



COVID-19 Update

The Coronavirus Aid, Relief, and Economic Security (CARES) Act | April 1, 2020 | R1 Regulatory Compliance

What You Need to Know

- Grants authority to federal agencies to provide aid and other relief to hospitals, providers and suppliers (including physicians) to cover costs related to the COVID-19 public health emergency (PHE).
- While a substantial amount of aid is being allocated to support providers, how and when payments will be disbursed are not prescribed and will be left to the discretion of the Department of Health and Human Services.
- The Act itself does not provide sufficient assurance or clarity as to whether the financial support will be meaningful or adequate.
- R1 Regulatory Compliance is closely monitoring federal agency guidance and action in response to the CARES Act.

Key Takeaways

- ❖ *Price Transparency.* Providers will be reimbursed the cash price for COVID-19 diagnostic testing from payers only if they publish the price on their website immediately.
- ❖ *Medicare advance payments.* The U.S. Department of Health & Human Services has directed the regional Medicare Administrative Contractors (MAC) to process and fund the advance payments discussed in the CARES Act within 7 business days. Providers must apply through their MAC.
- ❖ *Telehealth Funding.* While the Act expands funding to advance the use of telehealth, this money may not be immediately available. Specifically, providers will likely need to apply for a grant from the U.S. Department of Health & Human Services Health Resources & Services Administration.



Cost of Diagnostic Testing for COVID-19

Ensures reimbursement for providers of COVID-19 diagnostic tests. Providers must publicize the cash price of such tests on their websites or be subject to a civil monetary penalty not to exceed \$300 per day.



Advance Payments to Providers

Extends the accelerated payment program eligibility as well as provides more generous repayment options and terms.



COVID-19 Inpatients Bonus Payment

Provides a 20% add-on to the diagnosis-related group (DRG) rate for COVID-19 patients who receive care at hospitals that bill under the inpatient prospective payment system during the emergency period.



Limited Liability for Volunteer Health Care Professionals

Volunteer health care professionals who provide services relating to the diagnosis, prevention or treatment of COVID-19 will not be liable for any harm unintentionally caused by providing such services during the PHE. While this limitation is narrowly drawn, it is written to preempt state law.



Increasing Medicare Telehealth Flexibilities

Expands the use of telehealth services during the PHE by removing waiver limitations that required 'qualified providers' to have an established relationship with a patient within the last three years in order to receive payment for telehealth services.



Reduction Delays

Temporary lifts 2% Medicare sequestration and further delays Disproportionate Share Hospital (DSH) payment reductions to December 1, 2020.