



Herb B. Kuhn
President and CEO
P.O. Box 60
Jefferson City, MO 65102

MEMO

September 10, 2021

TO: Selected Chief Executive Officers
Selected Chief Financial Officers
Governmental Relations Executives

FROM: Andrew Wheeler
Vice President of Federal Finance

SUBJECT: New Provider Relief Funds, Phase 3 Reconsiderations and PRF Reporting Grace Period

The Missouri Hospital Association would like to bring to your attention three announcements from the U.S. Department of Health and Human Services about COVID-19 relief payments.

HHS [announced](#) that \$25.5 billion will be distributed to providers affected by the COVID-19 pandemic. Congress recently enacted the American Rescue Plan Act, which included \$8.5 billion in funding for providers who serve rural Medicaid, Children's Health Insurance Program or Medicare patients. HHS also [announced](#) that \$17 billion of the remaining CARES Act Provider Relief Funds will be paid as Phase 4 payments to a broad range of providers. Of Phase 4 payments, 75% will be based on revenue losses and COVID-19-related expenses incurred between July 1, 2020, and March 31, 2021. And, 25% of the Phase 4 payments will be allocated as bonus payments based on the amount and type of services provided to Medicaid, CHIP and Medicare patients. Providers will be required to apply for both funding opportunities. To expedite and streamline the process, providers will apply for both programs in a single application. The application portal will open Wednesday, September 29.

HHS previously distributed \$24.5 billion in Phase 3 PRF payments. HHS now has released [detailed information](#) about the methodology used to calculate Phase 3 payments. Providers who believe that their Phase 3 payments were not calculated and paid correctly will have an opportunity to request a reconsideration. Details about how to request a Phase 3 reconsideration will be forthcoming.

Providers who received one or more payments exceeding \$10,000 in aggregate from April 10, 2020, through June 30, 2020, were required to expend those funds by June 30 and are required to report how the funds were used by Thursday, September 30. HHS now is providing a 60-day [grace period](#) "to help providers come into compliance with their PRF reporting requirements." Although the September 30 deadline is not changing, HHS states that it will not initiate collection activities or similar enforcement actions for noncompliant providers during the grace period. The grace period begins on Friday, October 1, and ends Tuesday, November 30.

If you have additional questions, contact me at 573-893-3700, ext. 1336, or awheeler@mhanet.com.

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