May 15, 2020

Congressional Relief Legislation in Response to COVID-19

In response to the COVID-19 crisis, Congress has passed multiple relief packages to date. An additional package (H.R. 6800) was recently introduced by the House. Highlighted below are legislative provisions of interest to children’s hospitals within the different packages. We will update this document as additional information becomes available, such as relevant information from agencies on the implementation of these provisions, or if Congress enacts additional relief.

The Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act

H.R. 6800

Introduced by the House on May 12, this package provides nearly $3 trillion to health care providers, state and local governments, tax credits for employers, nutrition programs and public health infrastructure.

Public Health and Social Services Emergency Fund

- The bill calls for an additional $100 billion in provider relief funding for the Public Health and Social Services Emergency Fund (PHSSEF). The bill would provide specific direction to HHS on how PHSSEF funding should be allocated.

  HHS would reimburse providers for eligible expenses or lost revenues due to COVID-19 based on an application process on a quarterly basis. Providers would be reimbursed an amount equal to 100% of their expenses and 60% of their lost revenue, less any funds received from previous PHSSEF allocations. Lost revenue would be calculated as net patient revenue in 2019 less net patient revenue for the corresponding quarter in 2020, less any savings attributable to foregone wages, payroll taxes and benefits of personnel who were furloughed or laid off by the provider during the same quarter. The law defines net patient revenue as equal to two times the provider’s Medicaid reimbursement, plus 1.25 times their Medicare reimbursement, plus all other reimbursement. Relief for lost income or expenses shall not include executive compensation. As a condition of receiving these funds, providers may not balance bill either insured or uninsured individuals for COVID-19 related costs. If this provision became law, these provisions would also apply to any unobligated PHSSEF funds previously enacted by Congress still available at the time.

- The bill also provides an additional $75 billion to the PHSSEF for testing, contact tracing and other activities necessary to effectively monitor and suppress COVID-19.

Medicaid

- Increases Federal Medical Assistance Percentage (FMAP) payments to state Medicaid programs by a total of 14 percentage points July 1, 2020, through June 30, 2021. A state’s FMAP cannot exceed 95%.

- Prevents the secretary of HHS from finalizing the Medicaid Fiscal Accountability Regulation (MFAR) until the end of the COVID-19 public health emergency.
• Increases federal payments to state Medicaid programs by an additional 10 percentage points July 1, 2020, through June 30, 2021, to support activities that strengthen their home-and community-based services (HCBS) benefit. Again, in no case may a state’s FMAP exceed 95%.

• Eliminates cost sharing for Medicaid beneficiaries for COVID-19 treatment and vaccines during the COVID-19 public health emergency.

• Ensures that uninsured individuals who states opt to cover through the new Medicaid eligibility pathway will be able to receive treatment for COVID-19 without cost sharing during the COVID-19 public health emergency.

• Temporarily increases state Medicaid disproportionate share hospital (DSH) allotments by 2.5% for FY 2020 and FY 2021.

• Authorizes states with section 1115 demonstration projects that expire on or before Feb. 28, 2021, to extend them through Dec. 31, 2021.

• Codifies the regulatory requirement that state Medicaid programs cover non-emergency medical transportation (NEMT).

• Modifies Maintenance of Effort provisions in the Families First Coronavirus Response Act to ensure that states are able to receive FMAP funds irrespective of changes made to their Medicaid programs that went into effect in early April.

**Private Insurance**

• Establishes a two-month open enrollment period to allow individuals who are uninsured, for whatever reason, to enroll in coverage.

• Requires private large group, small group and individual health plans to cover the treatment of COVID-19 without cost-sharing requirements during the COVID-19 public health emergency.

• Requires private large group, small group and individual health plans to notify enrollees if their plan permits advance prescription drug refills during an emergency period.

• Makes the CARES Act requirement for free coverage of COVID-19 testing retroactive to the beginning of the COVID-19 public health emergency.

• Provides full premium subsidies, through January 2021, to allow workers to maintain their employer-sponsored coverage if they become COBRA-eligible due to a layoff or reduction in hours. Subsidies are also available for furloughed workers who retain their employer-sponsored insurance.

