

HHS Announces \$20B in New Phase 3 Provider Relief Funding



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October 1, the Department of Health and Human Services (HHS) announced \$20 billion in new funding for providers on the frontlines of the coronavirus pandemic through Phase 3 General Distribution allocation. Providers who already received Provider Relief Fund payments can apply for additional funding, as well as previously ineligible providers, such as “those who began practicing in 2020 will also be invited to apply, and an expanded group of behavioral health providers.”

HHS stated the new Phase 3 General Distribution is “designed to balance an equitable payment of 2 percent of annual revenue from patient care for all applicants plus an add-on payment to account for revenue losses and expenses attributable to COVID-19.”

Eligibility

HHS states that it is “making a large number of providers eligible for Phase 3 General Distribution Funding, including:

- Providers who previously received, rejected or accepted a General Distribution Provider Relief Fund payment. Providers that have already received payments of approximately 2% of annual revenue from patient care may submit more information to become eligible for an additional payment.
- Behavioral Health providers, including those that previously received funding and new providers.
- Healthcare providers that began practicing January 1, 2020 through March 31, 2020. This includes Medicare, Medicaid, CHIP, dentists, assisted living facilities and behavioral health providers.”

Payment Methodology

Providers may apply for funding from October 5, 2020 through November 6, 2020. HHS encourages providers to apply early.

All eligible providers will be considered for payment against the below criteria.

1. All provider submissions will be reviewed to confirm they have received a Provider Relief Fund payment equal to approximately 2 percent of patient care revenue from prior general distributions. Applicants that have not yet received Relief Fund payments of 2 percent of patient revenue will receive a payment that, when combined with prior payments (if any), equals 2 percent of patient care revenue.
2. With the remaining balance of the \$20 billion budget, HRSA will then calculate an equitable add-on payment that considers the following:

- A provider's change in operating revenues from patient care;
- A provider's change in operating expenses from patient care, including expenses incurred related to coronavirus; and
- Payments already received through prior Provider Relief Fund distributions.

HHS is urging all eligible providers to apply early and not wait until the last day or week of the application period. Applying early will help HHS's review process and ultimately accelerate the distribution of all payments.

- All payment recipients will be required to attest to receiving the Phase 3 General Distribution payment; and
- Accept the associated Terms and Conditions.

Additional information can be found in the HHS [press release](#), and on the CARES Act Provider Relief Fund [website](#).