

Publications

Health Care Alert: New HHS CARES Act Provider Relief Fund General Distribution Targets Behavioral Health Providers

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On October 1, 2020, the U.S. Department of Health and Human Services (HHS) announced that it will distribute an additional \$20 billion from the Provider Relief Fund, which was created under the Coronavirus Aid, Relief, and Economic Security (CARES Act). This “Phase 3 General Distribution” will be available to a wide range of health care providers, including some previously ineligible to receive Provider Relief Fund payments (such as those who began operating in 2020) and “an expanded group of behavioral health providers confronting the emergence of increased mental health and substance use issues exacerbated by the pandemic.”

In particular, providers eligible to receive payments from this distribution include:

- Providers who previously received, rejected or accepted a General Distribution Provider Relief Fund payment, even if they have already received payments equal to two percent of annual revenue from patient care (HHS’ stated benchmark);
- Behavioral Health providers, including addiction counseling centers, mental health counselors, and psychiatrists; and
- Healthcare providers that began practicing January 1, 2020 through March 31, 2020, including Medicare, Medicaid, and CHIP providers, dentists, and assisted living facilities.

Providers may apply for the Phase 3 General Distribution payments now. Although the application window will be open through November 6, HHS is encouraging all eligible providers to apply as early as possible to expedite its review process, which will entail the following:

- Review of all provider submissions to confirm that each provider has received a Provider Relief Fund payment equal to approximately two percent of patient care revenue from prior general distributions (applicants that have not yet received Provider Relief Fund payments equal to 2 percent of patient revenue will receive a payment that, when combined with any prior payments, equals two percent of

patient care revenue); and

- Calculation of an equitable add-on payment from any remaining funds, considering:
 - 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.

As a reminder, all Provider Relief Fund payments carry with them an obligation to comply with the applicable Terms and Conditions. The Terms and Conditions for the Phase 3 distribution are available [here](#).

We also encourage providers to review HHS' recent Post-Payment Notice of Reporting Requirements, available [here](#).

If you have questions about the Phase 3 General Distribution, the Provider Relief Fund, or the CARES Act generally, please contact Liam Gruzs, Mairi Mull, or your regular Vorys attorney.

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VORYS COVID-19 TASK FORCE

Vorys attorneys and professionals are counseling our clients in the myriad issues related to the coronavirus (COVID-19) outbreak. We have also established a comprehensive Coronavirus Task Force, which includes attorneys with deep experience in the niche disciplines that we have been and expect to continue receiving questions regarding coronavirus. Learn more and see the latest updates from the task force at vorys.com/coronavirus.