• Requires that workers who lose their employer-sponsored coverage receive clear information about all affordable coverage options, including coverage available under the ACA.

• Eliminates cost sharing for COVID-19 treatment under TRICARE and the Federal Employees Health Benefit Program.

**Medicare**


• Provides for an Inpatient Prospective Payment System outlier payment for COVID-19 discharges that ends on the earlier of Jan. 31, 2021, or the last day of the COVID-19 public health emergency.
• Prohibits Medicare Advantage plans from imposing any cost sharing for COVID-19 treatment or employing any prior authorization or other utilization management requirement for critical COVID-19 treatment, such as ventilator and intensive care unit services, during the COVID-19 public health emergency.

• Requires Medicare Prescription Drug Plans and Medicare Advantage-Prescription Drug Plans to include in their formulary drugs intended to treat COVID-19. Plans may not impose any cost sharing, prior authorization or any other utilization management requirements for the duration of the COVID-19 public health emergency.

• Modifies the Accelerated and Advance Payment Program by (1) extending the period before repayment begins, (2) reducing the per-claim recoupment percentage and (3) lowering the interest rate for loans to Medicare providers. The current rate is 9.625% and the new rate would become 1%.

• Creates a traditional Medicare special enrollment period for eligible individuals that ends on the last day of the month in which the COVID-19 public health emergency ends.

• Requires CMS to recalculate the Medicare area wage index for hospitals in all-urban states using the methodology in effect for fiscal year 2018.

Mental Health

• Provides $1.5 billion for the Substance Abuse Prevention and Treatment Block Grant.

• Provides $1 billion for the Community Mental Health Services Block Grant.

• Provides $100 million for Project AWARE to identify students and connect them with mental health services. Project AWARE focuses on increasing awareness of mental health issues with school age children and providing training for adults and teachers that interact with these children.

• Provides $10 million for the National Child Traumatic Stress Network.

• Provides $265 million for emergency response grants to address immediate behavioral health needs as a result of COVID-19.

• Provides $25 million for the Suicide Lifeline and Disaster Distress Helpline. Calls to the helpline continue to increase during this time.

• Designates 9-8-8 as the universal dialing code for the National Suicide Prevention Lifeline and allow states to charge a fee on voice service prescribers for the support or implementation of the lifeline.

• Requires the Assistant Secretary for Mental Health and Substance Abuse to submit a report to Congress that details a strategy for offering support or providing technical assistance for training programs for the lifeline counselors to increase competency in serving LGBTQ youth.

• Establishes a technical assistance center at the Substance Abuse and Mental Health Services Administration (SAMHSA) to support public or nonprofit entities and public health professionals seeking to expand access to mental health and substance use services associated with the COVID-19 public health emergency.

• Authorizes SAMHSA to award grants to states, tribes and community-based entities to increase capacity and support or enhance behavioral health services.

• Provides $90 billion to the Department of Education for a State Fiscal Stabilization Fund for grants to states to support statewide funding for schools. This funding can support the provision of school-based supports, including counseling and mental health services for students, families and staff.
Drug & Supply Chain

