

# BURR ARTICLE

## Phase 3 Provider Relief Funds Announced by HHS

By Kelli Fleming

---

October 5, 2020

On October 1, 2020, the Department of Health and Human Services (“HHS”) announced an additional \$20 billion in funding for healthcare providers to assist with losses and changes in operating expenses caused by the current COVID-19 pandemic. This additional funding is a result of the CARES Act and the Paycheck Protection Program and Health Care Enhancement Act. Not only can providers who have already received Provider Relief Fund payments apply for additional funds during Phase 3, but previously ineligible providers may also apply during Phase 3. For example, providers who began practicing between January 1, 2020 and March 31, 2020, as well as additional behavioral health providers (*e.g.*, addiction counseling centers, mental health counselors, and psychiatrists) can apply for payments during Phase 3. Providers who previously received Provider Relief Funds equating to approximately 2% of annual revenue from patient care can apply for an additional payment during Phase 3.

Providers can apply for Phase 3 funds between October 5, 2020 and November 6, 2020.

For eligible providers, the payments will be allocated as follows:

- All applications will be reviewed to determine if the applicant has previously received a Provider Relief Fund payment equal to 2% of patient care revenue.
- If an applicant has not received a previous Provider Relief Fund payment equal to 2% of patient care revenue, the applicant will receive a payment designed to bring the total payments to the applicant (when all payments are combined) to 2% of patient care revenue.
- If an applicant has received a previous Provider Relief Fund payment equal to 2% of patient care revenue, the applicant may receive an additional add-on payment, as determined equitable and appropriate by the Health Resources and Services Administration (“HRSA”).
- With regard to the additional add-on payment, payments will be made to applicants based on the following considerations: changes in operating revenues from patient care, changes in operating expenses from patient care, and payments already received through the Provider Relief Fund.

Providers can begin applying for Phase 3 funds on October 5, 2020, and the application period runs through November 6, 2020. However, providers are encouraged to apply as soon as possible in order to allow HHS to process applications and allocate funds expeditiously. All providers receiving a Phase 3 payment will be required to attest to its receipt and accept the applicable terms and conditions.

---

 **TAKE ACTION**

For more information, visit the Department of Health and Human Services [here](#).

---

 **DISCUSS FURTHER**

[Kelli Carpenter Fleming](mailto:kfleming@burr.com) at [kfleming@burr.com](mailto:kfleming@burr.com) or (205) 458-5429 or the Burr & Forman attorney with whom you regularly work.

**FOLLOW US**



*Burr & Forman publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information purposes only and may not be quoted or referred to in any other publication or proceeding without the prior written consent of the Firm, to be given or withheld at our discretion. The mailing of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship. The views set forth herein are the personal views of the authors and do not necessarily reflect those of the Firm. If legal advice is sought, no representation is made about the quality of the legal services to be performed or the expertise of the lawyers performing such service.*