

# COVID-19 economic stimulus deal passes Senate with billions in hospital funding

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The Senate on Wednesday passed a roughly \$2 trillion [COVID-19](#) economic stimulus deal that includes billions of dollars to bolster the healthcare system.

"There is much more money for our hospitals, for our nurses and physicians, for our nursing homes, for our community health centers to do the job they need to do," Senate Minority Leader Chuck Schumer (D-N.Y.) said.

Senators voted unanimously 96-0 to pass the package, which includes \$100 billion to reimburse providers for COVID-19 related expenses and lost revenue. Providers [had sounded the alarm](#) that they needed funding to support operations, expand surge capacity and buy protective equipment in this package. Schumer pushed for increased funding for hospitals in negotiations with Trump administration officials.

The House plans to vote on the bill on Friday morning using a procedure which would allow members to articulate their objections to the legislation while not requiring all members to be present in the Capitol to pass it. The American Hospital Association on Wednesday supported the bill and called for its passage, but said more will need to be done in subsequent legislation.

"This bill includes important provisions that will help us respond, including the creation of an emergency fund grant program, additional support for taking care of COVID-19 patients and relief from spending cuts, among other

provisions," AHA President and CEO Rick Pollack said in a statement. The AHA, American Nurses Association and American Medical Association lobbied for \$100 billion to support operations, while the Federation of American Hospitals had asked for \$225 billion.

The provider lobby's efforts were largely successful, as the first draft of Senate Republicans' legislation did not include any provider-specific emergency fund, and a later draft included \$75 billion. Federation of American Hospitals President and CEO Chip Kahn said in a statement that he supports the bill's passage.

Senate Appropriations health subcommittee Chair Roy Blunt (R-Mo.) said he was satisfied with the package and had pushed for the \$100 billion in hospital funding throughout negotiations, though he said Congress still needs to take "another step" on coronavirus relief.

"I feel pretty good about where we're at with hospitals, where we're at with personal protective equipment, and where we are at with both [the HHS Assistant Secretary for Preparedness and Response] and the CDC," Blunt said Wednesday night.

Congress also set aside \$16 billion for buying medical supplies for the Strategic National Stockpile and \$1 billion for purchases under the Defense Production Act, which the Trump administration has resisted using so far despite the calls of hospitals, doctors and governors.

The American Medical Association also is generally supportive of the legislation and praised the investment in medical equipment.

"While we still must review the entire stimulus package, we appreciate that the legislation attempts to increase access to personal protective equipment for physicians and other health professionals on the front lines of care — though supply issues remain," AMA President Dr. Patrice Harris said in a statement.

The legislation would suspend the Medicare sequester to boost provider payments. The sequester, which reduced spending for most benefits by 2% starting in 2013, would be suspended from May 1 to December 31, 2020. However, the sequestration would be extended an additional year past its original end date. The suspension was a top priority for hospital and physician groups.

Hospitals would also get a 20% add-on payment for inpatient care for COVID-19 patients. A GOP Senate Finance Committee aide said it is difficult to determine how much money would be funneled to providers overall because these payments are tied to treating an unknown number of cases of COVID-19.

The deal would extend Medicare and Medicaid programs that were set to expire on May 22 until Nov. 30, setting up a potential vehicle for legislation to ban surprise medical bills and address prescription drug prices after the 2020 election.

The White House had pushed for a surprise billing ban and for price transparency language that was ultimately left out. The Greater New York Hospital Association, a powerful force in Schumer's state, told members that the group "advocated strongly against" the policies.

"We are also pleased that extraneous measures supported by the Trump Administration, such as surprise billing and price transparency provisions, were not included in the final legislation," GNYHA said in an email to members.

Cuts to Medicaid disproportionate-share hospital payments would be delayed through November, though hospitals had aimed for a two-year delay. The package eliminates \$4 billion in fiscal 2020 cuts and reduces 2021 cuts from \$8 billion to \$4 billion.

Community health centers would get \$1.3 billion in emergency funding, but their main funding stream was only extended until Nov. 30. The National Association of Community Health Centers had asked for at least a two-year extension of federal funding.

The bill would also allow more hospitals, including critical access hospitals and cancer centers, to request advance Medicare payments based on prior years' payments and pay them back over at least 12 months. Group purchasing organization Premier, which pushed for the change, said the upfront payments could help with hospitals' cash-flow issues as elective surgeries are delayed.

Payroll tax payments would be reduced by 50% and delayed for employers, including hospitals and health systems, until January 2021. The remaining 50% would be spread out through the end of 2022.

There's a chance that some healthcare providers with fewer than 500 employees could have access to nearly \$350 billion in small business loans to help with cash flow, said AHA's senior vice president of public policy, Ashley Thompson. Some opportunity for loan forgiveness is possible, but is reduced if businesses lay off or reduce pay for full-time employees. Previous drafts of the bill would have excluded nonprofits receiving Medicaid funds from the loan program.

"I think there are absolutely small hospitals, urban and rural, that would be able to get those loans," Thompson said.

Other funding provisions would funnel \$150 billion to state and local governments, \$14 billion to pay medical expenses at the Veterans Affairs Department, \$250 million for increasing hospitals' surge capacity, \$200 million to the Federal Communications Commission to support telehealth efforts, and \$45 billion to the Federal Emergency Management Agency.

The bill would require the HHS secretary to develop and implement a new payment rule for federally qualified health centers and rural health clinics that provide telehealth services to eligible patients. Payment rates would be based on payment that currently applies to comparable telehealth services under the physician fee schedule. HHS would also have to issue guidance on using telehealth for home health services. The law would allow Medicare beneficiaries to use telehealth services regardless of whether they had seen the provider in-person in the preceding three years.

The package also mandates more reporting requirements about where drugmakers source their materials and allows the FDA to prioritize drug applications that could help address a shortage.

FDA policy would be amended so that laboratory developed tests and diagnostic kits could be used, and covered by private insurance plans, before receiving an emergency use authorization.

Insurers would be required to pay either a negotiated price with a provider or a cash price posted by the provider for the test. Vaccines that meet certain effectiveness standards would also have to be covered with no cost-sharing.

America's Health Insurance Plans President and CEO Matt Eyles said he supported the bill's measures to assist businesses, but indicated Congress may need to do more to stabilize health insurance markets in subsequent legislation.

"Now more than ever, we must ensure that people are able to access the care they need by assuring that their current coverage is, and remains, strong and stable," Eyles said in a statement.

Lawmakers are already shifting their focus to the next COVID-19 relief bill, though the Senate does not expect to hold votes again until April 20. Sen. Rick Scott (R-Fla.), a former health system executive, said he would stay in

touch with hospitals as the weeks wear on.

"I'll keep talking to them to make sure that if we need to do more, we're going to do more because they are the front line taking care of everybody," Scott said.