- Provides $3.5 billion for Biomedical Advanced Research and Development Authority (BARDA) for therapeutics and vaccines.
- Provides $500 million for BARDA to support U.S.- based next generation manufacturing facilities.
- Provides $500 million for BARDA to promote innovation in antibacterial research and development.
- Requires the president to appoint a Medical Supplies Response Coordinator. This coordinator would serve as the point of contact for the health care system, supply chain officials, and states on medical supplies, including personal protective equipment (PPE), medical devices, drugs, and vaccines.
- Clarifies that the medical device identifier or national product code shall be included with any required shortage reporting.
- Requires drug manufacturers to report foreign drug manufacturing sites and to report quarterly on the volume of drugs manufactured. The Food and Drug Administration (FDA) currently has no way of knowing where a product was made.
- Provides the authority to the FDA to require manufacturers to provide the agency with information pertinent to an extension of medical device shelf life dates in cases of shortage during a public health emergency.
- Requires the National Academies of Science, Engineering, and Medicine (NASEM) to conduct a symposium of experts to discuss recommendations to encourage domestic manufacturing of critical drugs and devices of greatest priority to providing health care.
- Provides FDA with an enforcement mechanism to require timely notifications related to a permanent discontinuance or interruption in the manufacturing of certain drugs and the reasons for such discontinuance or interruption, as required under current law. This is critical for pediatric drugs as they are typically sole-sourced.
- Provides FDA with an enforcement mechanism to require drug manufacturers to develop a risk management plan, as required under current law.
- Directs FDA to designate the National Centers of Excellence in Continuous Pharmaceutical Manufacturing (NCEs). NCEs will work with FDA and industry to craft a national framework for the implementation of continuous manufacturing of drugs, including supporting additional research and development of this technology, workforce development, standardization and collaborating with manufacturers to support adoption of continuous manufacturing of drugs.
- Updates the blood donation public awareness campaign authorized by the CARES Act to include blood plasma.
- Expands the use and oversight of Defense Production Act (DPA) authorities to increase the production and supply of critical medical supplies and equipment, focus efforts on supply chain mobilization and decrease the disruption of critical deliveries to state and local governments.

National Stockpile

- Requires the secretary of HHS to ensure that contents of the Strategic National Stockpile (SNS) are in good working order and, as necessary, conduct maintenance on the contents of the stockpile.
• Improves the SNS domestic product availability by enhancing medical supply chain elasticity, improving the domestic production of PPE, and partnering with industry to refresh and replenish existing stocks of medical supplies.

• Improves the SNS financial security by allowing the SNS to sell products to other federal departments or agencies within six months of product expiration.

• Requires the SNS to report to Congress about every request made to the SNS during the COVID-19 public health emergency and details regarding the outcomes of every request.

• Requires the SNS to develop improved, transparent processes for SNS requests and identify clear plans for future communication between the SNS and states.

• Requires the Government Accountability Office (GAO) to conduct a study to investigate the public sector procurement process for single source materials from the SNS.

Covid-19 Related

• Requires the secretary of HHS to update the COVID-19 strategic testing plan required under the Paycheck Protection Program and Health Care Enhancement Act no later than June 15, 2020.

• Includes several COVID-19 testing and testing infrastructure improvement provisions, including a requirement that the secretary of HHS establish and maintain a public, centralized COVID-19 testing information website. The website will include relevant information about tests, including the number of tests available.

• Requires CDC to maintain a toll-free telephone number to address public health questions related to COVID-19.

Workforce

• Authorizes grants to schools of medicine in rural, underserved or Minority Serving Institutions. Grants can be used to build new schools of medicine and expand, enhance, modernize and support existing schools of medicine.

• Establishes a $200 billion Heroes’ fund to ensure essential workers that provided care during the pandemic receive hazard pay. Health care workers in inpatient and outpatient facilities are eligible for these funds. $10 billion of these funds are dedicated for federal employees.

• Provides $850 million to the Social Services Block Grant (SSBG) to fund childcare and family care for essential workers, which include health care and emergency response workers.

• Establishes a loan repayment program to enhance recruitment and retention of state, local, tribal and territorial public health department workforce.

• Authorizes grants to expand the use of technology-enabled collaborative learning and capacity building models to respond to COVID-19.

• Authorizes additional funding for the Medical Reserve Corps (MRC), which is a national network of local volunteer units who engage their local communities to strengthen public health, reduce vulnerability, build resilience, and improve preparedness, response and recovery capabilities.

• Directs the National Institutes of Health’s (NIH) National Institute of Mental Health to support research on the mental health consequences of COVID-19, including the impact on health care providers.

