

Additional \$20 Billion to be Distributed to Medicare Providers Today

Explanation of the HHS Formula for Distribution of Provider Relief Funds

HHS allocated another \$20 billion today to all Medicare providers. You may have received a check already and if not, you should over the next week. HHS intends to send checks to Medicaid-only providers but is not doing so in this payment. We will continue to work with HHS to develop the system to get those funds distributed.

The notice from HHS is confusing, but here is the explanation. Combined with the \$30 billion two weeks ago, with this \$20 billion payment, HHS has now paid \$50 billion to Medicare providers. Here is the formula:

1. Start with \$2.5 trillion, which is what they calculate as the spend for all Medicare providers.
2. Divide each provider's revenue by \$2.5 trillion to get the percentage attributable to each building.
3. Multiply the provider's percentage by \$50 billion (the full amount of payments to all providers) to determine the amount for each provider.
4. For the payments going out this week, HHS is then deducting the amount distributed two weeks ago to determine the final payment.

Or:

$$([\textit{Facility's 2018 Net Patient Revenue} \div \$2.5 \textit{ Trillion}] \times \$50 \textit{ billion}) - \textit{Amount given in 1st payment} = \textit{New distribution amount}$$

HHS has developed an [FAQ for the Provider Relief Fund](#) with additional details.

In addition, HHS paid out another \$20 billion from the fund, but it appears that all that money is going to hospitals. While we acknowledge that hospitals need financial assistance, the battle against COVID-19 is being fought in long term and post-acute care facilities. We will be demanding fair treatment for our facilities in upcoming payments.

The good news is that Congress added \$75 billion in funds to this HHS effort, so even with these payments, there is over \$100 billion left in the Provider Relief Fund. We will do everything possible to get you what you need out of this fund.

Please email COVID19@ahca.org for additional questions, or visit ahcancal.org/coronavirus for more information.

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