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The COVID-19 Provider Relief Fund

Following How the US Department of Health and Human Services Distributed $178 Billion

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Since March 2020, Congress has allocated $178 billion to the COVID-19 Provider Relief Fund. Established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the fund was meant to help providers "prevent, prepare for, and respond to coronavirus" and to "reimburse…eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus."[1] Passed in March 2020, the CARES Act allocated $100 billion for the fund. One month later, the Paycheck Protection Program and Health Care Enhancement Act allocated $75 billion,[2] which was followed by an additional $3 billion from the Consolidated Appropriations Act in 2021.[3] Unlike some other pandemic health care relief efforts, provider relief funds are grants and do not have to be repaid so long as providers meet the fund's terms and conditions.[4]

From the outset, the fund has faced sharp criticism. Early on, stakeholders expressed concern that the fund's eligibility criteria systematically disadvantaged providers that were already underresourced, especially safety net hospitals on the front lines of the pandemic response.[5] Congressional leaders and stakeholders also raised concerns that funds were not being released in a timely matter.[6] Most recently, stakeholders have pushed for more funding for providers, citing difficulty getting back to prepandemic operations, mounting labor costs, and the fact that the fund has not distributed relief funds to help providers handle expenses related to the delta or omicron variant surges, among other issues.[7]

About US Health Reform—Monitoring and Impact

With support from the Robert Wood Johnson Foundation, the Urban Institute has undertaken US Health Reform—Monitoring and Impact, a comprehensive monitoring and tracking project examining the implementation and effects of health reforms. Since May 2011, Urban Institute researchers have documented changes to the implementation of national health reforms to help states, researchers, and policymakers learn from the process as it unfolds. The publications developed as part of this ongoing project can be found on both the Robert Wood Johnson Foundation's and Urban Institute Health Policy Center's websites.

In this brief, we use the most recent publicly available information to update our earlier work and review how fund grants have been allocated and paid to providers meeting the specified criteria.[8] Our analysis revealed the following takeaways:

- As the pandemic evolved, so did the Provider Relief Fund. The US Department of Health and Human Services (HHS) made multiple distributions using a range of allocation formulas and eligibility criteria, which sometimes sparked controversy among both congressional lawmakers and industry groups.
- Nearly two years after Congress first approved provider relief funding, all funds were allocated as of February 2022, and HHS had distributed most but not all of the $178 billion in funds.[9] Since February, the agency has released more funds, so it is likely that the Provider Relief Fund is largely depleted as of July 2022.
- Although funds are nearly exhausted, the fund balance may increase. Some providers have chosen to return grants because they did not need the money, while others have returned grants because they cannot meet the terms and conditions set out by HHS.[10] Indeed, providers have already returned nearly $10 billion, with more likely to come.

Given the controversy surrounding the Provider Relief Fund as well as the importance of these grants to providers, continuing to follow the fund will provide valuable lessons for the pandemic recovery and future policymaking.

Following the Money

As described in our previous work,[11] allocations of provider relief funding have been controversial since Congress established the fund. Moreover, publicly available data on the fund are limited and therefore difficult to fully analyze, an issue recently highlighted by the Congressional Research Service.[12] HHS, the agency charged with managing the fund, has broad authority in how to allocate provider relief funds. Indeed, neither the CARES Act nor the Protection Program and Health Care Enhancement Act specified how funds should be distributed. The 2021 Consolidated Appropriations Act, however, included some

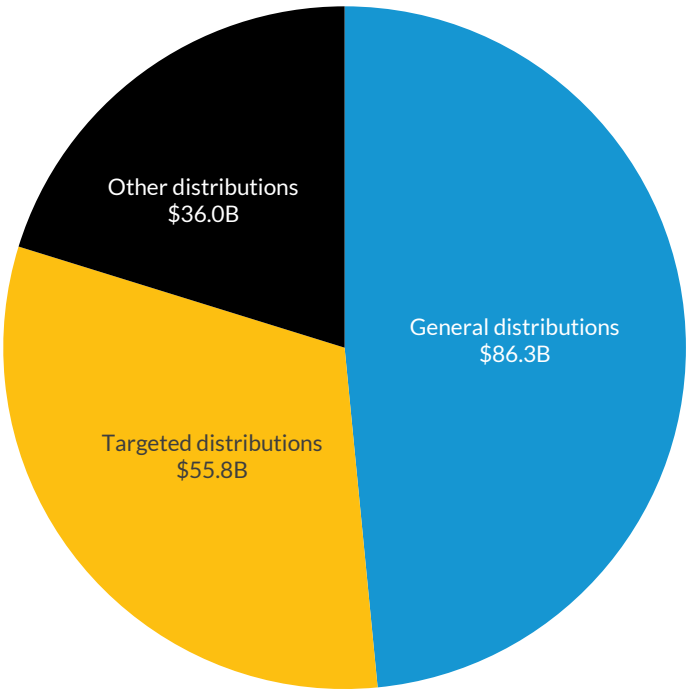
stipulations about how any remaining funds should be used. This legislation also put in place some general provisions, such as limitations on using provider relief funds for executive pay.[13]