• Requires the GAO to conduct a study to investigate gaps, challenges and recommended steps for improvement associated with the federal, state, local, tribal and territorial public health workforce.
• Temporarily eases immigrant related restrictions to allow immigrant physicians and other health care workers to assist in the fight against COVID-19. This includes:
  o Allowing immigrants physicians who lawfully live and work in the U.S. to receive a green card, if they agree to engage in COVID-19 work.
  o Requiring the Department of Homeland Security and the Department of State to expedite non-immigrant petitions and visa applications for medical professionals and researchers who will engage in COVID-19 work.
  o Permanently authorizing the “Conrad 30” waiver program.
  o Providing independent temporary work authorizations documents to non-immigrant physicians and other health care workers to engage in COVID-19 work.

Public Health Programs and Vaccinations

• Provides $4.75 billion to expand COVID-19-related research on the NIH campus and at academic institutions across the country and to support the shutdown and startup costs of research laboratories.

• Provides $7.6 billion to the Health Resources and Services Administration (HRSA) to support expanded health services for the underserved, including funding to health centers and Ryan White clinics.

• Temporarily allows home visiting programs under the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program to conduct virtual home visits, provide emergency supplies to families and prepaid debit cards to meet emergency needs. Also provides an additional $100 million for home visiting in 2020. The flexibilities expire Jan. 31, 2021.

• Provides $2.1 billion to the CDC to support federal, state and local public health agencies and departments, including $130 million for public health data surveillance and analytics infrastructure improvements.

• Requires the secretary of HHS to award contracts, grants and take additional necessary actions to expand and enhance manufacturing capacity of vaccines to prevent the spread of COVID-19. Also requires the secretary of HHS to issue various reports related to necessary vaccine supply, manufacturing capacity and plans for additional continued support for manufacturing and vaccine administration.

• Provides $6 billion for public health departments to expand workforce, improve laboratory and health system information systems, as well as improve disease surveillance and contact tracing capacity. In addition, provides $1 billion for the CDC to expand and improve their core public health infrastructure and activities to address unmet and emerging public health needs.

• Provides $10.1 billion for supportive and social services for families and children, including $20 million for Child Abuse Prevention and Treatment Act (CAPTA) State Grants and $20 million for Community Based-Child Abuse Prevention Grants.

• Provides state child welfare programs with flexibility to provide services, including caseworker visits, virtually when necessary to comply with public health directives.

Telehealth

• Authorizes $2 billion for a temporary expansion of the Federal Communication Commission’s (FCC) Rural Health Care Program to partially subsidize their health care providers’ broadband service. This is applicable to all nonprofit and public hospitals.
Food & Nutrition

- Providers **$10 billion** for the Supplemental Nutrition Assistance Program (SNAP). Waives all work requirements for SNAP.
- Provides an additional **$3 billion** for Child Nutrition Programs through September 2021. This is financial relief to school meal providers and the Child and Adult Care Food Program.
- Provides **$1.1 billion** for the Special Supplemental Nutrition Program for Women, Infants, and Children. This is specifically for pregnant women or mothers with young children who lose their job due to COVID-19.
- **$150 million** to the Emergency Food Assistance Program to help local food banks meet increased demand for low-income Americans.
- Extends the Pandemic Electronic Benefits Program (P-EBT) program through the summer until schools reopen to ensure families have access to food assistance during the summer months. Under P-EBT, states can provide emergency food assistance to families with children who would be receiving free or reduced-price school meals if not for school closures.

Paycheck Protection Program Increase Act of 2020

H.R. 226

Signed by the president on April 23, provides nearly $500 billion for small businesses, health care providers and COVID-19 testing.

Public Health and Social Services Emergency Fund:

- Provides **$75 billion** additional funds to the (PHSSEF) for reimbursement to hospitals and health care providers to support the need for COVID-19 related expenses and lost revenue.

