



COVID-19 FAQ

12. Do you have any insight as to how the Round 2 payments will be calculated, and/or whether the payment for Round 2 is based on or conditioned on payment received in Round 1?

Date Added: 05/01/20

Answer: A total of \$50 billion if the Provider Relief fund is allocated for “general distribution.” The initial \$30 billion was distributed in Round 1 (from April 10- April 17). The payment was based on the providers portion of Medicare fee-for-service revenue (about 6%). Payments from the remaining \$20 billion are calculated based on “gross receipts or sales” (e.g., Box 9 from the 990 Form). HHS notes that healthcare providers can estimate approximate combined general revenue distribution through the following formula:

$$(\text{individual revenue}/\$2.5 \text{ trillion}) \times \$50 \text{ Billion} = \text{Expected Combined General Distribution}$$

This calculation roughly provides 2% of total revenue. Note that this calculation outlines the total combined distribution – meaning Rounds 1 and 2). If this calculation is equal to or less than what was received in Round 1, then no additional reimbursement will be provided. If this calculation results in a larger amount than what was received in Round 1, then you could be entitled to the difference. This process helps to provide additional revenue based first on Medicare, and then taking into account all payer revenue (which potentially helps those healthcare providers with low Medicare payer mix).