HHS allocated relief funds to providers through two types of distributions: general and targeted. In addition, the agency has used provider relief funds to support other health-related pandemic activities. For example, until March 2022, the COVID-19 Uninsured Program provided COVID-19 testing to the uninsured, treated uninsured individuals who received a COVID-19 diagnosis, and administered COVID-19 vaccines to the uninsured. Until April 2022, the COVID-19 Coverage Assistance Program reimbursed providers for COVID-19 vaccines administered to the underinsured. Most recently, the Provider Relief Fund has also financed vaccine and therapeutic development and procurement efforts. In addition, provider relief funds have been used to cover administrative costs associated with the fund. As of February 2022, general distributions accounted for nearly half ($86.3 billion) of the $178 billion provider fund allocations, followed by targeted distributions ($55.8 billion) and other distributions ($36.0 billion) (figure 1). But as discussed below, these distribution levels have been far from static.

FIGURE 1

Provider Relief Fund, by Type of Distribution, February 2022

Of $178 billion in total funding



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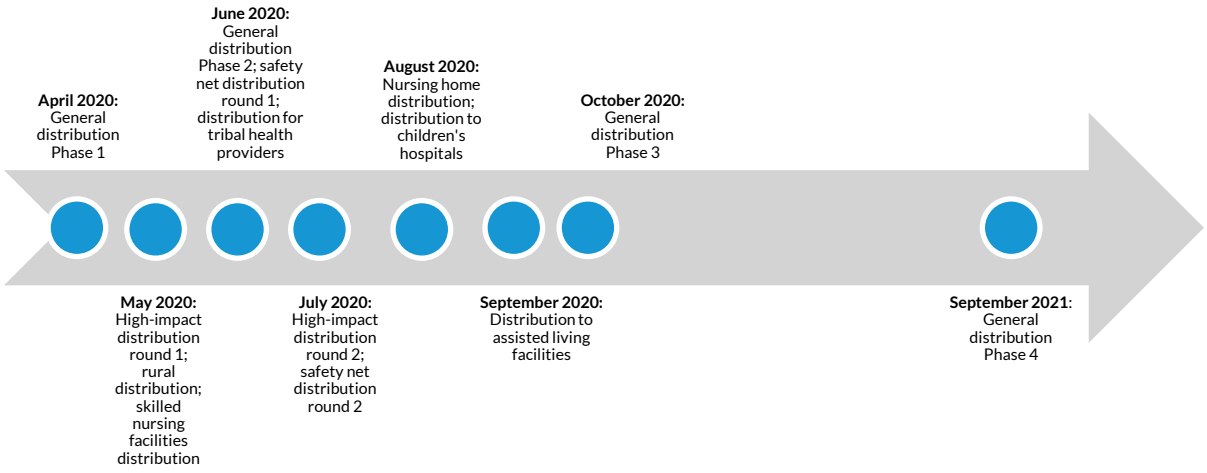
Sources: GAO, *Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments* (Washington, DC: US Government Accountability Office, 2022).
Note: B = billion.

General and Targeted Distributions

Figure 2 shows a timeline of selected general and targeted distributions made with provider relief funds.

FIGURE 2

Timeline of Selected Allocations Authorized under the Provider Relief Fund, July 2022



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Source: "CARES Act Provider Relief Fund: General Information," US Department of Health and Human Services, accessed July 6, 2022, https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/general-information/index.html.
Notes: In addition to these allocations, the US Department of Health and Human Services made allocations under the Provider Relief Fund to support the COVID-19 Uninsured Program and COVID-19 Coverage Assistance Fund, as well as vaccine and therapeutic development and procurement efforts. These are not included in the figure.

General Distributions

Starting with the Phase 1 general distribution on April 10, 2020, HHS released $30 billion based on a provider's share of total Medicare fee-for-service reimbursements in 2019. Providers did not need to apply for this funding; rather, the money was transferred unsolicited to providers' accounts. This simple formula enabled HHS to release the money quickly. However, disbursing funds based on Medicare reimbursements disadvantaged many providers, including Medicare Advantage providers, pediatricians, obstetricians, and safety net providers with high shares of Medicaid-covered and uninsured patients. Moreover, the allocation was largely divorced from providers' needs during the pandemic[14]—the intended purpose of the aid. The disbursement formula therefore prompted an outcry from various stakeholders.[15]

