

H.R. 1319 American Rescue Plan Act of 2021

Select Health Care Provisions

Highlights: On March 11, 2021, President Biden signed the American Rescue Plan of 2021 (ARP)—the latest and sixth COVID-19 relief package that largely tracks President’s initial \$1.9 trillion proposal. The ARP makes several health policy-related changes, including funding for vaccine distribution and testing to combat the COVID-19 pandemic, policy changes to the Medicaid program, facilitating health insurance coverage, and support for rural health care providers.

Missing in Action: This legislation does NOT include Medicare sequestration relief, delay/relief from recoupment of Medicare Advanced and Accelerated Payments, expansion of telehealth, or fixes to either provider-based rural health clinic cap calculation or the hospital-based nursing school medical education recoupment.

The below is limited to key health care provisions and not general relief items.

COVID-19 RELIEF

Public Health Funding

- Vaccination and treatment \$7.5 billion directed to the CDC to plan, prepare for, promote, distribute, administer, monitor and track COVID-19 vaccines
- Workforce initiatives \$7.66 billion to state, local and territorial public health departments to hire staff and procure equipment, technology and other supplies to support public health efforts
 - \$100 million for the Medical Reserve Corps
 - \$800 million for the National Health Service Corps
 - \$200 million for the Nurse Corps
 - \$330 million for teaching health centers that operate graduate medical education
- National COVID-19 testing Strategy \$47.8 billion
- Genomic Sequencing and Surveillance \$1.75 billion

Rural Health & Rural Provider

- Rural Providers \$8.5 billion to eligible rural providers serving Medicare and Medicaid beneficiaries, for health care-related expenses and lost revenues attributable to COVID-19 not reimbursed (or obligated to be reimbursed) by other sources
- Grants \$500 million in grants to eligible entities, including public municipalities and counties, non-for-profit organizations, and Tribes in rural areas to be used for COVID-19 related expenses, increase capacity and telehealth capabilities.

Mental Health and Substance Use Disorders

- Block Grants \$3 billion to state and local government entities to address mental health and substance use disorders, and additional funding for behavioral health workforce education and community-based behavioral health services

State and Local Government *(deadline for funding use December 31, 2024)*

- \$220 billion to state, territory, and tribal governments
- \$130 billion to local government

MEDICAID AND CHIP
<p>Mandatory Coverage of COVID-19 Vaccination Without Cost Sharing</p> <ul style="list-style-type: none"> State Medicaid and CHIP required to provide coverage, without cost sharing, for treatment or prevention of COVID-19 for one year after the end of the public health emergency (PHE) Raising the FMAP to 100% for payments to states for administering vaccines for the same period If a state under Medicaid provide COVID-19 testing for uninsured individuals, the law also would extend the requirement to provide treatment and prevention to those individuals without requiring cost sharing for one year after the end of the PHE <p>Coverage of Pregnant and Postpartum Women</p> <ul style="list-style-type: none"> States have the <i>option</i> to go beyond the current 60 days to extend health coverage for women enrolled in Medicaid or CHIP for up to 12 months after the birth of a child. This option would be available for five years beginning on the first day of the first fiscal year quarter after ARP enactment <p>Federal Medical Assistance Percentage (FMAP)</p> <ul style="list-style-type: none"> <u>Medicaid FMAP</u> five-percentage-point increase for eight calendar quarters for non-expansion states that expand Medicaid eligibility for all adults with income up to 138% of the Federal Poverty Level (FPL) <u>Home and Community-based Services FMAP</u> 10 percentage points increase for state HCBS expenditures for four fiscal quarters (from April 1, 2021 through March 30, 2022) <u>State Disproportionate Share Hospital Allotment (DSH)</u> technical fix to state DSH allotment calculations to address an unintended consequence related to the 6.2 percentage point temporary FMAP increase <p>Drug Rebates Limits</p> <ul style="list-style-type: none"> Eliminate cap on the total rebate amount on all covered outpatient drugs starting January 1, 2024
COVERAGE
<p>COBRA Premium Assistance</p> <ul style="list-style-type: none"> Subsidizing on the individual's behalf 100% of the COBRA premiums during the period beginning the first month after enactment until September 30, 2021 <p>Marketplace Advance Premium Tax Credit (APTC)</p> <ul style="list-style-type: none"> For two years (2021 and 2022), expand availability of marketplace APTCs to eligible individuals with income up to 400% of the FPL, based on a sliding scale <ul style="list-style-type: none"> Full coverage for individuals with income between 100% and 150% of the FPL Premiums capped at 8.5% of household income for eligible individuals
MEDICARE
<p>Area Wage Index All-Urban States</p> <ul style="list-style-type: none"> October 1, 2021, restore the wage index "rural floor" protection for the all-urban states of New Jersey, Delaware, and Rhode Island and any other state that might be so designated in the future <p>Ambulance Service Temporary Waiver</p> <ul style="list-style-type: none"> CMS to waive restrictions on payment for ambulance services where the individual was not transported to the closest appropriate facility during PHE declarations

For more detailed information on specific provisions, please reach out to:

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