Summary of Hospital Provisions in COVID Relief v.1, v.2 and v.3

COVID-19 Relief 1.0
Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020
(H.R. 6074) – Enacted March 6, 2020
The first coronavirus emergency supplemental, enacted in early March, provided $8.3 billion to be used mainly to strengthen the public health system.

The bill did not contain a direct appropriation for hospitals. Instead, it appropriated $300 million to the Office of the Assistant Secretary for Preparedness and Response (ASPR) within the Department of Health and Human Services (HHS). After fulfilling other obligations, the agency had $100 million remaining from which state hospital associations received $50 million to distribute to hospitals directly. The remaining $50 million went to Ebola treatment centers and hospitals that specialize in treating pathogens.

In other provisions, the bill provides:

- $2.2 billion to the Centers for Disease Control and Prevention to support federal, state and local public health agencies battling COVID-19, including $100 million for community health centers;
- $3 billion for the HHS Public Health and Social Services Emergency Fund to develop and purchase vaccines, therapeutics, diagnostics, and necessary medical supplies;
- $836 billion to the National Institutes of Allergy and Infectious Diseases for research and development of vaccines, therapeutics and diagnostics, and;
- Relaxation of certain telehealth rules, improving access to care via telehealth.

In the long-term, hospitals and their patients will benefit from efforts to develop vaccines and therapeutics; however, this bill did not address hospitals’ growing gap between revenue and costs.

COVID-19 Relief 2.0
Families First Coronavirus Response Act
(H.R. 6201) – Enacted March 18, 2020
COVID-10 Relief 2.0 focused mainly on patients and families affected by the pandemic. Hospitals did not receive a direct appropriation in 2.0.

Key provisions included:

- Requiring public and private health care programs to cover COVID-19 diagnostic testing and related services at no cost to patients;
- A 6.2 percent increase in the Federal Medical Assistance Percentage (FMAP) for each state and territory;
- Allowing states to expand Medicaid eligibility to the uninsured for the purpose of COVID-19 testing and related services;
- $1 billion for the Public Health and Social Services Emergency Fund to cover costs associated with testing and related services to the uninsured;
- Amending the Family and Medicaid Act to require employers with fewer than 500 employees to provide paid family and medical leave during and related to COVID-19 public health emergencies; and
- Requires employers to provide 80 hours of paid sick leave for full-time employees in certain scenarios related to COVID-19.

This bill took major steps to address patient and family concerns; however, as with COVID-19 1.0, it did not address the increasingly dire financial challenges facing hospitals and health systems.
COVID-19 Relief 3.0
Coronavirus Aid, Relief, and Economic Security (CARES) Act
(H.R. 748) – Enacted March 27, 2020

The CARES Act is an effort to begin to address the increasingly dire financial condition of hospitals and health systems suffering from increasing costs and steep revenue declines. The $2.2 trillion act, signed into law March 27, also attempts to provide economic relief as well.

For hospitals and health systems, it included several key provisions:

- An almost $127 billion increase in funding for the Public Health and Social Services Emergency Fund. Of that, $100 billion was designated for hospitals, nursing homes, clinics and other providers to offset their increasing costs and lost revenue due to the COVID-19 pandemic. HHS has yet to announce how it will distribute the funds across the country.
- A 20 percent Medicare add-on payment for both rural and urban PPS hospitals for inpatient care provided to COVID-19 patients. (Critical Access Hospitals (CAHs) do not qualify for the add-on payment.)
- Removal of the 2 percent Medicare sequester from May through December 2020.
- An extension and expansion of the existing option for hospitals – including CAHs – to receive accelerated Medicare payments. PPS hospitals could draw 100 percent and CAHs 125 percent of their expected payment. This is not new money, but, rather, a loan from Medicare designed to help hospitals deal with immediate cash flow needs. These funds that must be repaid to Medicare. Repayment begins 120 days after the payments are made and must be completed in a year.
- Elimination of the $4 billion cut in Medicaid DSH payments due to take effect May 23 and reduces the FY 2021 cut – beginning in December – to $4 billion. This does not remove the requirement from states to match federal dollars as required by the program.
- Additional funds to develop vaccines, purchase medical equipment, improve readiness and purchase products for the National Strategic Stockpile.
- $275 million for HRSA, of which $180 million will be used to carry out telehealth and rural health activities.
- Allow rural health clinics to serve as distant sites for telehealth during the emergency.
- Reauthorization of the National Health Service Corps, the Teaching Health Centers Program and community health centers.
- Organizations with fewer than 500 employees will be able to take advantage of loan opportunities from the Small Business Administration’s “Paycheck Protection Program”. Under certain circumstances, the loans can be forgiven.
- $500 billion in business loans using the Federal Reserve’s emergency lending authority. The legislation directs the Department of Treasury to target loan programs for to nonprofit organizations and business between 500 and 10,000 employees.
- Employers may delay payment of the employer share of the FICA tax until December 31, 2020.

How these various programs will be implemented are still to be determined by their respective agencies. Some will flow through the normal claims process. Others – such as the $100 billion fund – will require additional administrative work by the Department of Health and Human Services.