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FOR IMMEDIATE RELEASE

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HHS Announces Allocations of CARES Act Provider Relief Fund for Nursing Homes

The Department of Health and Human Services (HHS), through the Health Resources and Services Administration (HRSA), is announcing the details of the next CARES Act-authorized nursing home Provider Relief Fund (PRF) distribution.

Consistent with the Administration's announcement in late July, the PRF distribution will total approximately \$5 billion, and will be used to protect residents of nursing homes and long-term care facilities from the impact of COVID-19.

"These new funds for nursing homes continue the Trump administration's emphasis on protecting the most vulnerable, including older Americans," said HHS Secretary Alex Azar. "By linking these funds to performance in controlling COVID-19, we are providing powerful tools and incentives for nursing homes to better protect their residents from the virus."

This effort draws upon the diverse capabilities and expertise across HHS, including the Agency for Healthcare Research and Quality (AHRQ), which will oversee the implementation of specialized learning networks.

The \$5 billion distribution will provide approximately \$2.5 billion in upfront funding to support increased testing, staffing, and PPE needs. There will also be funding available for those establishing COVID isolation facilities. Unlike prior distributions, however, the balance of the \$5 billion will be linked to nursing home performance. Almost 40% of all U.S. COVID-19 deaths, totaling tens of thousands of Americans, are nursing-home related, and the intent of the performance-based distribution will be to ensure the Federal Government is paying for better outcomes. Evaluation of performance will consider the prevalence of the virus in the nursing home's local geography, and will be based on the nursing home's ability within this context to minimize COVID spread and COVID-related fatalities among its residents.

"We anticipate that linking payment to performance will be an effective means of holding nursing homes accountable, stimulating innovation, and encouraging them to reach beyond their own walls for infection control expertise and support", said Thomas Engels, Administrator of HRSA.

This distribution, designed to encourage a collaborative approach to quality improvement, is also consistent with several principles emerging from the Administration’s recent work in creating a new “Quality Roadmap”. In June 2019, President Trump’s Executive Order on Transparency directed HHS to develop a more contemporary approach to improving the quality performance of U.S. healthcare providers.

Dr. Peter Pronovost, an expert in quality improvement from University Hospitals in Cleveland, and co-chair of the effort that produced the “Quality Roadmap”, said “this approach mirrors the forward-looking principles outlined in the Quality Roadmap: learning transfer in a peer-like setting, transparency, collaboration, and accountability. Properly implemented, such programs have led to rapid improvements in infection control in other settings.”

Project ECHO, a consortium of approximately 250 health system “hubs” located across the U.S., is already partnering with AHRQ to pilot a nursing home infection control learning network, which has already generated significant enthusiasm. Project ECHO’s support will be available to any U.S. nursing home seeking it. Consistent with the President’s executive order, this effort will be an initial step on a journey leading to a much more robust approach to quality improvement as outlined in the “Roadmap”.

“It’s critical to expand the use of proven safety practices that can benefit nursing home residents and staff members, and help save lives,” said AHRQ Director Gopal Khanna. “AHRQ is committed to developing evidence on what works to improve care and partnering with nursing homes and other health systems to make sure that evidence is understood and used.”

HRSA expects the initial \$2.5 billion nursing home distribution to occur in mid-August. This will be followed by additional performance-based distributions throughout the fall.

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