Research & Testing:

- Provides **$25 billion** to research, develop, validate, manufacture, purchase, administer and expand capacity for COVID-19 tests.
  - $11 billion for states, localities, territories, and tribes to develop, purchase, administer, process and analyze COVID-19 tests, scale-up laboratory capacity, trace contacts and support employer testing.
  - $1 billion provided to the CDC for surveillance, epidemiology, laboratory capacity expansion, contact tracing, public health data surveillance and analytics.
  - $1.8 billion provided to the NIH to develop, validate, improve and implement testing and associated technologies; to accelerate research, development, and implementation of point-of-care and other rapid testing; and for partnerships with governmental and non-governmental entities to research, develop, and implement the activities.
  - $1 billion for the Biomedical Advanced Research and Development Authority (BARDA) for advanced research, development, manufacturing, production and purchase of diagnostic, serologic or other COVID-19 tests or related supplies.
  - $22 million for the FDA to support activities associated with diagnostic, serological, antigen and other tests, and related administrative activities.
  - $825 million for health centers and rural health clinics
Up to $1 billion may be used to cover costs of testing for the uninsured.

- Requires plan from states, localities, territories and tribes on how resources will be used for testing and easing COVID-19 community mitigation policies.
- Requires strategic plan related to providing assistance to states for testing and increasing testing capacity.

Oversight:
- Includes $6 million for HHS Office of Inspector General for oversight activities.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act

H.R. 748

Signed by the president on March 27, the CARES Act includes approximately $2 trillion in emergency funding to respond to the public health and economic impact of the pandemic.

Public Health and Social Services Emergency Fund:

- Provides $100 billion for a Public Health and Social Services Emergency Fund (PHSSEF) intended to reimburse eligible hospitals, including children’s hospitals, and other providers for health care related expenses attributable to COVID-19 not covered through other sources of funding—including lost revenues. Eligible providers will directly submit applications to the Secretary that include a statement justifying the need of the provider for the payment. The bill does not provide extensive details on the precise allocation method for the funding, noting that the Secretary of Health and Human Services shall make payment on a rolling basis, and payments shall be made “in consideration of the most efficient payment systems practicable.”

Medicaid:

- Eliminates Medicaid Disproportionate Share Hospital (DSH) cuts for FY 2020, a total of $4 billion, and reduces the cuts in FY 2021 from $8 billion to $4 billion. The onset of any FY 2021 cuts is delayed from Oct. 1, 2020, to Dec. 1, 2020. Congress will need to act by Dec. 1 to prevent the start of FY 2021 cuts.
- Delays the application of the maintenance of effort (MOE) requirement that restricted states from increasing premiums as a condition of receiving the temporary FMAP increase, as authorized by Families First Coronavirus Response Act. The MOE would not take effect for 30 days from date of enactment if a state had in effect a premium increase as of the date of enactment.
- Clarifies a section of the Families First Coronavirus Response Act that ensures uninsured individuals can receive a COVID-19 test and related services with no cost-sharing in any state Medicaid program that chooses to offer the option.
- Extends funding for the Medicaid Money Follows the Person demonstration program, spousal impoverishment provisions, and Community Mental Health Services demonstration program through Nov. 30, 2020. The Community Mental Health Services demonstration will also be authorized to expand to two additional states.
- Directs the GAO to issue a study and report on the Community and Mental Health Services Demonstration Program within 18 months of enactment of this legislation.
- Allows state Medicaid programs to provide home and community-based support services in a hospital setting through payment for direct support professionals and caregivers trained to assist with activities of daily living with a focus on reducing length of stay.
Clarifies that federal pandemic unemployment compensation will not affect eligibility for Medicaid or CHIP.

Relevant Health Provisions:

- Extends funding for community health centers, the Special Diabetes Program, the National Health Service Corps, and teaching health centers through Nov. 30, 2020.
- Provides $27 billion for the Biomedical Advanced Research and Development Authority (BARDA) for research and development of vaccines and therapeutics to fight the virus and other medical needs.
- Provides $100 million for the Substance Abuse and Mental Health Services Administration (SAMHSA) Emergency Response Grants to address mental health, substance use disorders, and provide resources and support to youth and the homeless during the pandemic.
- Provides $4.3 billion to the CDC—includes $1.5 billion in grants to state and local governments and tribes to carry out surveillance and laboratory testing, infection control and other activities, and $500 million for public health data surveillance and analytics infrastructure modernization.
- Provides $706 million to the National Institute of Allergy and Infectious Diseases—includes $156 million in dedicated funds to construction, renovation and acquisition of equipment for vaccine and infectious disease facilities.
- Provides $1.32 billion in supplemental funding to community health centers to help treat COVID-19 patients.
- Provides $45 billion for the Federal Emergency Management Agency Disaster Relief Fund designed to support state and local efforts to recover from the pandemic, including medical response and protective equipment.

