



Kim Stanger

Partner
208.383.3913
Boise
kcstanger@hollandhart.com

Rural Hospitals Receive Next Round of Provider Relief Funds

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This week, rural providers began receiving the next round of Provider Relief Funds as authorized by the CARES Act. Recipients include rural acute care general hospitals, critical access hospitals (“CAHs”), rural health clinics (“RHCs”), and community health centers located in rural areas. Rural hospitals and CAHs may receive a minimum of \$1,000,000 plus additional amounts based on a percentage of their annual expenses. RHCs and CHCs will receive a minimum of \$100,000 plus an additional amount based on their operating expenses. The funds are generally made by direct deposit. The disbursement is described here.

As with other Provider Relief Fund payments, recipients must attest that they comply with specific Terms and Conditions. See <https://www.hhs.gov/sites/default/files/terms-and-conditions-rural-relief-fund.pdf>. If the recipient keeps the money for thirty days, they are deemed to have accepted the Terms and Conditions. The Terms and Conditions generally track the conditions associated with the other disbursements. To receive and retain these funds, the recipient must certify the following in addition to meeting certain other conditions:

- The recipient (i) provides or provided after January 31, 2020 diagnoses, testing, or care for individuals with possible or actual cases of COVID-19; (ii) is not currently terminated from participation in Medicare or precluded from receiving payment through Medicare Advantage or Part D; (iii) is not currently excluded from participation in Medicare, Medicaid, and other Federal health care programs; and (iv) does not currently have Medicare billing privileges revoked.
- The payment will only be used to prevent, prepare for, and respond to coronavirus, and will reimburse the recipient only for health care related expenses or lost revenues that are attributable to coronavirus.
- The recipient will not use the payment to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.
- The recipient must submit required reports to HHS to ensure compliance.
- The recipient must maintain appropriate records and cost documentation necessary to support their eligibility for and appropriate use of funds.
- Recipients may not seek to collect from the patient out-of-pocket expenses in an amount greater than what the patient would have

otherwise been required to pay if the care had been provided by an in-network recipient.

See <https://www.hhs.gov/sites/default/files/terms-and-conditions-rural-relief-fund.pdf>. As with other Provider Relief Fund disbursements, HHS made it clear that it will be auditing for compliance.

As with all the of the Provider Relief Fund disbursements, recipients should:

- Carefully review the Terms and Conditions and attestations to ensure they are entitled to the funds and are able to comply. Those Terms and Conditions have changed over the past few weeks; accordingly, providers should continue to monitor the operative requirements to ensure ongoing compliance.
- Document the receipt and use of the funds for coronavirus purposes and maintain such documentation as necessary to defend against an audit.
- Monitor reporting requirements and timely submit reports consistent with HHS guidance.
- Ensure there is no “double-dipping” of program funds, *i.e.*, that the funds are actually used for coronavirus purposes that have not already been covered by other funds.

We encourage you to visit Holland & Hart's Coronavirus Resource Site, a consolidated informational resource offering practical guidelines and proactive solutions to help companies protect their business interests and their workforce. The dynamic Resource Site is regularly refreshed with new topics and updates as the COVID-19 outbreak and the legal and regulatory responses continue to evolve. Sign up to receive updates and for upcoming webinars.

For questions regarding this update, please contact:

Kim C. Stanger

Holland & Hart, 800 W Main Street, Suite 1750, Boise, ID 83702

email: kcstanger@hollandhart.com, phone: 208-383-3913

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