

## Financial Assistance for Health Care Providers

The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) provides financial assistance for businesses impacted by the COVID-19 pandemic. In addition to the assistance available for small businesses discussed in our [March 30 memorandum](#), the CARES Act includes specific provisions for health care providers.

Most importantly, the CARES Act includes \$100 billion for the Public Health and Social Services Emergency Fund. This is to be used to prevent, prepare for and respond to coronavirus for necessary expenses to reimburse eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus. An eligible health care provider includes public entities, Medicare and Medicaid enrolled suppliers and providers and such other for-profit and nonprofit entities that provide diagnoses, testing or care for individuals with possible or actual cases of COVID-19. The intent of this fund is to provide assistance to a variety of health care providers, from hospitals to small physician practices. To be eligible, a provider would have to submit an application to the Secretary of Health and Human Services (the Secretary) which includes a statement that justifies the need for the funds. The Secretary is authorized to review applications and make determinations on a rolling basis. It is expected that additional criteria will be established regarding the allocation of the funds.

The CARES Act also provides \$1.32 billion in funding for supplemental awards and grants to support health care providers in the detection, prevention, diagnosis and treatment of patients with COVID-19. These awards and grants are available for health centers that, among other things, provide the required primary health services and necessary additional services. There are additional grant programs to promote telehealth, rural health center outreach and development, and small health care provider quality improvement.

Additionally, the CARES Act provides increased Medicare reimbursement by including a 20 percent Medicare add-on payment to the diagnosis related group rate of COVID-19 for patients treated at hospitals reimbursed through the inpatient prospective payment system. This will allow a direct financial benefit to inpatient hospitals that are treating patients with COVID-19.

Finally, the CARES Act expanded the accelerated payment program during the emergency period to allow all qualified providers to: (a) receive advance payments of up to 100 percent of the Medicare payment amount; (b) receive accelerated payments for a six-month period; (c) have up to one 120 days before recoupment efforts take place on any accelerated payment; and (d) have at least 12 months from the date of the first accelerated payment before requiring the entire outstanding balance be paid.

If you have any questions, please contact [Samuel P. Burgess](#), [Jeffrey B. Scheer](#), any of the [attorneys](#) in our [Health Care Practice](#) or the attorney in the firm with whom you are regularly in contact.



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