

The Consolidated Appropriations Act of 2021 extends elements of the CARES Act, adds an additional \$900 billion in new COVID-19 stimulus money and funds the U.S. government for fiscal year 2021.

Elements of the new federal law that have direct implications on home health and hospice organization business operations and patient care delivery are detailed below.

Highlights

Clinical, Financial and Operational Impacts on Medicare Home Health and Hospice Providers:

- The new law includes **an extension of the moratorium on the 2 percent Medicare sequestration rate cut** until March 31, 2021.
- Relief to healthcare providers through an **additional \$3 billion investment in the Provider Relief Fund** and clarification of policies related to certain aspects of the program.
- An **infusion of \$284 billion into the SBA Paycheck Protection Program (PPP)** to further help smaller home care and hospice businesses.
- An investment in the nation's public health system to implement the **distribution of free and equitable vaccines to front line healthcare workers** and to the public in a phased approach, along with funding for national testing, tracing, surveillance, and containment of COVID-19.
- **Extends several expiring Medicaid programs and enhances protections** for beneficiaries receiving home and community-based services (HCBS).
- A **reduction of mandatory hospice organization surveys from every two years to every three years** and limiting more frequent surveys to targeted non-compliant hospices.

The Details:

Medicare Sequestration Moratorium

The new law provides for a three-month delay of the Medicare sequester payment reductions through March 31, 2021. The suspension of the ongoing 2 percent sequestration of Medicare payments will bring an estimated \$100 million in relief to hospices and \$90 million in relief to home health organizations through the first three months of 2021.

Small Business Administration (SBA) Paycheck Protection Program (PPP)

Nearly \$284 billion of funding has been added to this program. SBA loans can become grants under a series of standards designed to encourage small businesses to maintain employment. Many home care and hospice companies qualify as a “small business” under SBA standards.

Provider Support Relief Fund Payments

The new law provides \$3 billion in new resources, bringing the total to \$178 billion relief to healthcare providers and clarifies policies related to certain aspects of the PPP program.

COVID-19 Vaccine Distribution

The bipartisan COVID relief initiative provides funding to accelerate free and equitable distribution of safe vaccines to as many Americans as soon as possible under a phased-in priority plan. The government will implement a strong national testing and tracing strategy with billions of dollars reserved specifically for combating disparities facing communities of color and to support healthcare workers and providers.

The new law includes:

- \$22.4 billion in testing, contact tracing, surveillance, containment, and mitigation, with a targeted investment of no less than \$2.5 billion for expanding access to testing and contact tracing in high-risk and underserved populations, including communities of color and rural areas. \$790 million is allocated for the Indian Health Service to support tribes.
- \$19 billion for the nation’s supply of COVID-19 vaccines and therapeutics, including the manufacture, production and purchase of vaccines and ancillary supplies.
- \$8.75 billion for vaccine distribution, administration, planning, preparation, promotion, monitoring and tracking, with a targeted investment of \$300 million for high-risk and underserved populations, including communities of color and rural areas, and \$210 million for the Indian Health Service to distribute vaccines directly to tribes.

Other Public Health Measures to Mitigate COVID-19

The new law invests in public health systems to expand access to vaccines, testing, personal protective equipment (PPE) and mental health services.

Specifically, it provides:

- \$3.25 billion for the Strategic National Stockpile.
- \$4.25 billion for additional mental health and substance use disorder services and support through the Substance Abuse and Mental Health Services Administration.
- Long-term extensions of critical public health programs, including: Community Health Centers, the National Health Service Corps, Teaching Health Centers and Special Diabetes Programs.
- A national campaign to increase awareness and knowledge of the safety and effectiveness of vaccines, expand programs to collect vaccination coverage data and authorize grants to address vaccine-preventable diseases.
- A grant program to expand the use of technology-enabled collaborative learning and capacity-building models to increase access to specialized healthcare services in medically underserved areas and for medically underserved populations.
- The expansion and improvement of public health data systems at the Centers for Disease Control and Prevention (CDC) and authorize grants to state, local, tribal or territorial public health departments for the modernization of public health data systems.
- Reauthorization of the School Based Health Center Program.

Medicaid

The new law extends several expiring Medicaid programs and outlines new requirements to protect beneficiaries and ensure access to healthcare.

- Requires state Medicaid programs to cover non-emergency medical transportation (NEMT) to ensure that beneficiaries who lack access to regular transportation can travel to their medical appointments.
- Enhances protections for beneficiaries receiving home and community based services (HCBS) by authorizing Medicaid Fraud Control Units (MFCUs) to investigate fraud and abuse in non-institutional settings.

- Extends protections against spousal impoverishment for partners of recipients of HCBS for three years.
- Extends funding for the Money Follows the Person (MFP) rebalancing demonstration for an additional three years while making important program improvements.

Hospice-Specific Implications

Hospice provisions in the new law include hospice survey timing reforms and the Rural Access to Hospice Act, which will allow Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHC) physicians and practitioners to serve as the hospice attending physician to patients served by such centers.

- **Medicare payment for certain Rural Health Clinic and Federally Qualified Health Center services furnished to hospice patients (HR 2594).**

This allows RHCs and FQHCs to furnish and bill for hospice attending physician services when RHC and FQHC patients become terminally ill and elect the hospice benefit, beginning January 1, 2022. Medicare beneficiaries will continue to receive hospice-related care from their known provider.

- **Adjusting calculation of the hospice cap amount under Medicare.**

This extends the change to the annual updates to the hospice aggregate cap made in the Improving Medicare Post-Acute Care Transformation Act (IMPACT Act) of 2014 and applies the hospice payment update percentage rather than the Consumer Price Index for Urban Consumers (CPI-U) to the hospice aggregate cap for fiscal years 2026 through 2030.

- **Establishing hospice program survey and enforcement procedures under Medicare.**

This makes changes to the Medicare hospice survey and certification process to improve consistency and oversight, allowing the Secretary to use intermediate remedies to enforce compliance with hospice requirements and extending the requirement that hospices be surveyed no less frequently than once every 36 months.

It also creates a new Special Focus Facility Program for poor-performing hospice providers, who will be surveyed not less frequently than once every six months. It increases the penalty for hospices not reporting quality data to the Secretary from two to four percentage points, beginning in fiscal year 2024.