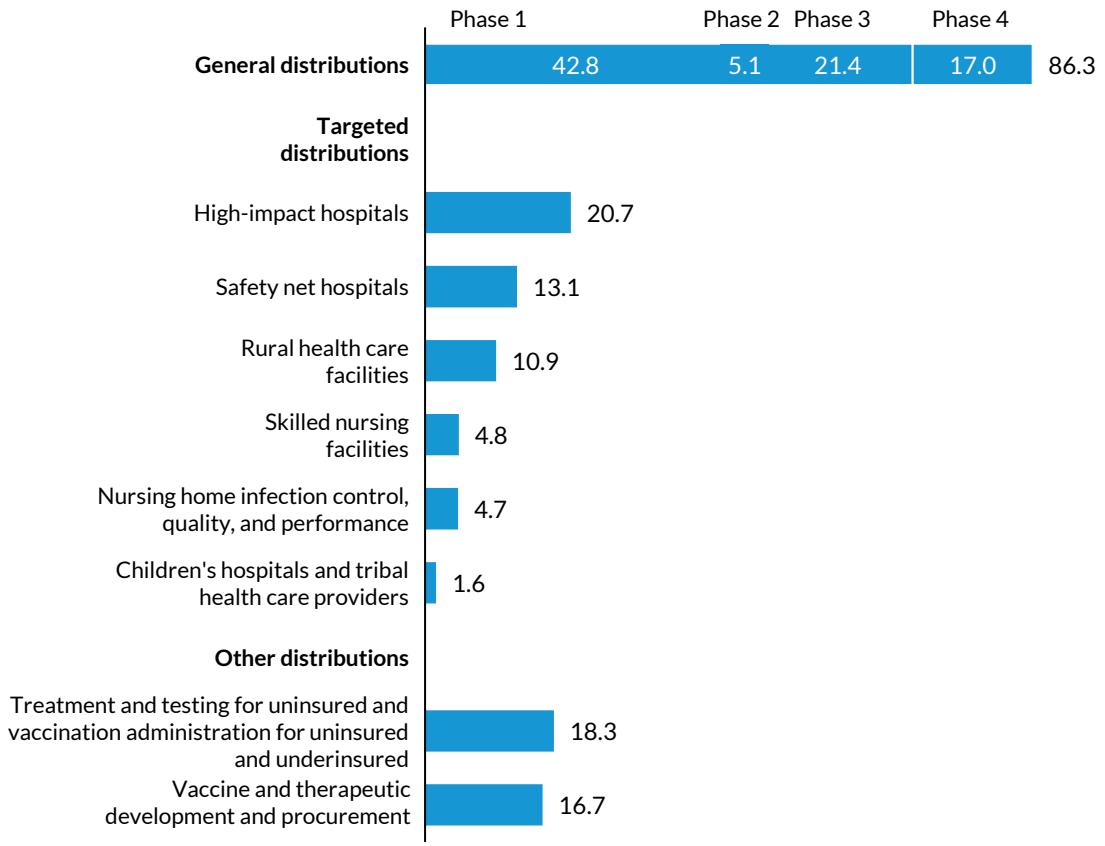
To address concerns, HHS quickly allocated another $20 billion, which, when combined with the first $30 billion in Phase 1 general distribution grants, ensured funds were allocated in proportion to a provider's share of net patient revenue in 2018 (or the provider's most recent complete tax year),

including revenue received from Medicare, private insurance, and Medicaid. As under the first $30 billion allocation, providers did not have to apply for this second distribution under Phase 1. Even under this revised allocation method, however, safety net providers remained disadvantaged because the Medicaid program tends to pay providers at lower reimbursement levels than it does private insurance or Medicare, and providers receive little to no reimbursement for treating uninsured patients. Although HHS released a total of $50 billion between the two waves of the Phase 1 distribution, after accounting for some providers returning Phase 1 grants, the Phase 1 allocation totaled $42.8 billion (figure 3).[16]

FIGURE 3

Allocations of the Provider Relief Fund, February 2022

In billions of dollars



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Source: GAO, *Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments* (Washington, DC: US Government Accountability Office, 2022).

Note: Provider Relief Fund grants total $178 billion. Fund administrative costs of $0.9 billion are not included in figure.