Aid to States:

- Provides a $150 billion Coronavirus Relief Fund for state, territorial, tribal and local governments—$11 billion will go to tribal government and territories. States may use these funds to cover costs for necessary expenditures incurred due to the public health emergency and for expenses not accounted for in the most recent past state budget. These expenses must be incurred during March 1, 2020, through Dec. 30, 2020.

Telehealth:

- Reauthorizes HRSA grant programs that promote the use of telehealth technologies for health care delivery, education, and health information services.
- Allows health savings accounts with a high deductible plan to be used to pay for telehealth services prior to a patient reaching that deductible.
- Requires HHS to issue clarifying guidance to encourage the use of telecommunications systems—including remote patient monitoring—to provide home health services under the Medicare program consistent with the patient’s care plan.

COVID-19 Coverage:

- Clarifies that non-expansion states can use the Medicaid program to cover COVID-19 related services for uninsured adults who would have qualified for Medicaid if the state had chosen to expand. It also clarifies that other populations with limited Medicaid coverage, such as impoverished pregnant women and individuals who are eligible because they have certain health conditions, also are eligible for coverage under this state option.
• Clarifies that all testing for COVID-19 is to be covered by private insurance plans without cost sharing, including tests provided by labs on an emergency basis, state-developed tests, and any other tests determined appropriate by HHS. Requires private insurers to reimburse a test provider the negotiated in-network rate. In cases where the test provider is out-of-network, the plan must pay the “cash price” listed on a public website. Establishes a $300/day monetary penalty for providers that do not make their prices for testing public.

• Provides free coverage without cost-sharing of a vaccine within 15 days for COVID-19 that has in effect a rating of “A” or “B” in the current recommendations of the U.S. Preventive Services Task Force or a recommendation from the Advisory Committee on Immunization Practices (ACIP).

Workforce Provisions:

• Reauthorizes health professions workforce programs included in Title VII of the Public Health Service Act.

• Establishes a “Ready Reserve Corps” to ensure there are trained doctors and nurses to respond to COVID-19 and additional public health emergencies.

• Allows the secretary of HHS to reassign members of the National Health Service Corps in order to respond to the COVID-19 public health emergency.

• Clarifies that health care professionals who provide volunteer medical services during the public health emergency related to COVID-19 have liability protections.

• Reauthorizes and updates nurse workforce training program included in Title VIII of the Public Health Service Act.

• Extends the Health Professions Opportunity Grants program until Nov. 20, 2020. These grants provide education and training to TANF recipients and other low-income individuals for occupations in the health care field that pay well and are expected to experience labor shortages or be in high demand.

• Requires the secretary of HHS to consult the Advisory Committee on Training in Primary Care Medicine and Dentistry and the Advisory Council on Graduate Medical Education to develop a comprehensive plan with respect to health care workforce development programs, including education and training programs.

Drug and Device Provisions:

• Provides up to $16 billion to be used to replenish the Strategic National Stockpile with medical supplies, including drugs and protective equipment.

• Clarifies that the Strategic National Stockpile can stockpile medical supplies, such as the swabs necessary for diagnostic testing for COVID-19.

Includes provisions of the MEDS Act (CHA has been supportive of this legislation and actively lobbied on it), proving the FDA additional authority to address drug shortages through:

1. Prioritizing and expediting the review of drug applications and inspections to prevent or mitigate shortages.

2. Strengthening manufacturing reporting requirements when there is an interruption in supply, including rationale, expected duration, and information about active pharmaceutical ingredients (APIs) when APIs are the cause of the interruption—including source and known alternative sources.

