AAFP
AMERICAN ACADEMY OF FAMILY PHYSICIANS

2020 Year End Funding Bill and COVID-19 Emergency Funding: Key Provisions Affecting Family Physicians

On December 21, Congress passed bipartisan legislation which funds the federal government for the remainder of fiscal year 2021 and provides about $900 billion in COVID-19 emergency funding. President Trump signed the legislation into law on December 27. The first COVID-19 funding bill, the Coronavirus Preparedness and Response Supplemental Appropriations Act, was signed into law on March 6 and provided $8.3 billion in emergency funding. The second bill, the Families First Coronavirus Response Act, primarily addressed paid family medical leave and sick leave. The third bill, the CARES Act, was signed into law on March 27 and provided $2 trillion in economic stimulus and financial assistance to address impact of the ongoing pandemic. The bipartisan agreement is the fourth legislative package passed in response to the COVID-19 pandemic and includes several provisions that are important family medicine.

Medicare

- **Budget Neutrality Offset Payments –** Appropriates $3 billion for the purposes of mitigating the impact of budget neutrality requirements in the Medicare Physician Fee Schedule, which would have resulted in a significant decrease in the conversion factor amid the COVID-19 pandemic. We expect this will positively impact family physicians' Medicare rates in 2021.
- **Delay in Implementation of Office Visit Complexity Add-on Code** – Prohibits CMS from implementing the G2211 add-on code, which was created by CMS to account for the inherent complexity of primary care and other office visits, until 2024. This provision will likely reduce volume of Medicare payment increases for office visits in 2021, but the increased values for office visits will still go into effect in 2021. The delay of this code will also result in a higher Medicare conversion factor.
- **Temporary Freeze of Advanced Alternative Payment Models (A-APM) Bonus Thresholds** – Freezes current payment and patient count thresholds for physicians participating in A-APMs to receive the 5 percent bonus payment for performance years 2021 and 2022. This will help ensure family medicine practices participating in A-APMs can remain eligible for the bonus.
- **Extension of Medicare Sequestration** – Provides a three-month delay of forthcoming Medicare sequester payment reductions through March 31, 2021.
- **Medicare Geographic Index Floor** – Increases payments for the work component of physician fees in areas where labor cost is determined to be lower than the national average through December 31, 2023.
- **Expanding Telehealth Access for Mental Health Services** – Expands access to telehealth services in Medicare to allow beneficiaries to receive mental health services via telehealth, including from the beneficiary's home.
- **Improving Rural Health Clinic Payments** – Implements a comprehensive Rural Health Clinic (RHC) payment reform plan. Specifically, the plan raises the statutory RHC cap to $100 starting on April 1, 2021, and gradually increases the upper limit each year through 2028 until the cap reaches $190.
- **Payment for Rural Emergency Hospital Services** – Creates a new, voluntary Medicare payment designation that allows either a Critical Access Hospital or a small, rural hospital with less than 50 beds to convert to a Rural Emergency Hospital to preserve beneficiary access to emergency medical care in rural areas that can no longer support a fully operational inpatient hospital.

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- **Outreach and Assistance for Low-Income Programs** – Extends funding for State Health Insurance Programs, Agencies on Aging and Disability Resource Centers, and National Center for Ben efits and Outreach Enrollment through September 30, 2023. It provides $50 million in funding for each of fiscal years 2021, 2022, and 2023.
- **CMS Provider Outreach and Reporting** – Requires the HHS Secretary to conduct outreach to Medicare physicians and practitioners regarding Medicare payment for cognitive assessment and care plan services furnished to individuals with cognitive impairment, such as Alzheimer's disease and related dementias.

Medicaid

- **Delays of Medicaid Disproportionate Share Hospital Reductions** – Amends the current schedule of Medicaid Disproportionate Share Hospital payment reductions to eliminate the reductions in effect for fiscal year 2021, eliminate the reductions for fiscal years 2022 and 2023, and add reductions to fiscal years 2026 and 2027.
- **Medicaid Eligibility for Pacific Islanders** – Restores Medicaid eligibility for individuals living in the Federated States of Micronesia, the Republic of the Marshall Island, and the Republic of Palau, who were previously unable to qualify for Medicaid coverage.
- **Medicaid Demonstration Programs** – Extends the Money Follows the Person Rebalancing Demonstration program, the Spousal Impoverishment Protections program, and the Community Mental Health Services Demonstration program through fiscal year 2023.