To deal with issues with Phase 1 allocation formulas, a Phase 2 general distribution began in June 2020. With an initial $18 billion allocation, Medicaid and Children's Health Insurance Program providers, dentists, assisted living facilities, and some other providers excluded from the Phase 1 general distribution could receive these grants. However, unlike under the Phase 1 distribution, providers had to apply for Phase 2 grants. Because of the limited number of provider applications, the Phase 2 allocation totaled just $5.1 billion as of February 2022 (figure 3).[17]

In October 2020, HHS announced a Phase 3 general distribution with an initial allocation of $24.5 billion. Under Phase 3, HHS made grants available to providers eligible for the other general distributions as well as to behavioral health providers and providers who began practicing in 2020. Most grants from Phase 3, for which providers had to apply, account for the financial impact of the pandemic on providers rather than the provider's revenue from an earlier period, as in the Phase 1 and Phase 2 distributions.[18] As of February 2022, the Phase 3 allocation amounted to $21.4 billion (figure 3).[19]

After the Phase 3 general distribution began in October 2020, HHS did not make additional general or targeted distributions under the Provider Relief Fund for nearly a year, until September 2021 (figure 2).[20] Over that same period, 34.9 million new COVID-19 cases were reported nationally,[21] while tens of billions of dollars remained in the fund, as reported by the US Government Accountability Office (GAO 2021a, 2021b). Under considerable bipartisan pressure from congressional lawmakers and trade organizations representing the health care industry,[22] HHS announced a Phase 4 general distribution with an allocation of $17 billion in September 2021.[23]

With provider applications accepted starting September 2021, HHS said Phase 4 grants would be "distributed with an eye towards equity, to ensure providers who serve our most vulnerable communities will receive the support they need," presumably to try to address some of the concerns about previous distributions.[24] To that end, 75 percent of Phase 4 funds will be distributed based on pandemic-related lost revenues and high expenditures that occurred between July 1, 2020, and March 31, 2021. However, smaller providers will be reimbursed at a higher level than their larger counterparts in recognition of their often "thin margins" and because they "often serve vulnerable or isolated communities."[25] HHS will pay out the remaining 25 percent of Phase 4 funds as bonus payments to providers based on the amount of services they provide to Medicaid, Children's Health Insurance Program, and Medicare patients. As of July 2022, HHS has paid out $14.5 billion through the Phase 4 general distribution.[26]

Even with the Phase 4 distribution and its focus on equity, some problems persist. For instance, large safety net hospitals and systems—one of the intended beneficiaries of the distribution—will be disadvantaged given the higher payments to small and midsize providers. More broadly, some stakeholders have raised concerns that the Phase 4 funds only cover lost revenues and added COVID-19-related expenses through March 31, 2021, thereby neglecting expenses associated with COVID-19 cases since that time—such as the period when the country saw surges of the delta and omicron variants. Between March 31, 2021, and June 30, 2022, 56.6 million COVID-19 cases were reported in the United States, accounting for 64.8 percent of total cases.[27]

Across the four general distributions, HHS initially allocated nearly $110 billion. But as of June 2022, it has allocated an estimated $86.3 billion.[28] The lower allocation in part reflects some providers returning the grants (see below) but also reflects lower than expected applications for some of the funding—for example, Phase 2.

Targeted Distributions

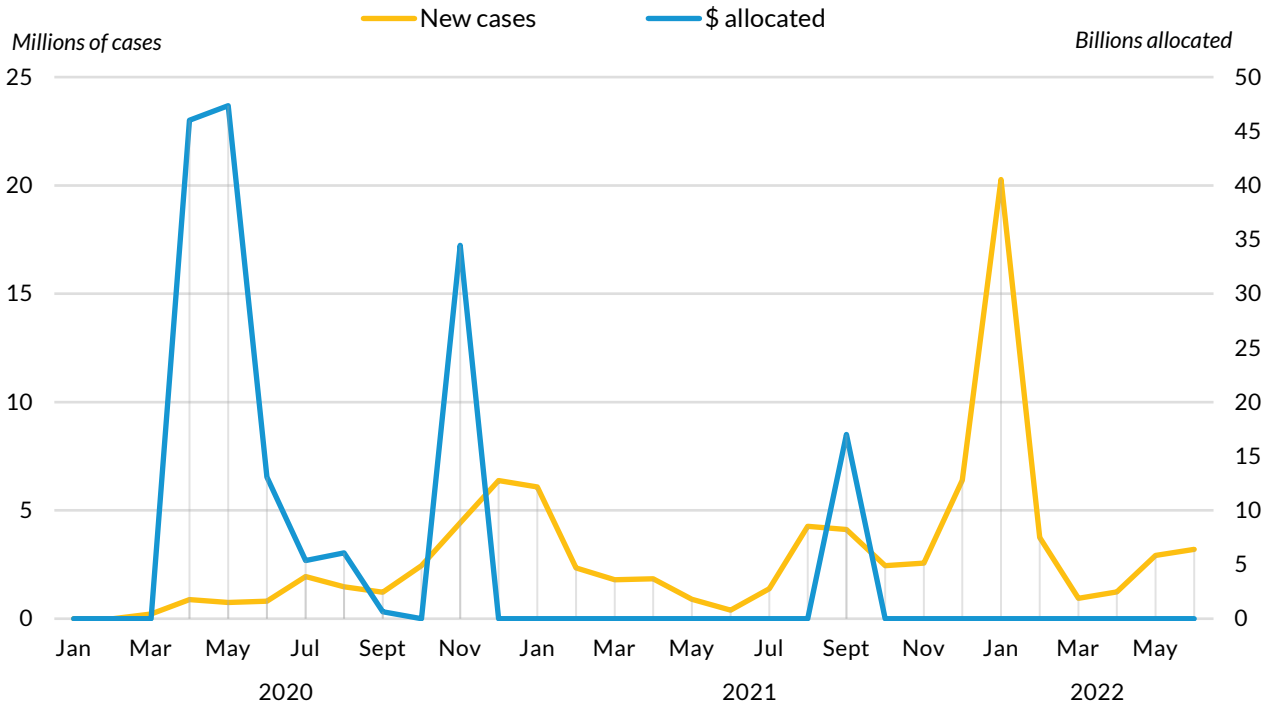
As HHS made general distributions, it also started making targeted distributions to address concerns (figure 2). The agency made its first targeted distribution, called the high-impact hospital distribution, in May 2020 to hospitals with high numbers of patients with COVID-19. Other providers that received targeted distributions include safety net hospitals, rural hospitals, and skilled nursing homes (figure 3). Targeted distributions continued throughout the summer of 2020, each using different eligibility and allocation formulas. Since September 2020, HHS has not made additional targeted distributions. Collectively, targeted distributions total $55.8 billion

