

## CARES Act – Financial Assistance for Healthcare Providers

On March 27, 2020, The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law and authorized \$2.2 trillion in new spending to assist individuals and businesses mitigate financial hardships experienced due to the COVID-19 Public Health Emergency. The CARES Act includes a variety of governmental spending provisions designed to increase funding and reimbursement to hospitals and other health care entities affected by the coronavirus pandemic.

### CARES Act Spending Provisions Affecting Health Care

- **Paycheck Protection Program (PPP)**

Under this program, both nonprofit and for-profit small business organizations can apply for loans, at 4% interest, to pay their employees during the COVID-19 Public Health Emergency. Organizations must have fewer than 500 employees and meet other eligibility requirements. Based on certain criteria, it is also possible for some, or all, of the loan to be forgiven.

[US Treasury PPP Fact Sheet](#)

[US Treasury PPP Fact Sheet for Borrowers](#)

[US Treasury PPP Loan Application Form](#)

- **Public Health and Social Services Emergency Fund**

The CARES Act adds \$100 billion to the Public Health and Social Services Emergency Fund to reimburse healthcare providers for lost revenue and increased expenses due to COVID-19. Guidance on how the funds will be allocated, or what providers need to do to apply, has yet to be released.

- **Medicare**

In an effort to increase cash flow to healthcare providers impacted by COVID-19, the CARES Act includes the following provisions:

- Accelerated and Advanced Payments

- This CMS program will provide expedited payments to participating providers to mitigate disruptions in claims submission and claims processing.
- CMS Fact Sheet: <https://www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf>

- Temporary elimination of sequestration

- The CARES Act will temporarily suspend Medicare sequestration from May 1, 2020 through December 31, 2020. Medicare sequestration currently reduces Medicare fee-for-service payments by 2%.

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- Add-on payments for inpatient hospital COVID-19 patients
  - Hospitals will receive a 20% payment increase for inpatients hospitalized with COVID-19 and discharged during the Public Health Emergency time period.
- Postponement of Medicaid DSH Reductions
  - \$4 billion in Medicaid DSH reductions for FY 2020 will be delayed. DSH reductions for FY 2021 will be delayed until December 1, 2020 (as opposed to October 1, 2020).
- Expanded Coverage for Telehealth
  - The CARES Act contains new telehealth allowances for Federally-Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs) and Hospices
  - [CMS COVID-19 Telehealth Fact Sheet](#)
  - [CMS COVID-19 Telehealth FAQ](#)