

HRSA Announces Phase 3 Distribution from PRF

The Health Resources and Services Administration (HRSA), has announced a new \$20 billion tranche of the Provider Relief Fund (PRF). Under this Phase 3 General Distribution allocation, providers that have already received Provider Relief Fund payments will be invited to apply for additional funding that considers financial losses and changes in operating expenses caused by the coronavirus. Previously ineligible providers, such as those who began practicing in 2020 will also be invited to apply, and an expanded group of behavioral health providers confronting the emergence of increased mental health and substance use issues exacerbated by the pandemic will also be eligible for relief payments. Providers can begin applying for funds on Monday, October 5, 2020.

For eligible providers, the new Phase 3 General Distribution is designed to balance a payment of 2 percent of annual revenue from patient care for all applicants plus an add-on payment to account for revenue losses and expenses attributable to COVID-19. Providers eligible for Phase 3 General Distribution funding include:

- Providers who previously received, rejected or accepted a General Distribution Provider Relief Fund payment. Providers that have already received payments of approximately 2% of annual revenue from patient care may submit more information to become eligible for an additional payment.
- Behavioral Health providers, including those that previously received funding and new providers.
- Healthcare providers that began practicing January 1, 2020 through March 31, 2020. This includes Medicare, Medicaid, CHIP, dentists, assisted living facilities and behavioral health providers.

All provider submissions will be reviewed to confirm they have received a Provider Relief Fund payment equal to approximately 2 percent of patient care revenue from prior general distributions. Applicants that have not yet received Relief Fund payments of 2 percent of patient revenue will receive a payment that, when combined with prior payments (if any), equals 2 percent of patient care revenue. With the remaining balance of the \$20 billion budget, HRSA will then calculate an add-on payment that considers the following:

- 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
- Payments already received through prior Provider Relief Fund distributions.

HHS is urging all eligible providers to apply early to help expedite HHS's review process and payment calculations, and ultimately accelerate the distribution of all payments.

Providers will have from October 5, 2020 through November 6, 2020 to apply for Phase 3 General Distribution funding.

FMI: For updates and to learn more about the Provider Relief Program, visit: hhs.gov/providerrelief.