

Cash infusion: Practices to receive immediate 6% bonus on 2019 Medicare fees

part B news on the subject of CARES Act money being deposited...

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Medical practices on the front lines of the COVID-19 crisis can expect an immediate cash payment from the federal government, as pieces of the [\\$2.2 trillion stimulus plan](#) start taking effect.

The Coronavirus Aid, Relief and Economic Security (CARES) Act earmarked \$100 billion for health care providers, and HHS announced April 10 that an initial outlay of \$30 billion would be distributed directly to physicians, group practices and hospitals.

Any provider who billed Medicare in 2019 will receive a one-time payment with an amount based on a percentage of their 2019 Medicare fees. The lump sum will equal roughly 6.2% of total Medicare fee-for-service payments in 2019, according to a *Part B News* analysis of [the HHS information](#).

HHS began distributing the funds on April 10 via direct deposit, and the agency reminds providers that the disbursements are theirs to keep. "These are payments, not loans, to health care providers, and will not need to be repaid," HHS states.

All payments are going to a medical group's billing organization according to its taxpayer identification number (TIN).

"Individual physicians and providers in a group practice are unlikely to receive individual payments directly, as the group practice will receive the relief fund payment as the billing organization," HHS says. "Providers should look to the part of their organization that bills Medicare to identify details on Medicare payments for 2019 or to identify the accounts where they should expect relief payments."

The agency is using a calculation -- based on a provider's 2019 fees in relation to the \$484 billion in total fee-for-service expenditures -- to distribute the \$30 billion in relief funds. To ascertain your payment, you can divide your 2019 fees by \$484 billion and then multiply that number by \$30 billion. Or you can calculate a 6.2% rate on your 2019 fees to give you a ballpark amount.

HHS offers the following example: If a community hospital billed Medicare \$121 million in 2019, it would receive about a \$7.5 million lump sum.

HHS has partnered with UnitedHealth Group to distribute the relief funds. Note that you'll receive the payment in one of two ways: If you typically get paid electronically, you'll see an automatic payment via

Optum Bank with "HHSPAYMENT" as the payment description; if you normally receive a check in the mail, you can expect the bonus payment "within the next few weeks."

The distribution of the initial relief funds comes after several industry groups, including the Medical Group Management Association (MGMA), [urged the federal government](#) to move rapidly to aid providers.

While you're not required to fill out any paperwork to receive the funds, note that you must accept HHS' terms and conditions within 30 days of receipt of the payments. Those terms come with certain stipulations that you may want to review. For instance, any entity receiving more than \$150,000 in relief funds must submit a quarterly report to the HHS Secretary outlining how the funds are being used. You can find the full [terms and conditions here](#).

HHS is making the funds available to medical practices that may have had to close due to the current economic situation. "If you ceased operation as a result of the COVID-19 pandemic, you are still eligible to receive funds so long as you provided diagnoses, testing or care for individuals with possible or actual cases of COVID-19," the agency says. "Care does not have to be specific to treating COVID-19. HHS broadly views every patient as a possible case of COVID-19."

It remains to be seen how HHS will distribute the remaining \$70 billion of the health care relief fund. But the agency says it is looking at rural providers, those with lower shares of Medicare reimbursement and those who treat a high number of Medicaid patients.

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