



HHS REGION 2

OFFICE OF THE REGIONAL DIRECTOR

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Dear Partner,

Today, the Department of Health and Human Services (HHS) is processing payments from the Provider Relief Fund to hospitals with large numbers of COVID-19 inpatient admissions through April 10, 2020, and to rural providers in support of the national response to COVID-19.

“These new payments are being distributed to healthcare providers who have been hardest hit by the virus: \$12 billion to facilities admitting large numbers of COVID-19 patients and \$10 billion to providers in rural areas, who are already working on narrow margins,” said HHS Secretary Alex Azar. “HHS has put these funds out as quickly as possible, after gathering data to ensure that they are going to the providers who need them the most. With another \$75 billion recently appropriated by Congress, the Trump Administration will continue doing everything we can to support America’s heroic healthcare providers on the frontlines of this war on the virus.”

COVID-19 High-Impact Distribution:

Recognizing the particular impact the COVID-19 pandemic has had on hospitals in certain parts of the nation, and that inpatient admissions are a primary driver of costs to hospitals related to COVID-19, HHS is distributing \$12 billion to 395 hospitals who provided inpatient care for 100 or more COVID-19 patients through April 10, 2020, \$2 billion of which will be distributed to these hospitals based on their Medicare and Medicaid disproportionate share and uncompensated care payments.

These 395 hospitals accounted for 71 percent of COVID-19 inpatient admissions reported to HHS from nearly 6,000 hospitals around the country. The distribution uses a simple formula to determine what each hospital receives: hospitals are paid a fixed amount per COVID-19 inpatient admission, with an additional amount taking into account their Medicare and Medicaid disproportionate share and uncompensated care payments.

These hospitals will begin receiving funds via direct deposit in the coming days.

[View the state and county breakdown.](#)

Rural Distribution:

Rural hospitals, many of whom were operating on thin margins prior to COVID-19, have also been

particularly devastated by this pandemic. As healthy patients delay care and cancel elective services, rural hospitals are struggling to keep their doors open.

Recipients of the \$10 billion rural distribution will include, rural acute care general hospitals and Critical Access Hospitals (CAHs), Rural Health Clinics (RHCs), and Community Health Centers located in rural areas.

Hospitals and RHCs will each receive a minimum base payment plus a percent of their annual expenses. This expense-based method accounts for operating cost and lost revenue incurred by rural hospitals for both inpatient and outpatient services. The base payment will account for RHCs with no reported Medicare claims, such as pediatric RHCs, and CHCs lacking expense data, by ensuring that all clinical, non-hospital sites receive a minimum level of support no less than \$100,000, with additional payment based on operating expenses. Rural acute care general hospitals and CAHs will receive a minimum level of support of no less than \$1,000,000, with additional payment based on operating expenses.

Eligible providers will begin receiving funds in the coming days via direct deposit, based on the physical address of the facilities as reported to the Centers for Medicare and Medicaid Services (CMS) and the Health Resources and Services Administration (HRSA), regardless of their affiliation with organizations based in urban areas.

[View the state-by-state breakdown.](#)

HHS and the Administration are continuing to work rapidly on additional targeted distributions to some providers including skilled nursing facilities, dentists, and providers that solely take Medicaid.

Visit hhs.gov/providerrelief for additional information.

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