Targeted distributions were also plagued with problems. For example, the formula for distributing high-impact grants was controversial. HHS first distributed $10 billion in high-impact funds to hospitals that had provided inpatient care to at least 100 COVID-19 patients between January 1 and April 10, 2020. Nationwide, 395 hospitals received these grants.[29] Although these high-impact payments generally correlated with COVID-19 prevalence rates,[30] some hospitals and other stakeholders were concerned about the arbitrary April 10 cutoff and 100-patient caseload requirement.[31] Smaller hospitals with fewer intensive care unit beds, for example, may have cared for their proportional share of COVID-19 patients in their areas but not met the 100-patient admission mark because of their size. HHS sought to fix this problem and other concerns by allocating another $10 billion for hospitals in COVID-19 hotspots in June 2020, and payouts started the following month.

HHS has allocated more than $140 billion in provider relief funds—in both general and targeted distributions—between April 2020 and September 2021. While these funds undoubtedly have been vital to providers weathering the pandemic, the timing of the release of the funds has not closely aligned with the number of COVID-19 cases (figure 4).

FIGURE 4

Timing of Provider Relief Fund Allocations and Number of COVID-19 Cases, by Month, 2020–22



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Sources: Allocated funds are from GAO, *COVID-19: Sustained Federal Action Is Crucial as Pandemic Enters Its Second Year* (Washington, DC: US Government Accountability Office, 2021), which has been updated to reflect the September 2021 Phase 4 release of funds; see US Department of Health and Human Services, "HHS Announces the Availability of $25.5 Billion in COVID-19 Provider Funding," news release, September 10, 2021, https://www.hhs.gov/about/news/2021/09/10/hhs-announces-the-availability-of-25-point-5-billion-in-covid-19-provider-funding.html. New cases are from the Centers for Disease Control and Prevention's "Trends in Number of COVID-19 Cases and Deaths in the US Reported to CDC, by State/Territory," available at https://covid.cdc.gov/covid-data-tracker/#trends_dailycases_newhospitaladmissions. These data were generated Wednesday, July 6, 2022, at 12:10:34 GMT-0400 (EDT).

Other Distributions

Apart from general and targeted distributions, HHS has used provider relief funds to support other COVID-19 health-related activities (figure 3). One is the COVID-19 Uninsured Program, which reimbursed providers for testing uninsured individuals for COVID-19, treating uninsured patients who received a COVID-19 diagnosis, and administering COVID-19 vaccines to uninsured individuals. A related initiative, the COVID-19 Coverage Assistance Fund, reimbursed providers for providing COVID-19 vaccines to underinsured individuals whose health plans did not cover the vaccine or imposed a cost share for it. Under these two programs, providers submitted claims and HHS used relief funds to pay providers generally at Medicare rates, subject to availability. Dates of service on or after February 4, 2020, could be claimed under both programs.

Unlike the general and targeted distributions, HHS did not allocate a specified amount of provider relief funds to the Uninsured Program or Coverage Assistance Fund (CRS 2022). GAO, however, estimated the allocation for the two programs at $18 billion as of February 2022, up from its earlier estimate of $10 billion in March 2021.[32] While relief fund disbursement for these efforts started on May 15, 2020, spending was slow to start. In March 2021, nearly a year after funds became available, HHS had disbursed just $2.1 billion; by February 2022, spending had reached $12.4 billion. As of July 2022, HHS reports that spending on the Uninsured Program totaled more than $18 billion, with about 60 percent of funds going to COVID-19 testing, 31 percent to treatment, and the remainder to vaccinations.[33] For the Coverage Assistance Fund, providers have submitted more than $25 million in claims.[34] Because of the lack of funding, HHS stopped processing claims for the Uninsured Program and Coverage Assistance Fund on March 22, 2022, and April 5, 2022, respectively.

