



McDermottPlus Healthcare Preview

WEEK OF JUNE 15, 2020

MEDICAID, SAFETY NET AND HOTSPOT PROVIDERS GET THEIR TURN

- + MEDICAID PROVIDERS CAN NOW APPLY FOR RELIEF FUNDS.** Last week, the Department of Health and Human Services (HHS) [announced](#) that it will distribute approximately \$15 billion to Medicaid providers who did not previously receive payments from the Fund's \$50 billion General Distribution. Providers must apply through an online [portal](#) by July 20, 2020. In addition, HHS allocated \$10 billion to "safety net" hospitals and another \$10 billion to hospitals in "hotspots" highly affected by the COVID-19 outbreak.
- + THERE ARE STILL UNANSWERED QUESTIONS.** HHS has yet to provide clarity about the timing and process for this distribution. For example, it is unclear how easily Medicaid providers will be able to apply and how quickly the funds will be distributed. Some Medicare providers have experienced a significant lag from the time of submission to receipt of payment, and the [application form](#) for the Medicaid distribution requires significantly more information than HHS required from Medicare providers. In addition, it is not clear which entities received the funding allotted to "safety nets." Qualifying acute care facilities must have a Medicare disproportionate payment percentage of 20.2% or greater; average uncompensated care per bed of \$25,000 or more; and a net operating margin of 3% or less (children's hospitals must only meet the first and third criteria). Uncompensated care and net operating margin can vary greatly from year to year, meaning the year HHS used to determine eligibility dramatically affects who received funds. A formal list of qualifying hospitals under the targeted safety net hospital funding distribution is not yet available, but HHS [reported](#) that 761 hospitals received this funding.
- + IN CONGRESS THIS WEEK, LAWMAKERS WILL CONSIDER TELEHEALTH CHANGES.** The Senate Health, Education, Labor and Pensions (HELP) committee will hold a hearing on lessons learned from expanding telehealth services during COVID-19. In response to the pandemic, legislators and regulatory agencies changed the rules related to telehealth services, particularly in the area of Medicare reimbursement. Telehealth providers are energized by these changes and are voicing resistance to the prospect of losing these new reimbursement opportunities when the public health emergency ends. Since telehealth policy is governed by both statutory and regulatory requirements, Congress and the Centers for Medicare and Medicaid Services should work together to make lasting change.

THIS WEEK IN THE SENATE

Senate HELP Committee

[Telehealth: Lessons from the COVID-19 Pandemic](#)

Wednesday, June 17, 10:00 AM

THIS WEEK IN THE HOUSE

House Energy and Commerce Committee

[Health Care Inequality: Confronting Racial and Ethnic Disparities in COVID-19 and the Health Care System](#)

Wednesday, June 17, 11:30 AM

CONTACT INFO

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