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HHS Releases Rural Provider Relief, But Fight Continues Over Remainder

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(Inside Health Policy)

More than 40,000 providers across the country who serve rural residents will receive $7.5 billion in COVID-19 relief, HHS announced Tuesday (Nov. 23), and while phase 4 provider relief will go out next month, provider organizations and lawmakers are backing a bill that would require HHS to distribute all additional provider relief funds by March 31.

While Sen. Jeanne Shaheen (D-NH) cheered the distribution on Tuesday, a month earlier, she and her colleagues were concerned the administration might use a flawed definition of rural.

“This legislative text was carefully negotiated with the Administration and is aimed at ensuring funds are set aside for providers located in rural areas, but also for providers in small metropolitan areas, who predominately serve rural patients and neighboring rural areas,” Sens. Joe Manchin (D-WV), Susan Collins (R-ME) and Shaheen, among others, wrote in a letter to HHS on Oct. 20.

“Large metropolitan areas with populations above 500,000 have had access to the majority of allocations of the [provider relief fund]. Of the $178 billion in the PRF, just over 6% has been allocated directly for rural providers. Far below their need, and the 20% of Americans they serve,” the letter continues.

Providers in Shaheen’s home state of New Hampshire will receive a total of $76.7 million in COVID-19 relief while Manchin’s home state will receive $123.9 million. Chicago and New York City, two cities Manchin called out in a tweet on Oct. 20, will receive about $38.7 million and $6.5 million respectively.

HHS opened applications for the $8.5 billion in rural provider relief that Congress allocated in March under the American Rescue Plan on Sept. 29 along with the long-awaited fourth general distribution of $17 billion in COVID-19 relief. Tuesday’s announcement distributes $7.5 billion in provider relief for providers serving rural Medicaid, Children's Health Insurance Program and Medicare beneficiaries from Jan. 1, 2019 through Sept. 30, 2020.

The agency in charge of distributing the relief, the Health Resources and Services Administration, told *Inside Health Policy* the remaining $1 billion in ARP rural provider relief will go to the roughly 4% of applications staff are in the process of manually approving and as needed to potential reconsideration requests.

Payments to providers average about $170,700, and $500 is the minimum. Baptist Healthcare System, Inc in Bardstown, Kentucky, has the highest distribution at about $43 million.

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There is nearly $44 billion left in the $178 billion provider relief fund before the $17 billion in phase 4 provider relief goes out. Although HHS typically says it's only $24 billion, excluding what's leftover from specific projects.

HRSA hasn't said what it plans to do with unused provider relief, including returned funds, and providers are concerned about the uncertainty over what's remaining. The health care performance company Vizient, Inc. raised concerns in October that any remaining relief after the last reporting period, which is for providers who received payments from July 1 to Dec. 31, won't go to providers.

This has led Reps. Abigail Spanberger (D-VA), Cindy Axne (D-IA), Anthony Gonzalez (R-OH) and Mariannette Miller-Meeks (R-IA) to introduce the Provider Relief Fund Improvement Act that would require HRSA to distribute the remaining provider relief by March 31, 2022.

"This is important for providers because no distributions from the PRF have been made or announced for expenses related to the delta variant surge, despite steep increases in COVID-19 cases and hospitalizations," the American Hospital Association said in a statement. "In addition, the bill allows providers more flexibility to use their allocated funds through the remainder of the COVID-19 public health emergency and permits PRF dollars to be used for workplace security and safety measures."

HRSA said providers can use the ARP rural provider relief released Tuesday for salaries, recruitment, or retention; supplies like N95 or surgical masks; equipment, including ventilators or improved filtration systems; information technology upgrades; and capital investments. -- *Dorothy Mills-Gregg* (dmillsgregg@iwpnews.com)

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