

H.R. 133: Provider Relief Fund

What is the COVID-19 Provider Relief Fund?

The Provider Relief Fund (PRF) was created by the CARES Act to help offset the cost of fighting COVID-19 and to reimburse hospitals for pandemic-related revenue losses. Hospitals and health systems can access these funds by signing an attestation, agreeing to the Department of Health and Human Services' (HHS) terms and conditions and submitting an application.

What problems emerged after the PRF was established?

A New Definition of “Lost Revenue”

The Post-Payment Notice of Reporting Requirements published on October 22, 2020, made significant repayment changes to the PRF. Some of the changes would have forced some hospitals to return already-received payments to HHS. This notice changed the definition of lost revenue; specifying that hospitals would only be able to apply PRF payments toward lost revenue up to the amount of their 2019 net patient operating income. This new definition would have hit hospitals in rural areas and those serving vulnerable communities the hardest.

An Inability to Share Targeted Distribution Payments

Health systems were not able to spread general and targeted distributions across their respective systems, which did not recognize the coordinated effort that an intentional COVID-19 pandemic response demanded.

How has the Consolidated Appropriations Act of 2021 solved these problems?

The Consolidated Appropriations Act of 2021 (H.R. 133) has:

- Clarified the definition of lost revenue to allow providers to calculate lost revenue and health care related expenses attributable to COVID-19 using HHS' [June 2020 FAQ guidance](#);
- Allowed the distribution of reimbursements (including targeted distribution payments) to eligible subsidiaries of a parent health care organization.

The Consolidated Appropriations Act of 2021 has fixed many issues with the Provider Relief Fund by:

- Allowing providers to calculate “lost revenue” and “health care related expenses” using HHS' [June 2020 FAQ](#).
- Allowing targeted distribution payments to be spread across health care systems.