



## COLLEGE of AMERICAN PATHOLOGISTS

Member Resources

### CARES Act Provider Relief Fund

**Objective:** The purpose of this document is to provide general guidance for practices to use regarding CARES Act distributions through the Provider Relief Fund. This resource is for general informational purposes and should not be viewed as a substitute for professional accounting or legal advice.

**Background:** Congress has appropriated over \$100 billion to reimburse providers for lost revenues and increased expenses due to the coronavirus pandemic. Starting April 10, 2020, the Health Resources Service Administration (HRSA) distributed a portion of the funds to providers in proportion to their Medicare fee-for-service payments in 2019. Providers were not required to engage in any activity or apply for these funds. The funds were sent directly to providers in the same fashion other Medicare payments are normally sent to your practice. However, in order to retain these funds, practices are required to **sign an attestation form** and agree to certain **terms and conditions**. Not returning the payment within 45 days of receipt of payment will be viewed as acceptance of the terms and conditions.

Starting April 24, 2020, a second wave of funds were made available to reconcile the initial payment (if any) so that the provider ultimately receives a proportion of a provider's 2018 patient revenue. Only Medicare providers who have already received a payment from the Provider Relief Fund will be eligible to apply for this additional wave of funds.

More information can be found at [hhs.gov/providerrelief](https://hhs.gov/providerrelief).

An agency FAQ is online at: [hhs.gov/sites/default/files/provider-relief-fund-general-distribution-faqs.pdf](https://hhs.gov/sites/default/files/provider-relief-fund-general-distribution-faqs.pdf).

#### **Where do I sign the attestation form? How long do I have to attest?**

Providers who have been allocated a payment must use the General Distribution Portal to sign an attestation confirming receipt of the funds and agree to the terms and conditions within 45 days of payment: <https://covid19.linkhealth.com/#/step/1>.

Providers will now have 45 days, increased from 30 days, from the date they receive a payment to attest and accept the terms and conditions or return the funds. As an example, the initial 30-day deadline for providers who received payment on April 10, 2020, is extended to May 24 from May 9, 2020. With the extension, not returning the payment within 45 days of receipt of payment will be viewed as acceptance of the terms and conditions.

#### **What are the terms and conditions?**

The terms and conditions associated with accepting a distribution from the Provider Relief Fund can be found online: <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/terms-conditions/index.html>.

Failure by a provider that received a payment from the Provider Relief Fund to comply with any term or condition can subject the provider to recoupment of some or all of the payment. Per the terms and conditions, all recipients will be required to submit documents to substantiate that these funds were used for increased health care related expenses or lost revenue attributable to coronavirus, and that those expenses or losses were not reimbursed from other sources and other sources were not obligated to reimburse them.

### **How can I estimate lost revenue?**

There are two methods that are generally acceptable to estimate lost revenue for this period.

1. Year-over-year: Compare actual gross revenue from March and April of 2019 to the same period in 2020.
2. Budget to Actual: Compare your budgeted gross revenue against your actual gross revenue for March and April of 2020. These should be “unadjusted for COVID-19” figures.

### **What are the reporting requirements?**

All providers receiving Provider Relief Fund payments will be required to comply with the reporting requirements described in the [terms and conditions](#) and specified in future directions issued by the Department of Health and Human Services. The specific reporting obligations imposed on providers receiving \$150,000 or more from any Act primarily making appropriations for the coronavirus response and related activities, which is a statutory requirement, begins for the calendar quarter ending June 30. The Secretary may request additional reports prior to that date. The HHS will provide guidance in the future about the type of documentation we expect recipients to submit.

Additional guidance will be posted at <https://www.hhs.gov/provider-relief/index.html>.

