



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services
Administration

Rockville, MD 20857

July 29, 2021

Ms. Katie Smith Sloan
President and CEO
LeadingAge
2519 Connecticut Avenue, NW
Washington, DC 20008

Dear Ms. Sloan:

Thank you for your letter regarding the U.S. Department of Health and Human Services's (HHS) Provider Relief Fund (PRF), administered by the Health Resources and Services Administration (HRSA). As we continue navigating this pandemic, HHS strives for greater transparency and proactive communication about the PRF.

As you know, to respond to the urgent needs of the nation's health care providers in the wake of COVID-19, Congress established the PRF – a \$178 billion investment to stabilize the U.S. health care system facing unprecedented financial losses. In addition, Congress recently appropriated an additional \$8.5 billion through the American Rescue Plan Act of 2021, specifically for Medicare and Medicaid providers located in rural areas or serving rural patients.

In order to distribute PRF funding as rapidly as possible at the beginning of the pandemic, HHS began by making automatic payments to providers who billed Medicare on a fee-for-service basis (Parts A or B). HHS recognized some of the concerns in your letter regarding the needs of providers who serve underserved communities or vulnerable populations but do not bill Medicare. Accordingly, in June 2020, HHS began making payments to Medicaid and Children's Health Insurance Program providers, dentists, and assisted living facilities. In October 2020, HHS opened a third phase of this distribution to all eligible providers based on actual lost revenue and incurred expenses attributable to coronavirus, as well as to behavioral health providers who had not been eligible previously.

As you note, a number of facilities, such as senior care facilities, have unique challenges as a result of the pandemic. In light of this, HHS also made targeted payments to such providers, including skilled nursing facilities and nursing homes. In May 2020, HHS allocated \$5 billion to skilled nursing facilities and nursing homes as part of the Skilled Nursing Facility Targeted Distribution. In August 2020, HHS made an additional \$5 billion, including \$2.25 billion in quality incentives, available to these facilities for infection control activities.

We appreciate the care being given to communities across the nation and recognize that, as you note, some providers continue to experience financial burdens. HHS is committed to distributing the remaining provider relief payments as quickly and equitably as possible while utilizing effective safeguards to protect taxpayer dollars. We are actively considering feedback from

stakeholders, as well as operational lessons learned from prior PRF payments, as part of the planning process for future funding. The feedback from you and other stakeholders informs our ability to administer the PRF in a manner that bolsters the health care system and helps providers experiencing COVID-related financial hardships during this crisis. Additional information on future PRF payments will be published on this webpage as soon as it becomes available: www.hhs.gov/providerrelief.

Sincerely,

A handwritten signature in black ink, appearing to read "Diana Espinosa". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Diana Espinosa
Acting Administrator