

FOR IMMEDIATE RELEASE**December 16, 2020****Contact: HHS Press Office****202-690-6343****media@hhs.gov**

HHS Increases and Begins Distributing Over \$24 Billion in Phase 3 COVID-19 Provider Relief Funding

Today, the Trump Administration, through the Health Resources and Services Administration (HRSA) is announcing it has completed review of Phase 3 applications from the Provider Relief Fund (PRF) program and will distribute \$24.5 billion to over 70,000 providers. Up from the \$20 billion originally planned, the addition of another \$4.5 billion in funding is being used to satisfy close to 90 percent of each applicant's reported lost revenues and net change in expenses caused by the coronavirus pandemic in the first half of 2020. The U.S. Department of Health and Human Services (HHS) recognizes this pandemic has upended the health care system and caused significant financial hardships. These resources, along with previous distributions, have provided much needed relief. Payment distribution started today and will continue through January, 2021.

"HHS is providing more than \$24 billion in new relief to more than 70,000 healthcare providers, meeting close to 90 percent of the losses they've reported from the COVID-19 pandemic in the first half of the year," said HHS Secretary Alex Azar. "With the Provider Relief Fund, we've been able to support providers hardest hit by COVID-19, including safety net hospitals, rural providers, and nursing homes, helping ensure they can continue serving their communities during and beyond the pandemic."

HHS has designed the PRF program to be agile and responsive to the shifting dynamics of this pandemic. As with other General Distributions, applicants that have not already received a baseline payment of 2 percent of annual revenue from patient care were eligible to do so. Recognizing the ongoing challenges for providers, HHS enhanced the Phase 3 distribution to consider the actual revenue losses and expenses experienced by providers that were attributable to COVID-19. With this opportunity, previously eligible PRF applicants were invited to apply for additional funding, along with first time applicants.

As HHS began analyzing applications, it realized the submissions for lost revenues and net changes in expenses would exceed the \$20 billion budgeted for the Phase 3 allocation. In an effort to meet the demand, HHS worked to add another \$4 billion to the allocation bringing the new total to over \$24 billion. This funding will distribute to providers up to 88 percent of their reported losses. It is worth noting that over 35,000 applicants will not receive an additional payment either because they experienced no change in revenues or net expenses attributable to COVID-19, or because they have already received funds that equal or exceed reimbursement of 88 percent of reported losses.

HHS was pleased to find in its analysis that providers disproportionately impacted by this pandemic applied and will be receiving another infusion of financial relief. Nursing homes for example, will be receiving another \$1.10 billion in Phase 3 funding. This builds on the half billion in incentive payments HHS recently announced and the over \$15 billion in aggregate funding already distributed. Ambulance, or transportation services providers, will be receiving \$1.48 billion in Phase 3 funding.

As the nation celebrates the historic arrival of COVID-19 vaccines, equipping providers with resources to address personal protective equipment needs, expand capacity and explore other responses to combat this pandemic remains an urgent and present priority. The PRF program will continue to support providers in addressing these immediate needs as demonstrated by today's announcement and through future funding opportunities.

Payments to Phase 3 applicants will begin today and continue as application quality reviews and recipient payment set up are completed before payment can be made. A state-by-state breakdown on the first batch of Phase 3 payments can be found here - PDF. This data will be updated through January as Phase 3 payments are completed. It is important to note this state-by-state data is tied to the state in which a recipient's IRS Tax Identification Number (TIN) is registered. It is possible recipients render health care services in states other than their listed TIN. After recipients attest to the terms and conditions for funding, they will be listed in the PRF public dataset.

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Last revised: December 15, 2020
