



Update: Provider Relief Fund Tranche 2 Application

HHS has updated the Attestation Portal with additional and important information regarding the \$50 billion general distribution for the CARES Act Provider Relief Fund.

Background

The CARES Act (3/27/20) was the largest fiscal stimulus package in US history, with a total expenditure of \$2.5 trillion. Congress authorized \$100 billion to HHS for relief grants to hospitals and physicians enrolled in Medicare; \$50 billion was targeted largely for hospitals, (e.g., high impact areas and rural hospitals) and for payment of uninsured treatment and testing. The remaining funds were allocated as follows:

\$50 Billion General Allocation Fund:

- **Tranche 1- \$30B**
 - Released on 4/10/20, based on approximately 6.2% of the provider's 2019 Medicare receivables. ***Tranche 1 Terms and Conditions must be attested to by 5/8/20.***
- **Tranche 2 - \$20B**
 - \$10B in grants was distributed on 4/24/20 to hospitals and entities that file cost reports.
 - \$10B remaining for physicians and other Part B suppliers in Tranche 2.

Tranche 2 Formula

Responding to criticism that Tranche 1 disadvantaged groups with low relative Medicare receivables, HHS has now announced the Tranche 2 formula for the \$10B remaining funds from the \$50B of general allocation fund.

HHS has clarified that the **total distribution for Tranche 1 & 2 for a provider should be approximately 2% of 2018 gross revenue**, based on the following formula:

To calculate your estimated total allocation, divide your "Gross Receipts or Sales" or "Program Service Revenue" by 2.5 trillion and then multiply by 50 billion (Gross Receipts or Sales/ 2,500,000,000,000).

HHS updated the [Attestation Portal](#) to provide additional information regarding the \$50 billion General Distribution for the CARES Act Provider Relief Fund (see below for more details).

To determine whether a provider will likely receive additional funding from the \$10 billion Tranche 2, a provider should examine its 2018 gross patient revenue, as detailed below:

If the provider received less than 2% of 2018 gross revenue from the initial \$30 billion distribution, then the provider may be eligible to receive additional funding up to the 2% calculation.

If the distribution from the initial \$30 billion is more than 2% of 2018 gross revenue, then the provider will likely need to contact the CARES Provider Relief hotline to determine next steps. The Portal states,



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"Please contact the CARES Provider Relief hotline at (866) 569-3522 if you believe that you have received an overpayment."

Note: This calculation should be done for all TINs tied to 2018 net patient revenue amount.

Below are examples to help clarify the calculation:

- If Physician Group A had \$27.5 million in gross receipts in 2018, those receipts divided by \$2.5 trillion = .000011 X \$50 billion=\$550,000 in total Tranche 1 & 2 amounts to be received under the CARES Relief Fund. The group received \$333,666 in Tranche 1 on 4/10/20 and will receive another \$216,334 when Tranche 2 is disbursed (\$550,000 less \$333,666).
- If in contrast Group A received \$650,000 due to very high relative Medicare receivables, then Group A should contact the CARES Provider Relief hotline as they will likely owe back \$100,000 (\$650,000 less \$550,000 total CARES allocation=\$100,000)

Attestation Portal Details

Further, HHS has stated on the Attestation Portal (as quoted below) that the **"names of payment recipients and the amounts received" will be publicly available** for "all providers who attest to receipt of a payment and acceptance of the Terms and Conditions." HHS also notes that a **provider should not attest unless the payment is consistent with the estimated allocation**:

- *"HHS plans to make publicly available the names of payment recipients and the amounts received, for all providers who attest to receipt of a payment and acceptance of the Terms and Conditions. You should only attest if you believe the payment you received is consistent with your estimated allocation. To calculate your estimated total allocation, divide your "Gross Receipts or Sales" or "Program Service Revenue" by 2.5 trillion and then multiply by 50 billion. ((Gross Receipts or Sales) / 2,500,000,000,000) * 50,000,000,000*
- *To estimate the amount likely to be received via this portal application, subtract the amount of payments already received from your total estimated total allocation above.*
- *Please do not attest if the payments you have received already exceed your estimated total allocation. Please contact the CARES Provider Relief hotline at (866) 569-3522 if you believe that you have received an overpayment."*

You can find out more at the HHS [Attestation Portal](#).

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