In addition to the Uninsured Program and the Coverage Assistance Fund, HHS has also used provider relief funds for vaccine and therapeutic development and procurement efforts. These disbursements began in November 2020, but as with the Uninsured Program and Coverage Assistance Fund, HHS did not specify funding levels and spending was slow to ramp up. In March 2021, GAO estimated an allocation for the vaccine effort at just under $10 billion, which it later revised to $16.7 billion in February 2022 when disbursements already totaled more than $12 billion. Some stakeholders have raised concerns about using the Provider Relief Fund to pay for vaccines and therapeutic development work, arguing that the funds were intended to help health care providers endure the pandemic—not subsidize drug companies.[35]

Returned Grant Funds

As of February 2022, providers had returned $9.8 billion of the fund grants they received, up from $8 billion in March 2021 (GAO 2022, 2021). So far, the bulk of returned grants has been from general distributions, particularly from Phase 1. Given that Phase 1 has been the largest single distribution from the fund, the fact that providers did not have to apply for grants distributed under Phase 1, and the allocation formula used was largely unrelated to providers' experiences or needs related to COVID-19, it follows that Phase 1 grants account for a sizable amount of returned funds. However, providers have also returned grants issued through targeted distributions, primarily those issued through the high-impact hospital distributions that HHS disbursed early in the pandemic.

Providers are required to attest to certain terms and conditions after receiving grants. They can return the funds if they do not want to follow the terms and conditions or if they do not need the funds. Several major nonprofit and for-profit health care systems that received funds, for example, reported that they did not need the money because they had gained experience managing operations and expenses as the pandemic progressed, or because they recovered sooner than expected.[36] Systems that have returned grants include the Mayo Clinic ($156 million returned), Kaiser Permanente ($500 million), and HCA Healthcare ($1.6 billion).[37]

Providers are also required to spend the funds by a certain date or return the money. Specifically, HHS guidance issued in June 2021 gave providers up to a year to spend grants in keeping with the fund's terms and conditions. If a provider cannot spend the grant within the year, any unused funds are to be returned to HHS.[38] For example, any remaining money from grants issued before June 30, 2020, that a provider had not used by June 30, 2021, must be returned to HHS. The agency has set out five reporting periods extending to July 2023.[39] Some industry groups have argued that providers need more time to spend the money. The American Hospital Association, for example, said hospitals needed more time because facilities are still incurring expenses related to COVID-19 patients and want to apply the funding to future expenses through the end of the public health emergency.[40]

The extent to which providers have returned more grants since February of this year is unclear.[41] Public information on returned funds is incomplete, making it difficult to comprehensively track which providers have returned grants and how much. HHS also does not collect providers' reasons for doing so. Moreover, it is unclear how the returned funds have been used. In October 2021, GAO reported that HHS officials said that returned funds would be used for subsequent allocations, and any remaining funds would be used for "future contingencies and emerging needs." Some provider groups have charged that a share of the returned funds have gone to buy COVID-19 vaccines and therapeutics rather than being released back to providers. [42]

Going Forward

More than two years have elapsed since Congress first appropriated significant funding to help health care providers weather the COVID-19 crisis. All told, Congress has appropriated $178 billion toward this effort. The money undoubtedly has been critical to shoring up the nation's health care system during the pandemic, but controversy has surrounded the fund, and more issues will likely arise with the fund now largely depleted. Hospitals in particular continue to press for more funding, highlighting that allocations have only covered COVID-19-related expenses through March 2021; HHS has not yet made funds available to cover providers' expenses related to the omicron or delta variants. Moreover, hospitals note that their expenses continue to increase, and operations have yet to return to prepandemic levels.[43] Specifically, the American Hospital Association has asked HHS to allocate an additional $25 billion to the Provider Relief Fund for providers that continue to experience lost revenues and increased expenses due to the delta and omicron variants, while American's Essential Hospital has requested $7 billion in targeted funding for safety net hospitals.[44] However, instead of giving providers more relief, the Biden administration seems to have shifted its COVID-19 health priorities to other activities, including testing, treatments, and vaccines.[45] In the meantime, Congress does not seem inclined to appropriate more health-related pandemic funding in its most recent budget, for providers or otherwise.[46]

Even so, the Provider Relief Fund will continue to remain active for the foreseeable future as some providers return excess funds over the next year. It is unclear how HHS will use the returned funds. The agency stated that it would redistribute funds to providers but also said that remaining funds could be used for future contingencies and emerging needs pertaining to the pandemic. In addition, HHS has

begun conducting oversight work on the fund, including past payment reviews, audits, and recovery of overpayments. Given the controversy surrounding the fund, as well as the significance these grants have for many providers, following provider relief funding will be important—both to ensure that funds were used properly and to help inform future policymaking.