Workforce Support

- **Primary Care Programs** – Extends mandatory funding for community health centers, the National Health Service Corps, and the Teaching Health Center Graduate Medical Education Program at current levels through fiscal year 2023.
- **Additional Residency Positions** – Provides for the distribution of 1,000 additional Medicare-funded graduate medical education (GME) residency positions. Rural hospitals, hospitals that are already above their Medicare cap for residency positions, hospitals in states with new medical schools, and hospitals that serve Health Professional Shortage Areas will be eligible for these new positions.
- **International Medical Graduates Visa Program** – Extends the Conrad 30 Waiver program for physicians serving in underserved areas until September 30, 2021.
- **Rural Hospital GME Funding Opportunity** – Makes changes to Medicare GME Rural Training Tracks (RTT) to provide greater flexibility for rural and urban hospitals that participate in RTT programs.
- **Medicare GME Treatment of Hospitals** – Allows hospitals to host a limited number of residents for short-term rotations without being negatively impacted by a set permanent full-time equivalent resident cap or a per resident amount.

FY 2021 Appropriations

- **Agency for Healthcare Research and Quality (AHRQ)** – Provides $339 million for AHRQ, same as FY2020 enacted level.
- **Centers for Disease Control (CDC)** – Provides $7.9 billion for the CDC, an increase of $125 million above FY2020 enacted level. The bill includes investments in influenza planning and response, public health emergency preparedness, public health workforce and career development, and reducing new HIV infections.
- **Center for Medicare and Medicaid Services (CMS)** – Provides 4 billion for CMS administrative expenses, same as FY2020 enacted level.
- **Health Resources and Services Administration (HRSA)** – Provides $7.5 billion for HRSA, $151 million above FY2020 enacted level. The bill includes investments in health centers, improving maternal and child health, and Title X family planning.
- **Telehealth Evaluation** – Provides $1 million to support a comprehensive evaluation of nationwide telehealth investments in rural areas and populations.

COVID-19 Appropriations

- **State/Local Funding –** Provides $8.75 billion through CDC to support federal, state, local, and tribal public health agencies distribute, administrator, monitor, and track COVID-19 vaccination.
- **Vaccine Manufacturing/PPE** – Provides $22.9 billion to Assistant Secretary for Preparedness and Response to support Biomedical Advance Research and Development Authority for the manufacturing and procurement of vaccine and therapeutics, and additional funding for the Strategic National Stockpile.
- **Testing/Tracing** – Provides $25.4 billion through the Public health and Social Services Emergency Fund to support COVID-19 testing and contact tracing. It also provides reimbursement for health care related expenses or lost revenue attributable for COVID-19.
- **FCC COVID-19 Telehealth Program Funding** – Provides $250 million for the Federal Communication Commissions' (FCC) COVID-19 Telehealth Program, which covers the cost of telecommunication services, information services, and devices for eligible health care providers. This program excludes for-profit health care providers.
- **National Institutes of Health** – Provides $1.15B for long-term research and clinical studies of COVID-19.

Financial Relief

- **Provider Relief Fund (PRF)** - Includes $3 billion in funding for the PRF as well as clarification for the definition of lost revenues of providers who receive PRF funds, specifically allowing the use of 2020 budgets when calculating revenue.
- **Paycheck Protection Program (PPP)** – Clarifies that deductions are allowed for expenses paid with proceeds of a forgiven PPP loan, effective as of the date of enactment of the CARES Act and applicable to subsequent PPP loans. The bill also makes several changes to the program, including:
    - Creating a second PPP forgivable loan ($2 million max amount) for the hardest-hit small businesses and non-profits with 300 or fewer employees.
    - Expanding PPP eligibility for more critical access hospitals.
    - Adds PPE as eligible and forgivable expenses.
- **Emergency Economic Injury Disaster Loan (EIDL)** – Extends covered period for Emergency EIDL grants through December 31, 2021. Also extends time for SBA to approve and disburse Emergency EIDL grants from 3 to 21 days.

Miscellaneous

- **Surprise Billing/Transparency –** Requires health plans to hold patients harmless from surprise medical bills. Provides for a 30-day open negotiation period for providers and payers to settle out-of-network claims. Parties unable to reach an agreement may access the Independent Dispute Resolution process. It establishes a grant program to create and improve state all-payer claims databases.
    - Requires the Government Accountability Office to submit to Congress a report on the impact of surprise billing provisions and a report on adequacy of provider networks.
- **Improving Awareness of Disease Prevention/Vaccines** – Authorizes a national campaign to increase awareness and knowledge of the safety and effectiveness of vaccines for the prevention and control of diseases, to combat misinformation, and to disseminate scientific and evidence-based vaccine-related information. It also directs HHS to expand and enhance, and, as appropriate, establish and improve, programs and activities to collect, monitor, and analyze vaccination coverage data.
- **Expanding Capacity for Health Outcomes** – Authorizes the use of technical assistance and grants to evaluate, develop, and expand the use of technology-enabled collaborative learning and capacity building models to improve retention of health care providers and increase access to specialized health care services in medically underserved areas and for medically underserved populations.
- **Public Health Data System Modernization** – Requires HHS to expand, enhance, and improve public health data systems used by the CDC and to award grants to State, local, Tribal, or territorial public health departments for the modernization of public health data systems in order to assist public health departments in assessing current data infrastructure capabilities and gaps.