3. Requiring manufacturers to maintain contingency, or “redundancy risk management plans,” to ensure a backup supply of products. Furthermore, requires manufacturers to provide information about drug volume, i.e., amount of each drug for commercial distribution.
• Provides **$80 million** to the FDA for work related to shortages of critical medicines, emergency use authorizations and pre- and post-market work on medical countermeasures, therapies, vaccines and research.

• Provides **$1 billion** to the Department of Defense to invest in manufacturing capabilities in order to increase production of personal protective equipment and medical equipment to meet the demand of healthcare workers nationwide.

• Directs the National Academies to study the manufacturing supply chain of drugs and medical devices and provide Congress with recommendations to strengthen the U.S. manufacturing supply chain. The report would emphasize critical drugs and devices and provide recommendations on redundancy, domestic manufacturing and improved information sharing to mitigate disruptions in the future.

• Establishes an over-the-counter drug user fee to increase FDA oversight. This provision is supported by the FDA and will allow for additional drug monographs to be approved—the current process is outdated. Many current labels are confusing for parents and can easily lead to incorrect dosing for kids.

• Requires an annual update to Congress regarding FDA’s progress in evaluating certain pediatric indications for certain cough and cold monograph drugs for children under age 6. Pediatric experts have long raised concerned around the dangers of cough medicine and this provision is positive step.

• Clarifies that medical device manufacturers are required to submit information about a device shortage or device component shortage upon FDA request. Also allows for expedited inspection and review to curb any potential shortages.

• Provides Breakthrough Therapy designations for animal drugs that can prevent human diseases.

• Allows patients to use funds in HSAs and Flexible Spending Accounts for the purchase of over-the-counter medical products, including those needed in quarantine and social distancing, without a prescription from a physician.

**Medicare Sections of Interest:**

• Eliminates the Medicare sequester from May 1 through Dec. 31, 2020.

• Includes a **20% increase** in Medicare hospital payments for care of COVID-19 patients.

• Allows acute care hospitals flexibility during the COVID-19 emergency period to transfer patients out of their facilities and into alternative care settings in order to prioritize resources needed to treat COVID-19 cases.

• Expands the Medicare accelerated payments program for a number of hospital types as defined in Medicare statute, including children’s hospitals. Qualified facilities would be able to request up to a six-month advanced lump sum or periodic payment. Most hospitals could elect to receive up to 100% of the prior period payments, or up to 125% in the case of Critical Access Hospitals. Hospitals would have at least 12 months to complete repayment with interest requirements.

1. [Medicare Fact Sheet: Expansion of the Accelerated and Advanced Payments Program for Providers and Suppliers During COVID-19 Emergency](#) – Provides accelerated and advance Medicare payments provide emergency funding and addresses cash flow issues based on historical payments when there is disruption in claims submission and/or claims processing. 3/28

2. [Overview of CMS Announcement of Expansion of Medicare’s Accelerated and Advance Payment Program](#) – CMS released on 3/28. This was included in the latest COVID-19 congressional relief package and the language explicitly included children’s hospitals as an eligible hospital type for the advanced payments related to Medicare claims. 3/30
Privacy Provisions:

- Requires HHS to issue guidance on what is allowed to be shared of patient records during the public health emergency related to COVID-19.

- Allows records pertaining to substance use disorder (SUD) treatment or activities to be used or disclosed to covered entities for the purposes of treatment, payment or health care operations as permitted by HIPAA once a patient’s written consent is obtained. Also allows disclosures of de-identified health information from these records to public health authorities as defined by HIPAA. Will prohibit the use of this information for any civil, criminal, administrative or legislative proceedings—except as otherwise authorized—and contains an antidiscrimination clause ensuring information may not be used in decisions around treatment, employment, housing, access to courts or social services. Patients still have the right to request restrictions on use or disclosure of their SUD treatment records. Requires an update to regulations in no less than a year so covered entities are required to provide notice in plain language on privacy practices to patients.
  