Notes

[1] Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub. L. 116–136 (2020).

[2] Paycheck Protection Program and Health Care Enhancement Act, Pub. L. 116-139 (2020).

[3] Consolidated Appropriations Act, 2021, Pub. L. 116-260 (2021).

[4] To view the terms and conditions of the Provider Relief Fund, see "Acceptance of Terms and Conditions," US Department of Health and Human Services, accessed July 8, 2022, https://www.hhs.gov/sites/default/files/terms-and-conditions-provider-relief-20-b.pdf.

[5] Erica Werner, Shane Harris, and Amy Goldstein, "Hospital Relief Money Slow to Reach Places that Need It Most, Lawmakers and Industry Groups Say," *Washington Post*, April 16, 2020, https://www.washingtonpost.com/us-policy/2020/04/16/bailout-money-hospitals-slow-get-out-missing-some-places-that-need-it-most-lawmakers-industry-groups-say/.

[6] Senators Roy Blunt, Richard Burr, Mike Crapo, Mitch McConnell, and Richard Shelby, letter to Xavier Becerra (secretary, US Department of Health and Human Services), regarding the lack of strategy in targeting remaining provider relief funds, September 2, 2021, https://www.blunt.senate.gov/imo/media/doc/prf_letter_9-2-21.pdf; Senators Susan M. Collins, Jeanne Shaheen, Kyrsten Sinema, Lisa Murkowski, Joe Manchin III, Roger Marshall, Thomas R. Carper, et al., letter to Xavier Becerra (secretary, HHS), regarding an immediate update to HHS's plans for distributing unobligated provider relief funds, August 26, 2021, https://www.collins.senate.gov/imo/media/doc/Collins-Shaheen%20PRF%20Letter%202021-08-26.pdf; Bruce Siegel (president and chief executive officer, America's Essential Hospitals), letter to Xavier Becerra (secretary, HHS), regarding HHS's allocation of remaining provider relief funds, August 24, 2021, https://essentialhospitals.org/wp-content/uploads/2021/08/FINAL-AEH-Letter-to-HHS-COVID-19-8-24-21.pdf; and Richard J. Pollack (president and chief executive officer, American Hospital Association), letter to Xavier Becerra (secretary, HHS), regarding releasing COVID-19 relief funds to hospitals and health systems, August 17, 2021, https://www.aha.org/lettercomment/2021-08-17-aha-urges-hhs-release-covid-19-relief-funds-hospitals-health-systems.

[7] Stacey Hughes (executive vice president, American Hospital Association), letter to Charles Schumer, Mitch McConnell, Nancy Pelosi, and Kevin McCarthy, regarding distributing funds from the Provider Relief Fund to health care providers in light of the delta and omicron variants, January 20, 2022, https://www.aha.org/system/files/media/file/2022/01/aha-urges-congress-to-include-key-priorities-in-must-pass-legislation-1-20-22.pdf.

[8] Teresa A. Coughlin, Christal Ramos, Fredric Blavin, and Stephen Zuckerman, "Federal COVID-19 Provider Relief Funds: Following the Money," *Urban Wire* (blog), Urban Institute, June 10, 2020, https://www.urban.org/urban-wire/federal-covid-19-provider-relief-funds-following-money; Fredric Blavin, Teresa A. Coughlin, Christal Ramos, and Diane Arnos, "What Types of Hospitals and Areas Received the First Round of High-Impact COVID-19 Funding?," *Urban Wire* (blog), Urban Institute, August 19, 2020, www.urban.org/urban-wire/what-types-hospitals-and-areas-received-first-round-high-impact-covid-19-funding.

[9] "COVID-19: Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments," US Government Accountability Office, April 27, 2022, https://files.gao.gov/reports/GAO-22-105397/index.html#Highlights.

[10] US Department of Health and Human Services, "HHS Issues Revised Notice of Reporting Requirements and Reporting Timeline for Recipients of Provider Relief Fund Payments," news release, June 11, 2021, https://www.hhs.gov/about/news/2021/06/11/hhs-issues-revised-reporting-requirements-timeline-for-provider-relief-fund-recipients.html.

