Latest $20 billion round of CARES Act physician relief now open

OCT 7, 2020

Kevin B. O'Reilly
News Editor

What’s the news: The Department of Health and Human Services (HHS) is disbursing another $20 billion in financial relief for physician practices and other health care delivery organizations and clinicians that is part of the Coronavirus Aid, Relief and Economic Security (CARES) Act.

Under this phase three general distribution allocation, physicians who have already received CARES Act Provider Relief Fund payments may apply for additional funding to help compensate for financial losses and changes in operating expenses caused by the coronavirus. Previously ineligible physicians, such as those who began practicing in 2020, are also eligible to apply for the funding available in this round.

Recognizing that the negative impact of the COVID-19 pandemic has increased anxiety and depression in the country and behavioral health providers have continued to provide care through telehealth and other means, HHS is also announcing that the nation’s behavioral health care providers, including psychiatrists, are now eligible for funding.

Physicians who billed Medicaid programs or Medicaid managed care plans for services provided between January 2018 and March 2020 are also now eligible to apply for funds from the CARES Act Provider Relief Fund.

For eligible physicians, the new phase three general distribution is designed to disburse the balance of an amount equal to 2% of annual pre-COVID-19 revenue from patient care for all applicants. Some applicants may be eligible for an additional payment to account for revenue losses and expenses attributable to COVID-19.

Physicians have until Nov. 6, 2020, to apply for this phase of funding.

Why it’s important: The public health countermeasures taken to mitigate COVID-19’s impact have dealt a heavy financial blow to physician practices, hospitals and health systems—a revenue hit that
the dramatic rise in telemedicine use has only partially compensated for.

Surveys found that, from March to May, physician practice revenues were down at least 50%. As practices reopened, some have been able to recoup a portion, but not all, of this loss due to reduced visits and procedures.

Separate from the CARES Act funds, a provision to provide relief to physician practices that received funds last spring through the Medicare Accelerated and Advance Payment programs is included in the continuing resolution Congress must pass to fund the federal government through Dec. 11. Find out more about the budget deal that includes critical loan-relief payment for doctors.

**Learn more:** HHS has already issued over $100 billion in relief funding to physicians, hospitals, and others through prior distributions.

The AMA has recently updated two COVID-19 physician practice resources:


Stay up to speed on the AMA’s COVID-19 advocacy efforts and track the fast-moving pandemic with the AMA’s COVID-19 resource center, which offers a library of the most up-to-date resources from JAMA Network™, the Centers for Disease Control and Prevention, and the World Health Organization.