

# Top 10 questions

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You can use these Top 10 questions as a reference guide to answer provider questions or distribute to your members

### 1. How does Phase 3 differ from the previous phases of the General Distribution?

Phase 3 of the General Distribution will take into account documentation of financial impact of COVID-19, as reported by applicants. The payment methodology will ensure a provider has received 2% of annual revenue from patient care either as part of the previous phases of the General Distribution or under a Phase 3 payment. Phase 3 will also take into account a provider's change in operating revenues from patient care, minus their operating expenses from patient care. Phase 3 payment will also take into account funds received and kept under prior General and Targeted Distributions. While HHS has made payments on a rolling basis under the previous general distributions, Phase 3 final payment amounts for applicants who have already received payments equaling 2% of annual patient care revenue will be determined once all applications have been received and reviewed.

### 2. When is the deadline to submit an application?

The deadline to submit an application under Phase 3 – General Distribution is November 6, 2020.

### 3. Why am I required to re-enter information previously submitted as part of Phase 1 and/or Phase 2 General Distribution applications?

In order for HHS to make payments as part of Phase 3, the Department needs the most recent financial information available.

### 4. What is the payment amount that an applicant should expect to receive from Phase 3 General Distribution?

If an applicant has not yet received and kept a payment that is approximately 2% of annual revenue from patient care as part of either Phase 1 or 2 of the General Distribution, then they will receive at least that amount in Phase 3 payment. Payments will also take into account funds received as part of previous Targeted Distributions. HHS will determine final payment amounts above 2% of annual patient care revenue for applicants after the deadline once all applications have been received and reviewed.

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### 5. What will be the methodology/formula used to calculate provider payments?

Providers will be paid a percentage of their change in operating revenues from patient care minus their operating expenses from patient care. HHS will calculate payments for providers that began providing patient care partway through 2019 or in 2020, and, therefore, do not have data from all of the requested quarters, based on the applicant's financial information that is available and data from the same type of provider as the applicant.

The actual percentage paid to providers will be in part dependent of how many providers apply in Phase 3, and will be determined after the application deadline. Payments will also take into account funds received as part of previous Provider Relief Fund distributions. Providers that have not yet received and kept a payment that is approximately 2% of annual revenue from patient care as part of the General Distribution will receive at least that amount as part of their Phase 3 payment. Providers that began providing patient care in 2020 will be paid approximately 2% of patient care revenue based on the applicant's reported financial information for those months in 2020 that they were in operation.

### 6. When will Phase 3 payments be made?

HHS intends to issue Phase 3 – General Distribution payments as soon as practical following the Phase 3 application deadline for those entities that have not yet received 2% of annual revenue from patient care.

### 7. Are providers that received payments under Phase 3 of the General Distribution limited to using these funds to cover coronavirus-related losses or increased expenses experienced during the first two quarters of calendar year 2020?

No. The Terms and Conditions require payment recipients to certify that funds will only be used to prevent, prepare for, and respond to coronavirus, and will only reimburse the recipient for health care-related expenses or lost revenues that are attributable to coronavirus. The Terms and Conditions do not place limits on which quarters these funds must be applied to cover eligible losses or expenses provided that funds are expended by July 31, 2021, per reporting guidelines. HHS is collecting information on the losses and expenses associated with the first two quarters of 2020 for purposes of making additional General Distribution payments to those providers with demonstrated financial need.

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### 8. Who is eligible for Phase 3 – General Distribution?

All providers eligible for a previous PRF distribution plus new 2020 providers and behavioral health providers may apply.

Providers are eligible to apply regardless of whether they were eligible for, applied for, received, accepted, or rejected payment from prior PRF distributions.

To be eligible to apply, the applicant must meet at least one of the following criteria:

- Billed Medicaid / CHIP programs or Medicaid managed care plans for health-related services between Jan. 1, 2018-Mar. 31, 2020; or
- Be a licensed dental service provider as of Mar. 31, 2020 who has billed a health insurance company or who does not accept insurance and has billed patients for oral healthcare-related services; or
- Billed Medicare fee-for-service during the period of Jan. 1, 2019-Mar. 31, 2020; or
- Be a Medicare Part A provider that experienced a CMS approved change in ownership prior to Aug. 10, 2020; or
- Be a state-licensed / certified assisted living facility as of Mar. 31, 2020; or
- Be a behavioral health provider as of Mar. 31, 2020 who has billed a health insurance company or who does not accept insurance and has billed patients for healthcare-related services as of Mar. 31, 2020
- Received a prior targeted distribution

Additionally, to be eligible to apply, the applicant must meet all of the following requirements:

- Filed a federal income tax return for fiscal years 2017, 2018, 2019 if in operation before Jan. 1, 2020 or quarterly tax returns for fiscal year 2020 if operations began on or after Jan. 1, 2020; or be exempt from filing a return; and
- Provided patient care after Jan. 31, 2020 (Note: patient care includes health care, services, and support, as provided in a medical setting, at home, or in the community); and
- Did not permanently cease providing patient care directly or indirectly; and
- For individuals providing care before Jan. 1, 2020, have gross receipts or sales from patient care reported on Form 1040 (or other tax form)

Please note: Receipt of funds from SBA and FEMA for coronavirus recovery or of Medicaid HCBS retainer payments does not preclude a healthcare provider from being eligible

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### 9. What are the reasons that I would not be eligible for a Phase 3 – General Distribution payment?

You must meet the five eligibility requirements for the Phase 3 – General Distribution; must not be currently terminated from participation in Medicare or precluded from receiving payment through Medicare Advantage or Part D; must not be currently excluded from participation in Medicare, Medicaid, and other Federal health care programs; and must not currently have Medicare billing privileges revoked. In addition, your billing TIN must be included in the State-provided list of eligible Medicaid and CHIP providers, the HHS-created list of dental providers, the list of providers who received a General or Targeted Distribution payment, the list of Medicare Part A providers that experienced a change in ownership in 2019 or 2020, or your application must pass additional validation by HHS. If you received payment under previous Targeted Distributions, these funds will be factored into whether you will receive any further payments under Phase 3.

### 10. I am a provider who is newly eligible for Phase 3 General Distribution. Should I submit an application as part of Phase 3 or will there be another opportunity to receive a General Distribution Payment?

Providers that are newly eligible should submit their TIN for validation as soon as practical in order to ensure that they can submit an application before the deadline. HHS has not yet determined whether there will be additional General Distribution phases. Providers should not have the expectation that they will be advantaged by applying for funds from one distribution over another. Providers should apply for a Provider Relief Fund payment in the first distribution in which they are eligible.