determination, updates the portal, and notifies the provider they can apply.
  + Timing: 3-5 business days
* HRSA is working with SAMHSA to put together a list of behavioral health providers.
* HRSA will not reach out to individual providers for verification.
* Only one person can create an account for each TIN.
* If an organization has more than one TIN, the parent company should apply on behalf of its subsidiaries.

Step 3: Apply (early) for funding

* Provider re-enters the portal and completes the application for payments.
  + Timing: 10-14 business days
* Deadline: November 6th, 2020 11:59pm EST
* **The TIN must be verified before the application can be started.**
* If a mistake is made on the application, simply complete another application. The most recent application is the one that will be reviewed by HRSA.

Step 4: Receive payment

* The account holder will receive an email if funds are granted.
* Depending on TIN validation, disbursements generally take 5-7 weeks.
* If a provider’s revenue is greater than $5 million, they will need to set up an Automated Clearinghouse (ACH).
  + HRSA recommends setting up the ACH when filling out the application to avoid payment delays.
* Each provider will receive approximately 2% of their reported revenue from patient care.
* Providers may receive an add-on payment based on additional costs or losses caused by COVID-19.
  + HRSA will calculate add-on payments for eligible providers by considering the financial impact of COVID-19 and the remaining balance of Phase 3 funds. These payments will be determined and dispersed after all 2% revenue payments have been paid.
* Payments will be dispersed on a rolling basis.

Step 5: Accept payment and attest to Terms and Conditions

* Payment recipient must attest to Terms and Conditions within 90 days of receiving the payment.
* Full terms and conditions can be found [here](https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/for-providers/index.html#terms-and-conditions).
* If the recipient does not agree to the Terms and Conditions, they can reject the funds and will have 15 days to return the payment.

Step 6: Report on use of funds

**Resources**

There are a multitude of resources on the [HRSA Provider Relief page](https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/for-providers/index.html) including:

* [Fact sheet](https://www.hhs.gov/sites/default/files/provider-relief-phase-3-fact-sheet.pdf)
* [Step-by-step provider guide](https://www.hhs.gov/sites/default/files/provider-relief-fund-6-steps-to-apply.pdf)
* [Application instructions](https://www.hhs.gov/sites/default/files/provider-distribution-instructions.pdf?language=en)
* [Sample application form](https://www.hhs.gov/sites/default/files/provider-distribution-application-form.pdf)

HRSA also has a provider support line that can be reached at (866) 569-3522; for TTY dial 771.