  - The Confidentiality of SUD Patient Records Final Rule is currently at OMB. We provided a summary of the proposed rule. This legislation goes beyond the revised regulation.

Nutrition Programs:

- Provides $8.8 billion to be used for food purchases and gives schools greater flexibility.


- Provides $15.5 billion for the Supplemental Nutrition Assistance Program to accommodate increased need for food stamps.

Child Care:

- Provides $3.5 billion for the Child Care Development Block Grant, allowing childcare programs to maintain critical operations.

Families First Coronavirus Response Act

H.R. 6201/P.L. 116-127

Signed into law on March 18. Estimated by Congressional Budget Office increase spending by $192 billion.

Health Provisions:

- Temporary 6.2% increase to each state’s Federal Medical Assistance Percentage (FMAP) effective Jan. 1, 2020, through the end of the last quarter of the public health emergency. States may not receive the FMAP increase if they choose to restrict eligibility standards, methodologies or procedures for beneficiaries during the emergency period.

- Requirement of private health plans to provide coverage for COVID-19 testing and waive cost-sharing and prior authorization requirements for testing and certain related treatment services. Similar cost-sharing waivers also included for Medicare, Medicaid, CHIP and TRICARE. Includes a state plan option to provide Medicaid coverage to uninsured patients for the purpose of diagnostic testing and treatment related to COVID-19.

- Provides $1 billion for the National Disaster Medical System for reimbursement of testing costs for those without insurance.
• Codifies HHS administrative action to provide temporary liability protections for approved personal respiratory devices under the Public Readiness and Emergency Preparedness (PREP) Act to help increase the supply of respirators.

• Provides U.S. territories with increased Medicaid funding for all medical services for the next two fiscal years.

School Lunch Provisions:

• MEALS Act: provides the secretary of Agriculture the authority to issue waivers for state plans that increase costs to the federal government. Waivers can be applied to both breakfast and lunch.

• COVID-19 Child Nutrition Response Act: allows all child and adult care centers to operate as non-congregate, i.e., allows children to take food to go. Allows the secretary of Agriculture to waive meal pattern requirements in child nutrition programs if there is a disruption to the food supply as a result of the COVID-19 emergency. Provides the secretary of Agriculture the authority to issue nationwide school meal waivers during the COVID-19 emergency, which will eliminate paperwork for states and help more schools quickly adopt and utilize flexibilities.

• SNAP benefits: if a school is closed for five consecutive days during a health emergency when school would otherwise be in session, each household containing one child benefitting from school lunch is eligible to receive assistance. This funding does not have a finite cap.

Coronavirus Preparedness and Response Supplemental Appropriations Act
H.R. 6074/P.L. 116-123

Signed into law March 6, the Coronavirus Preparedness and Response Supplemental Appropriations Act provided $8.3 billion, including funding to support vaccine development, support for state and local governments, and assistance for affected small businesses.

Health Provisions:

• Provides $3.1 billion to the HHS Office of the Assistant Secretary for Preparedness and Response capacity issues—includes $300 million for hospital and health systems’ efforts to prepare and respond, e.g., vaccine purchase and accessibility, necessary medical supplies, and medical surge capacity.

• Waives certain telehealth Medicare requirements so that the recipient does not need to be in a rural community. Requirements that are waived include those related to what qualifies as an originating site and the definition of a qualified provider.

• Provides $2.2 billion to the CDC to support federal, state and local public health agencies—includes $300 million for global disease detection and emergency response along with $300 million for the Infectious Diseases Rapid Response Reserve Fund.

• Provides $61 million to FDA for the development and review of vaccines, therapeutics, medical devices and countermeasures, as well as addressing potential supply chain interruptions, and supporting enforcement of counterfeit products.

• Provides $100 million for Community Health Centers. Each center will receive between $50,000 and $320,000 depending on their caseloads and how many patients are uninsured to use for expanding screening and testing, purchasing medical supplies, hiring more staff and expanding telehealth capacity.

• Provides $836 million to the National Institute of Allergy and Infectious Diseases for research and development of vaccines and diagnostic tools.