[11] Coughlin, Ramos, Blavin, and Zuckerman, "Federal COVID-19 Provider Relief Funds: Following the Money," *Urban Wire;* Blavin, Coughlin, Ramos, and Arnos, "What Types of Hospitals and Areas Received the First Round of High-Impact COVID-19 Funding?," *Urban Wire*; and Coughlin, Ramos, Samuel-Jakubos, "More Than a Year and a Half after Congress Approved Funding to Help Health Care Providers Weather the Pandemic, Billions of the $178 Billion Allocated Remain Unspent," Urban Institute.

[12] Elayne J. Heisler, "The Provider Relief Fund: Frequently Asked Questions," Congressional Research Service, April 7, 2022, https://crsreports.congress.gov/product/pdf/R/R46897.

[13] "Acceptance of Terms and Conditions," US Department of Health and Human Services, accessed July 8, 2022, https://www.hhs.gov/sites/default/files/terms-and-conditions-provider-relief-20-b.pdf.

[14] Werner, Harris, and Goldstein, "Hospital Relief Money Slow to Reach Places that Need It Most," *Washington Post*.

[15] Jesse Drucker, Jessica Silver-Greenberg, and Sarah Kliff, "Wealthiest Hospitals Got Billions in Bailout for Struggling Health Providers," *New York Times*, May 25, 2020, https://www.nytimes.com/2020/05/25/business/coronavirus-hospitals-bailout.html.

[16] "COVID-19: Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments," US Government Accountability Office.

[17] Ibid.

[18] For providers that previously received provider relief funding and sought payments from Phase 3, their earlier payments would be deducted from any payment under Phase 3 for which they may qualify. See "Phase 3 General Distribution," US Department of Health and Human Services, accessed August 3, 2021, https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/general-information/index.html#phase3.

[19] "COVID-19: Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments," US Government Accountability Office.

[20] Although HHS did not make any new general or targeted distributions between October 2020 and September 2021, the agency continued to process claims through the COVID-19 Uninsured Program and the COVID-19 Coverage Assistance Fund using monies from the Provider Relief Fund.

[21] "Daily Trends in Number of Cases and 7-Day Average of New Patients Admitted to Hospital with Confirmed COVID-19 in the United States Reported to CDC," Centers for Disease Control and Prevention COVID Data Tracker, accessed July 8, 2022, https://covid.cdc.gov/covid-data-tracker/#trends_dailycases_newhospitaladmissions.

[22] Senators Roy Blunt, Richard Burr, Mike Crapo, Mitch McConnell, and Richard Shelby, letter to Xavier Becerra (secretary, US Department of Health and Human Services), regarding the lack of strategy in targeting remaining provider relief funds; Senators Susan M. Collins, Jeanne Shaheen, Kyrsten Sinema, Lisa Murkowski, Joe Manchin III, Roger Marshall, Thomas R. Carper, et al., letter to Xavier Becerra (secretary, HHS), regarding an immediate update to HHS's plans for distributing unobligated provider relief funds; Bruce Siegel (president and chief executive officer, America's Essential Hospitals), letter to Xavier Becerra (secretary, HHS), regarding HHS's allocation of remaining provider relief funds, August 24, 2021; and Richard J. Pollack (president and chief executive officer, American Hospital Association), letter to Xavier Becerra (secretary, HHS), regarding releasing COVID-19 relief funds to hospitals and health systems.

[23] US Department of Health and Human Services, "HHS Announces the Availability of $25.5 Billion in COVID-19 Provider Funding," news release, September 10, 2021, https://www.hhs.gov/about/news/2021/09/10/hhs-announces-the-availability-of-25-point-5-billion-in-covid-19-provider-funding.html.

[24] Ibid.

[25] Ibid.

[26] "Phase 4 General Distribution Payments," Health Resources and Services Administration, accessed July 18, 2022, https://www.hrsa.gov/provider-relief/data/general-distribution/phase-4-general-distribution-payments. For figure 2, we have assumed that the full $17 billion Phase 4 allocation will be distributed. HHS has released Phase 4 funds on a monthly basis since December 2021.

[27] "Trends in Number of COVID-19 Cases and Deaths in the US Reported to CDC, by State/Territory," Centers for Disease Control and Prevention COVID Data Tracker, accessed July 8, 2022, https://covid.cdc.gov/covid-data-tracker/#trends_dailycases_newhospitaladmissions.

[28] $14.5 billion of $17 billion in the Phase 4 general distribution allocation has been paid as of July 2022, but we are assuming that the full $17 billion eventually will be disbursed. Furthermore, HHS has not distributed all allocated

funds to providers. For example, while HHS allocated $86.3 billion for the general distributions, as of February 2022, the agency has disbursed $74.8 billion. "COVID-19: Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments," US Government Accountability Office, April 27, 2022, https://files.gao.gov/reports/GAO-22-105397/index.html#Highlights.

[29] HHS allocated an additional $2 billion to a subset of these hospitals proportionate to the care facilities provided to patients with low incomes and to uninsured patients.

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