

CARES Act “Provider Relief Fund” Makes Medicare Part A and B Payments to Providers

As part of the CARES Act, \$30 billion is being distributed immediately to Medicare providers nationwide in recognition of the strain on providers caring for patients during the COVID-19 pandemic. Beginning on April 10, 2020, payments will be made via direct deposit to providers' billing Tax Identification Number on file. There is no expectation of repayment (this is not a loan), though there are a handful of conditions.

Who is eligible?

All facilities and providers that received Medicare fee-for-service (FFS) reimbursements in 2019 are eligible for relief payments from Medicare if they provided diagnoses, testing or care of individuals with possible or actual COVID-19. Care does not have to be specific to treating COVID-19. In fact, HHS broadly views every patient as a possible case of COVID-19.

What is the purpose?

The quick dispersal of funds is intended to provide relief to healthcare providers in areas heavily impacted by the COVID-19 pandemic but also to providers struggling to keep their doors open for healthy patients due to delayed care and canceled elective procedures.

What are the conditions?

As a condition of receiving these funds, providers must agree not to seek collection of out-of-pocket payments from a COVID-19 patient that are greater than what the patient would otherwise have been required to pay if the care had been provided by an in-network provider. Essentially, the payment attempts to prevent patient balance billing and surprise billing for care relating to COVID-19.

Within 30 days of receiving the payment, providers must sign an attestation confirming receipt of the funds and agreeing to the terms and conditions set forth [here](#). The portal for signing the attestation will be open the week of April 13, 2020, and will be linked [here](#).

What is the payment amount?

A provider may estimate the payment by dividing 2019 Medicare FFS (not including Medicare Advantage) payments by \$484 billion then multiplying by \$30 billion. For example, a community hospital that billed \$121 million in 2019 would use this equation:

$$\$121,000,000 / \$484,000,000,000 \times \$30,000,000,000 = \$7,500,000$$

For more information, see <https://www.hhs.gov/provider-relief/index.html>.

For more COVID-19 related legal updates, please consider [subscribing to our COVID-19 Task Force Newsletter](#).

For questions regarding this article, please contact:

Author: [Katherine Bowles, Attorney at Law](#)
Email: kbowles@nelsonhardiman.com