### **What if I have not received any payment or funds?**

First, note that all relief payments are made to the billing organization according to its Taxpayer Identification Number (TIN). For example:

- Large Organizations and Health Systems: Large Organizations will receive relief payments for each of their billing TINs that bill Medicare. Each organization should look to the part of their organization that bills Medicare to identify details on Medicare payments for 2019 or to identify the accounts where they should expect relief payments.
- Employed Physicians: Employed physicians should not expect to receive an individual payment directly. The employer organization will receive the relief payment as the billing organization.
- Physicians in a Group Practice: Individual physicians and providers in a group practice are unlikely to receive individual payments directly, as the group practice will receive the relief fund payment as the billing organization. Providers should look to the part of their organization that bills Medicare to identify details on Medicare payments for 2019 or to identify the accounts where they should expect relief payments.
- Solo Practitioners: Solo practitioners who bill Medicare will receive a payment under the TIN used to bill Medicare.

The HHS partnered with UnitedHealth Group (UHG) to deliver the payments, and physicians should contact UHG's Provider Relief line at (866) 569-3522 about eligibility, whether a payment has been issued, and where it was sent.

### **What about the CARES Act “second wave” funds?**

If your practice already received the initial payment, you may be eligible to apply for additional funds, known as “General Distributions,” through the [Provider Relief Fund Application Portal](#). If your practice did not receive the initial payment do not use this application portal. You may still be eligible to receive funds in other distribution mechanisms, including “Targeted Distributions” (see below for more information).

### **Who can apply for the second wave of additional funds?**

Any practice that received the initial payment from HRSA can apply for a second wave of funds through the [Provider Relief Fund Application Portal](#) (provided the calculation results in additional funds allowed). To be eligible for additional funds from the general distribution your practice must have:

- Billed Medicare in 2019, AND
- Provide or provided diagnosis, testing, or care for individuals with possible or actual cases of COVID-19 after January 31, 2020. HHS broadly views every patient as a possible case of COVID-19.

### **How much relief can my practice apply for in the second wave funding?**

The total distribution (1<sup>st</sup> and 2<sup>nd</sup> payment) should be approximately 2% of your annual 2018 gross revenues. To calculate your estimated total distribution (1<sup>st</sup> and 2<sup>nd</sup> payment) divide your 2018 total gross receipts by 2.5 trillion and then multiply by 50 billion.

$$((\text{Gross Receipts or Sales}) / 2,500,000,000,000) \times 50,000,000,000 = \text{Estimated Total Distribution}$$

To estimate the 2<sup>nd</sup> distribution subtract payments received from your estimated total distribution. This should be conducted for each TIN that your practice receives payments under.

**EXAMPLE:** Your practice had gross receipts of \$10M for 2018 and received \$140,000 as an initial payment from the Provider Relief Fund.

$$10,000,000 / 2,500,000,000,000 = 0.000004000 \times 50,000,000,000 = \underline{\$200,000}$$

$$2^{\text{nd}} \text{ distribution estimate: } \$200,000 - \$140,000 \text{ (1}^{\text{st}} \text{ payment)} = \underline{\$60,000}$$

**If your 1<sup>st</sup> payment exceeds your estimated total distribution do not apply, contact the CARES hotline at (866) 569-3522.**

### **What about the terms and conditions?**

All funds require providers to comply with terms and conditions. The terms and conditions associated with accepting a distribution from the Provider Relief Fund can be found online here:

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/terms-conditions/index.html>.

Failure by a provider that received any payment from the Provider Relief Fund to comply with any term or condition can subject the provider to recoupment of some or all of the payment.

**What information do I need to start the application process for second wave funds?**

Make sure your practice received the first HRSA payment and signed your attestation via the Provider Attestation Portal. You will need the following data on hand in order to apply for a second payment:

