



## Update: Provider Relief Fund Tranche 2 - Relief Grants Are Being Distributed as of May 15, 2020

Some of Zotec Partners' clients are now receiving Tranche 2 Provider Relief grant payments—**these are not loans or advanced payments that have to be repaid:**

- Payments are being received depending on when the application for the second round of payments was submitted.
- It appears that ACH deposits are going out on Fridays, 10 - 12 business days after submission of the application.
- Any application denials are supposed to be sent via email.

If you have concerns regarding the processing of your application, we encourage you to call the CARES Provider Relief hotline at (866) 569-3522, to at least confirm your application was received. You will need your tax ID number and/or the document number from the submitted application.

**On May 5, 2020, Zotec provided the following update on the CARES Act Relief Grant program requirements and expected time frame:**

### **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 the uninsured treatment and testing. The remaining funds were allocated as follows:

### **\$50 B General Allocation Fund:**

- **Tranche 1- \$30B**
  - Released on 4/10/20, based on approximately 6.2% of the provider's 2019 Medicare receivables. ***Terms and Conditions must be attested to within 45 days of receipt of Tranche 1.***
- **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.



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### 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 funds.

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)."*

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

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