



Keeping up with COVID-19

Webinar Series

The CARES Act Impact on Health Care Funding and Programs



Speaker

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Diverse background in commercial litigation, employment law and intellectual property

Resolves contract disputes and implementation matters

Advises internal business clients on rapidly changing legal landscapes across federal, state, and local jurisdictions, including:

- Federal emergency funding measures
- Changes to employment law
- Effect of shelter-in-place orders
- Changes to debt collection laws and regulations



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Agenda

**CARES \$100 Billion Emergency Fund
for Health Care Providers**

**CARES \$27 Billion Emergency Fund
for Procurement and Development**

Medicare Expansions

Medicaid Financing

Miscellaneous Programs

\$100 Billion Emergency Fund



The CARES Act makes **\$100 billion available until expended to “eligible health care providers”** for health care related expenses or lost revenues attributable to the COVID-19 pandemic, whether domestically or internationally.

\$100 Billion Emergency Fund

Eligible Providers

- ✓ Public entities
- ✓ Medicare or Medicaid enrolled suppliers and providers
- ✓ For-profit entities
- ✓ Non-profit entities
- ✓ Other entities as specified by DHHS that diagnose, test, or care for individuals with possible or actual cases of COVID-19

\$100 Billion Emergency Fund

Fund Expenditures



CARES Act funds may be used for:

- ✓ Construction of temporary structures
- ✓ Leasing of property
- ✓ Medical supplies and equipment
- ✓ Workforce and training
- ✓ Emergency operation centers
- ✓ Retrofitting facilities
- ✓ Surge capacity



\$100 Billion Emergency Fund

Fund Expenditures

- ✓ **Lost revenue from cancelled procedures**
- ✓ **Medical supplies**
- ✓ **Personal protective equipment testing**
- ✓ **Increased staffing or training**

\$100 Billion Emergency Fund

Fund Expenditures Requirements



CARES Act may not be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.

\$100 Billion Emergency Fund

Fund Expenditures



The bill directs the **Secretary of HHS to release guidance** on the application process and required documentation which we anticipate will be prepared in the foreseeable future.

\$100 Billion Emergency Fund

Fund Expenditures



Recipients of payments shall be required to:

- ✓ Submit reports per 45 CFR 75.302 & 75.361-75.365
- ✓ Maintain documentation as provided by DHHS
- ✓ Quarterly reports to DHHS by an provider receiving more than \$150,000

\$100 Billion Emergency Fund

Initial Funding



To be eligible for payment:

- Initial \$30 billion automatically dispersed Pursuant to Medicare fee-for-service (FFS) reimbursements in 2019
- Providers will be paid via Automated Clearing House account information on file with UnitedHealth Group or the Centers for Medicare & Medicaid Services
- Funds conditioned on provider's acceptance of Terms & Conditions - PDF

\$100 Billion Emergency Fund

Initial Funding



Key Payment Information:

- Payment is based on a 1/16th ratio of 2019 Medicare FFS
- Initial payments entitled “US HHS Stimulus” or “HHSPAYMENT”

\$100 Billion Emergency Fund

Additional Funding



To be eligible for payment:

- Additional \$70 Billion likely to be targeted in areas particularly affected by COVID-19

\$100 Billion Emergency Fund

Fund Expenditures



As more guidance develops, health care providers are urged to **maintain documentation** of COVID-19 related expenses.

\$27 Billion Emergency Fund

**CARES provides over \$27 billion
through fiscal year 2024 to fund activities such as:**

- ✓ Development and purchase of vaccines
 - ✓ Perform diagnostics
 - ✓ Provide medical surge capacity
 - ✓ Funds workforce modernization, telehealth access and other preparedness and response activities
 - ✓ At least \$250 million of these funds must be made available to entities that are part of the Hospital Preparedness Program.
- In addition, at least \$16 billion of these funds must be used to purchase products for the Strategic National Stockpile

\$27 Billion Emergency Fund

Acquisition & Pricing Rules

Products purchased with these funds **must** be done so in accordance with Federal Acquisition Regulation guidance on fair and reasonable pricing.
See FAR 15.40-1.

DHSS may regulate pricing of vaccines and other therapeutics developed with these funds.

Medicare Changes

Medicare coverage
expanded for telehealth

Medicare advance
payments

Medicare sequestration
relief and DRG rate
expansion



Medicare Accelerated Aid Expansion



CMS has expanded its Accelerated and Advance Payment Program to a broader group of Medicare Part A providers and Part B suppliers to increase cash flows.

Medicare Accelerated Aid Expansion



Generally provides emergency funding calculated based on past payments if a disruption in claims submission or claims processing occurs.

Similar to expedited payments during natural disasters

Medicare Accelerated Aid Expansion



Depending on the type of provider or supplier,
the provider / supplier may request up to 100-125% of the
Medicare payment amount for a 3 to 6 month period.

Medicare Acceleration Payment Eligibility



To qualify providers and suppliers must:

- ✓ Bill Medicare for claims within 180 days immediately prior to its request.
- ✓ Must not be in bankruptcy.
- ✓ Not be under active medical review or program integrity investigation.
- ✓ Not have any outstanding delinquent Medicare overpayments.