	The Taxpayer Identification Number (TIN) for your practice. This must be the same TIN that received the first relief payment. The TIN is a 9-digit Tax ID number.	<i>Billing provider or bank records</i>
	The exact full name used on your practice's 2018 Tax Return	<i>2018 Tax Return</i>
	Business name if different from the name on the Tax Return	
	Copy of IRS Form W-9	<i>Accountant</i>
	Medicare and Medicaid ID numbers	<i>Billing provider or contact Medicare/Medicaid</i>
	Total amount your practice received in the first Relief fund payment	<i>Bank records</i>
	Relief Fund payment transaction numbers or check number <ul style="list-style-type: none"> <li>• Checks would have been processed from UnitedHealth Group/OptumRx with "Health Resources &amp; Services Administration" in the top left portion of the check.</li> <li>• Direct deposits were delivered through an automated clearing house (ACH) with "HHSPAYMENT" as the payment description.</li> </ul>	<i>Bank records</i>
	A copy of your practice's most recently filed tax forms. <ul style="list-style-type: none"> <li>• Sole Proprietor/LLC: Form 1040, Schedule C</li> <li>• C Corporation: Form 1120</li> <li>• S Corporation: Form 1120-S</li> <li>• Partnership: Form 1065</li> <li>• Tax Exempt: 990</li> </ul>	<i>Accountant or Tax preparer</i>
	Practice total gross receipts or sales (from the above listed forms) <ul style="list-style-type: none"> <li>• Form 1040: Box 1 of Schedule C</li> <li>• Form 1120: Box 1a</li> <li>• Form 1120-S: Box 1a</li> <li>• Form 1065: Box 1a</li> <li>• Form 990: Use Part I, 9 "Program Services Revenue"</li> </ul>	<i>Tax Forms</i>
	An estimate of the practice's lost revenue for March 2020 and April 2020. (see below)	<i>Financial Statements</i>

**Our practice has multiple TIN numbers, how is that handled?**

You can apply for additional funds for each TIN that received prior Provider Relief Fund payments.

**How do I find out if my practice is approved to receive additional funds?**

If you have completed the attestation, submitted your tax forms, loss estimates, and completed all required information, you should receive payment or other response within 10 business days.

**If my practice is denied additional funding is there an appeal process?**

There is no appeals or dispute process.

**How can I return a General Distribution payment I received under the Provider Relief Fund?**

Providers may return their General Distribution payment by going into the attestation portal and indicating they are rejecting the funds. The CARES Act Provider Relief Fund Payment Attestation Portal will guide providers through the attestation process to reject the funds.

As explained in the attestation portal, to return the money, the provider would need to contact their financial institution and ask the institution to refuse the received Automated Clearinghouse (ACH) credit by initiating an ACH return using the ACH return code of "R23 - Credit Entry Refused by Receiver." If a provider received the money via ACH they must return the money via ACH. If a provider was paid via paper check, after rejecting the payment in the attestation portal, the provider should destroy the check if not deposited or mail a paper check to UHG with notification of their request to return the funds.

**What other payment options are there?**

Health care providers may be eligible for payments from the remaining funds through "Targeted Distributions." Practice leaders should monitor the type and availability of these funds by regularly checking the HHS website at: <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html>

Currently, the following programs are available:

**Allocation for treatment of the uninsured:**

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html#collapseOne>

**Allocation for COVID-19 high impact areas (\$10 billion):**

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html#collapseTwo>

**Allocation for rural providers (\$10 billion):**

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html#collapseThree>

**Allocation for Indian Health Service (\$400 million):**

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html#collapseFour>

**Additional allocations:**

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html#collapseFive>

## Resources

### **CMS and AMA Resources:**

#### **CMS Application Tutorial:**

<https://chameleoncloud.io/review/2977-5ea0af98f0fd0/prod>

#### **CMS – CARES Act Provider Relief Fund**

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html>

#### **CMS FAQ**

[www.hhs.gov/sites/default/files/provider-relief-fund-general-distribution-faqs.pdf](http://www.hhs.gov/sites/default/files/provider-relief-fund-general-distribution-faqs.pdf)

#### **AMA Fact Sheet on Second General Distribution**

<https://www.ama-assn.org/delivering-care/public-health/fact-sheet-provider-relief-fund-second-general-distribution>

### **Other Funding Programs:**

#### **SBA Paycheck Protection Program**

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

#### **SBA Programs**

<https://www.sba.gov/disaster-assistance/coronavirus-covid-19#section-header-5>

### **COVID-19 Information and Updates from the CAP**

#### **COVID-19 Information**

<https://www.cap.org/news/2020/latest-on-the-novel-coronavirus-covid-19>

#### **COVID-19 Practice Resources**

<https://www.cap.org/news/2020/latest-on-the-novel-coronavirus-covid-19#tab14>

#### **COVID-19 Recent Updates**

<https://www.cap.org/covid-19>