



## The New \$8.5 Billion Fund for Rural Providers

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March 10, 2021

An amendment by Senate Majority Leader Chuck Schumer made important changes to the \$8.5 billion appropriated for rural health providers in Sec. 9911. Click [here](#) for the text of the bill as passed by the Senate. The House passed the Senate version of the bill today and the President will sign it.

### Important Changes

*Eliminates Restriction on Parent Organization* - The special rule for parent organizations was removed in the Schumer amendment and the Senate-passed bill. That language had restricted the use of the funds to an eligible health care provider, as defined in the bill, prohibiting use by its parent organization. This may require further clarification by HHS as the agency establishes the rules and procedures for the application process.

*Expands Rural Providers Eligible for the Funds* – The Schumer amendment expanded the category of providers and suppliers to include those in a MSA with less than 500,000, rural health clinics, and providers and suppliers that furnish home health, hospice, or long-term services and supports in an individual home in a rural area. Click [here](#) for the definitions of eligible rural providers. Please review this section closely. Some urban hospitals that have rural classifications may qualify.

### Overview of Sec. 9911

The rest of the language remains intact. Rural health providers would have to apply to receive the funds, submitting documentation of expenses and or losses, in a format to be determined by HHS. Payments could not be used to reimburse any loss or expense that has been reimbursed, or is obligated to be reimbursed, from any other source. The HHS Secretary may apply any requirements, rules or procedures deemed appropriate.

No changes were made to the definition of expenses or lost revenue. The bill defines health care related expenses attributable to COVID-19 as expenses to prevent, prepare for, and respond to COVID-19, including the building or construction of a temporary structure, the leasing of a property, the purchase of medical supplies and equipment, including personal protective equipment and testing supplies, providing for increased workforce and training (including maintaining staff, obtaining additional staff, or both), the operation of an emergency operation center, retrofitting a facility, providing for surge capacity, and other expenses determined appropriate by the Secretary.

It defines lost revenue attributable to COVID-19 as having the meaning given that term in the Frequently Asked Questions guidance released by the Department of Health and Human Services in June 2020, including the difference between such provider's budgeted and actual revenue if such budget had been established and approved prior to March 27, 2020.

**When Can You Apply?**

HRSA is expected to administer this new program and it will likely take at least a month from now before their rules and procedures are formally developed and made public. We will keep you posted.

*For additional information, please contact our General Counsel Diane Turpin at 202-266-2660 or [diane.turpin@shcare.net](mailto:diane.turpin@shcare.net).*