

Analysis of Health Care Funding Streams and Reimbursement Changes Under the CARES Act

This chart provides an overview of direct funding opportunities in the CARES Act, such as the \$100 billion fund to reimburse eligible health care providers for COVID-19 related expenses and lost revenue. This chart also provides a brief overview of major federal health program reimbursement policy changes that are either specific to certain types of providers or apply across multiple provider types.

Grants for Providers

Section	Brief Summary	Explanation
Division B (no section identification)	\$100 billion COVID-19 Response Funds	Reimburse eligible health care providers for health care-related expenses and lost revenue attributable to COVID-19. HHS will issue guidance imminently on how to apply. Expect to provide a justification of need. Definition of eligible provider is very broad.
Division B (no section identification)	\$250 million for Hospital Preparedness Program grants	Grants/cooperative agreements with grantees or sub-grantees of the Hospital Preparedness Program.
Division B (no section identification)	\$275 million for the Health Resources and Services Administration	Expand service and capacity for rural hospitals, telehealth, poison control centers, and the Ryan White HIV/AIDS program. Also provides community health centers (CHCs) with flexibility on how to use FY 2020 funding.
Division A Sec. 3211	Supplemental Awards for Health Centers	Provides \$1.32 billion in supplemental funding to CHCs for testing and treating COVID-19 patients.

Changes to Medicare Reimbursement

Section	Brief Summary	Explanation
Sec. 3709	Adjustment of Medicare sequestration	Temporarily suspended from 5/1/2020-12/31/2020; Medicare sequestration extended from fiscal year (FY) 2029 to FY 2030.
Sec. 3710	20% In-patient Add-On Payment for COVID Patients	Medicare Hospital Inpatient Prospective Payment System add-on payment of 20% for COVID-19 patients during COVID-19 emergency period.
Sec. 3719	Expansion of Hospital Accelerated Payment Program	Expansion of the Medicare hospital accelerated payment program during the COVID-19 public health emergency to also include children's hospitals, cancer hospitals, and critical access hospitals.

Sec. 3711	Additional Flexibility for Post-Acute Care for Hospitals	During the COVID-19 emergency, acute care hospitals would have flexibility to transfer patients out of their facility and into post-acute care settings such as inpatient rehabilitation facilities and long term care hospitals.
Sec. 3703	Increased Medicare Telehealth Flexibilities During Emergency Period	Eliminates provisions from Families First Coronavirus Response Act requiring the provider to have seen the patient in the past three years. Continues to only be effective during COVID-19 emergency period.
Sec. 3704	Allowing Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) to serve as distant sites for telehealth	Allows FQHCs and RHCs to serve as a distant site for telehealth consultations. This also allows FQHCs and RHCs to furnish telehealth to beneficiaries in their home.
Sec. 3706	Allow use of telehealth to conduct face-to-face for hospice care recertification	Allows telehealth to be used instead of a face-to-face encounter to recertify a beneficiary's eligibility for hospice care during COVID-19 emergency period.
Sec. 3707	Additional guidance on use of telecommunications for home health services	Requires HHS to encourage, through clarifying guidance or stakeholder outreach, the use of telecommunications to provide home health services that are consistent with the beneficiary's plan of care during COVID-19 emergency period.
Sec. 3705	Temporary waiver of face-to-face visit requirement between home dialysis patients and physicians	Eliminates the requirement that a nephrologist conduct required periodic evaluations of a dialysis patient on a face-to-face basis during COVID-19 emergency period.
Sec. 3708	Improved care planning for Medicare Home Health Services	Allows practitioners such as physician assistants, nurse practitioners, and others to order home health services for Medicare beneficiaries.
Sec. 3712	Revised payment rates for Durable Medical Equipment (DME)	Suspends scheduled Medicare payment cuts for DME during COVID-19 emergency period.
Sec. 3718	Delayed clinical diagnostic laboratory payment reductions and reporting requirements	Delays scheduled Medicare payment cuts for clinical laboratory services for one year and delays clinical laboratory reporting requirements for one year.
Sec. 3801	Extension of Work Geographic Index Floor	Extends increase to the work component of Medicare physician reimbursement in geographic areas where labor costs are lower than the national average through December 1, 2020.

Changes to Medicaid Reimbursement

Section	Brief Summary	Explanation
Sec. 3813	Delays cuts to State Medicaid DSH allotments	Delays reductions from the period 5/23/2020-9/30/2020 to occur in period 12/1/2020-9/30/2021.
Sec. 3715	Permits reimbursement for Home and Community Based Support Services	Allows state Medicaid programs to pay for direct support professionals to help with activities of daily living while beneficiary is in the hospital to reduce length of stay.

Funding for Mental Health via Substance Abuse and Mental Health Services Administration (SAMHSA) Grants

Section	Brief Summary	Explanation
Division B (no section identification)	\$250 million for Certified Community Behavioral Health Clinics	Funds for the existing clinics in 24 states and funds to expand the program to two more states (see Sec. 3814).
Division B (no section identification)	\$50 million for suicide prevention	SAMHSA will distribute in grants.
Division B (no section identification)	\$100 million for SAMHSA Emergency Response Grants	SAMHSA will distribute grants to programs that address mental health and substance use disorders and provide resources and support to youth and the homeless during the pandemic.

Funding opportunities for Manufacturers & Suppliers

Section	Brief Summary	Explanation
Division B (no section identification)	\$27 billion to develop COVID-19 countermeasures and vaccines	The funding will support the development and manufacturing of diagnostic, preventive, and therapeutic services for COVID-19. This funding prioritizes platform-based technologies with US-based manufacturing capabilities.
Division B (no section identification)	\$100 million in FEMA funds for personal protective equipment (PPE)	Funds to purchase (and reimburse) PPE and related supplies for the Assistance to Firefighter Grant Program.
Division B (no section identification)	\$1 billion for Defense Production Act purchases	Provides \$1 billion for purchases made pursuant to the Defense Production Act for COVID-19 related expenses.