

HHS allocates \$25.5 billion to cover financial losses from COVID-19

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Editor's note: *The HRSA application for Provider Relief Fund Phase 4 and American Rescue Plan Rural payments funds is now open. You can apply for both with a single application until the deadline of Oct. 26, 2021, 11:59 p.m. EDT.*

Watch this HHS briefing session for more information. This HRSA webpage has the links you need to apply, attend upcoming technical assistance webinars and learn more. Real-time technical assistance from HRSA is available at (866) 569-3522 (TTY, dial 711), Monday–Friday, 9 a.m.–11 p.m. EDT.

The Department of Health and Human Services (HHS) has taken three actions to assist physician practices and other health care entities that have experienced financial losses during the COVID-19 pandemic—including releasing a new \$17 billion allocation from the Provider Relief Fund (PRF).

These HHS actions—which will focus on small and rural health care entities—include:

- Making a total of \$25.5 billion available for physician practices, hospitals and other health care facilities that have experienced financial losses and additional expenses related to COVID-19.
- Streamlining the process to apply for assistance.
- Providing a 60-day extension for reporting requirements for a previous PRF allocation.

This new PRF allocation, referred to as “Phase 4,” will cover losses incurred between July 1, 2020, and March 31, 2021. Physicians and others can apply for the Phase 4 PRF funding starting Sept. 29 via a Health Resources and Services Administration (HRSA) PRF reporting portal.

The PRF Phase 4 allocation will include bonus payments for those who serve enrollees in Medicare, Medicaid or the Children's Health Insurance Program (CHIP). Bonuses will be priced at Medicare rates.

An additional \$8.5 billion will be made available from American Rescue Plan funds to provide resources for physicians and others who provide health care services to patients in rural areas enrolled in Medicare, Medicaid or CHIP, with payments on Medicaid and CHIP claims tied to Medicare rates “with limited exceptions,” according to HHS.

“The funding will be distributed with an eye towards equity, to ensure providers who serve our most vulnerable communities will receive the support they need,” HHS Secretary Xavier Becerra said in a news release.

Learn how new AMA policies provide pragmatic measures to address rural health care’s complex challenges.

Application process streamlined

Physicians can apply for assistance from either funding source in a single application through the HRSA reporting portal starting Sept. 29.

HRSA will expedite the process by using existing Medicaid, CHIP and Medicare claims data in calculating payments.

Reporting grace period offered

As previously reported, physicians who received PRF payments between April 10 and June 30, 2020, that exceed \$10,000 in aggregate had until Sept. 30 to file a report via the HRSA PRF reporting portal.

HHS, however, announced that it would not seek recoupment or initiate enforcement actions for noncompliance with the Sept. 30 deadline until after a 60-day grace period lasting between Oct. 1 and Nov. 30.

The creation of the grace period was done in response to challenges physicians and other health care entities are seeing as a result of both COVID-19 surges and natural disasters being experienced from coast to coast.

Physician practices that received \$10,000 or less in payments during the April 10-June 30, 2020 timeframe do not have to report on their use of these relief funds.

Learn more about COVID-19’s financial impact on physician practices. Also, read the AMA Physician Practice Relief Guide (PDF) and learn how implementation of the Coronavirus Aid, Relief and Economic Security (CARES) Act is affecting physicians.