Application

CMS FAQs confirm it is processing accelerated and advance payments immediately



Processing

Medicare Administrative Contractors is issuing payments within 7 days



Repayment

CARES provides up to 120 days before claims are offset to recoup the accelerated payment

- **Inpatient acute care, children's hospitals, certain cancer hospitals, and Critical Access Hospitals (CAH) have 12 months** from the date of the first accelerated payment before requiring the outstanding balance to be paid in full
- **All other Part A and Part B suppliers have 210 days** from the date of the accelerated or advance payments to repay the balance

Application, Processing & Repayment



Complete
and submit request
form to servicing MAC



Provide
complete information

- Provider / Supplier Identification Information
- Amount requested based on need
- Reason for request



Sign form
by authorized
representative



Submit form
electronically if possible,
or mail, fax, email to
MAC directly

Miscellaneous Medicare Provisions Affecting Cash Flow

Sequester (CARES § 3709)

The Act eliminates the Medicare sequester from May 1 through Dec. 31, 2020.

(CARES, §§ 3710-3720 &. 3801-3803)

DRG Add-on

During the emergency period, (May 1 until December 31, 2020), the Act provides a 20% add-on to the DRG rate for patients with COVID-19. This add-on will apply to patients treated at rural and urban inpatient prospective payment system (IPPS) hospitals.

(CARES, § 3710)

Medicare Expanded Telehealth Opportunities



CARES provides \$200 million for increased access to and funding for telehealth provider visits

3 Main Medicare Funded Virtual Services

1. Medicare telehealth visits in lieu of traditional in-person services
2. Virtual check-ins
3. E-visits

REQUIREMENTS

- ✓ Provider must use interactive audio and video
- ✓ Medicare will not conduct audits to ensure prior relationship for Sec. 1135 waiver



Medicare Telehealth Visits

A visit with a provider that uses telecommunication systems between the provider and patient.



Virtual Check-in

A brief (5-10 minutes) check in with your provider via telephone or other approved telecommunications device to decide whether an office visit or service is needed. A remote evaluation of recorded video and/or images submitted by an established patient.



E-visits

A communication between a patient and their provider through an online patient portal.

Key Medicaid Provisions

Eliminates \$4 Billion in Medicaid DSH Cuts

(CARES § 3813)

Clarification of State Medicaid Option to Cover the Uninsured

(CARES §§ 3719-3720)

- ✓ The Act 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.

Key Medicaid Provisions

Medicare and Medicaid Extenders (CARES §§ 3801-3814)

✓ The Act will extend a number of Medicare and Medicaid programs and policies, including:

- Work Geographic Practice Cost Index (GPCI)
- Money Follows the Person demonstration program
- Spousal impoverishment protections under Medicaid
- Certified Community Behavioral Health Clinics demonstration program (with two additional states participating)
- Others

Miscellaneous Provisions

Payroll Tax Delay Program

- Hospitals may delay payment of the employer share of Social Security payments until December 31, 2020.
- Has the effect of an interest free loan for the next nine months.

SBA Loan under the Paycheck Protection Act

- Targeted loans for both for-profit and nonprofit organizations with fewer than 500 total employees.



Review

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Next Webinar

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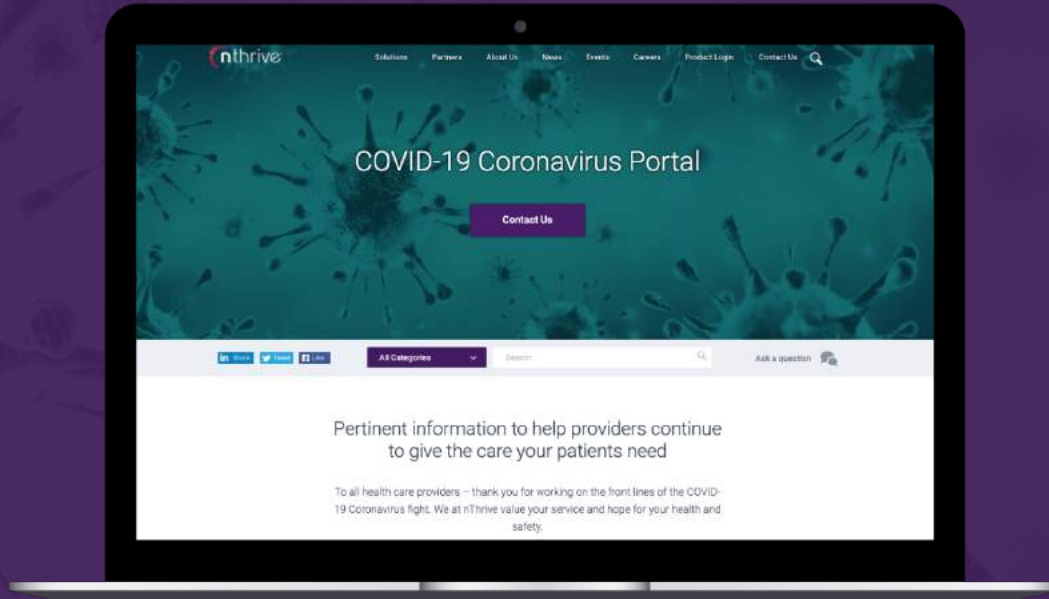
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Presented by:
John Garrett
Vice President
Advisory Services
nThrive

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Questions

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