

Healthcare Law Alert: HHS Launches New Distribution and Payment Portal for Medicaid and CHIP Providers

June 23, 2020 – The Department for Health and Human Services (HHS) has announced that it will be distributing \$15 billion as a Targeted Distribution to eligible Medicaid and Children’s Health Insurance Program (CHIP) providers under the HHS Provider Relief Fund. A new [Provider Relief Fund Payment Portal](#) has been launched for Medicaid and CHIP providers to apply for this funding. HHS developed this new “enhanced” Payment Portal for providers who did not receive any payments under the previous General Distribution, including those providers who bill Medicaid and CHIP, i.e., pediatricians, long-term care and behavioral health providers. The portal will serve as the point of entry for providers who have received Medicaid and CHIP payments in 2017, 2018, 2019, or 2020 **and** who have not already received any payments from the \$50 billion Provider Relief Fund General Distribution.

Providers are not eligible for the Medicaid/CHIP payment if they rejected a prior General Distribution payment. Providers, however, who received a prior payment from another Targeted Distribution (i.e., the High Impact Area, Rural Area, Indian Health Service, or SNF Targeted Distributions) are eligible for the Medicaid/CHIP payment. Furthermore, providers who received payments from the \$50 billion General Distribution cannot use the new Payment Portal to edit, re-access, or resubmit a General Distribution submission that was previously submitted prior to June 3.

The deadline to submit an [application](#) for the Medicaid/CHIP Targeted Distribution is July 20, 2020. Payments will be disbursed on a rolling basis, as information is validated.

The methodology for the Medicaid Targeted Distribution will be based upon 2% of (gross revenues x percent of gross revenues from patient care) for calendar year 2017, or 2018 or 2019, as selected by the applicant and with accompanying submitted tax documentation. Payments will be made to applicant providers who are on the filing TIN curated list submitted by states to HHS or whose applications underwent additional validation by HHS. HHS has collected Medicaid and CHIP provider data from state and federal sources, including corporate names, TINs, and payment amounts, and is using this data to validate portal submissions.

To be eligible to apply for this Medicaid/CHIP payment, the applicant must meet all of the following requirements:

- Must not have received payment from the \$50 billion General Distribution;
- Must have (i) directly billed Medicaid for healthcare-related services during the period of January 1, 2018 to December 31, 2019, or (ii) own (on the application date) an included subsidiary that has billed Medicaid for healthcare-related services during the period of January 1, 2018 to December 31, 2019;
- Must have either (i) filed a federal income tax return for fiscal years 2017, 2018, or 2019 or (ii) be an entity exempt from the requirement to file a federal income tax return and have no beneficial owner that is required to file a federal income tax return (i.e. a state-owned hospital or healthcare clinic);
- Must have provided patient care after January 31, 2020;
- Must not have permanently ceased providing patient care directly or indirectly through included subsidiaries; and
- If the applicant is an individual, have gross receipts or sales from providing patient care reported on Form 1040, Schedule C, Line 1, excluding income reported on a W-2 as a (statutory) employee.

In addition to the above criteria, the provider must not be currently terminated from participation in Medicare or precluded from receiving payment through Medicare Advantage or Part D; must not be currently excluded from participation in Medicare,

Medicaid, and other Federal health care programs; and must not currently have Medicare billing privileges revoked. The provider's billing TIN must be included in the State-provided list of eligible Medicaid and CHIP providers or the provider's application must pass additional validation by HHS.

The [application](#) requires the following information to be uploaded on the new portal:

- Applicant's most recent federal income tax return for 2017, 2018, or 2019 or a written statement explaining why the applicant is exempt from filing a federal income tax return (e.g. a state-owned hospital or healthcare clinic);
- The applicant's Employer's Quarterly Federal Tax Return on IRS Form 941 for Q1 2020, Employer's Annual Federal Unemployment (FUTA) Tax Return on IRS Form 940, or a statement explaining why the applicant is not required to submit either form (i.e. no employees);
- The applicant's Full-time Employee (FTE) Worksheet (provided by HHS);
- If required by Field 15, the applicant's Gross Revenue Worksheet (provided by HHS).

Detailed instructions for completing the application can be found on the [HHS website](#).

Providers that have been allocated a payment must sign an attestation confirming receipt of the funds and agree to the [Terms and Conditions](#) within 90 days of payment.

HHS will be hosting a webcast regarding the application process. Providers must pre-register to reserve a spot for the webcast on Thursday, June 25, 2020 at 2:00 PM ET. [Register today](#).

If you have any questions about this alert or any other Healthcare Law issue, please contact:

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