

Major Stimulus Bill Pumps Funds into Healthcare

December 30, 2020

A \$1.4 trillion government spending bill and \$900 billion COVID-19 relief package, signed into law Dec. 27, includes a slew of provisions directed toward the Department of Health and Human Services, but one in particular will put money back into the pockets of healthcare practitioners.

Physicians get Fee Schedule Increase

The Consolidated Appropriations Act of 2021, overrides the budget neutrality requirement of the Medicare Physician Fee Schedule (MPFS) and increases Medicare Part B payments by 3.75 percent next year. This is a windfall for physicians after learning a few weeks ago in the 2021 MPFS final rule that they were getting a 10.2 percent pay cut.

The bill reads, “In order to support physicians and other professionals in adjusting to changes in payment for physicians’ services during 2021, the Secretary shall increase fee schedules ... for such services furnished on or after January 1, 2021, and before January 1, 2022, by 3.75 percent.”

The increase will not be taken into account in determining future updates. Instead, the legislation provides a number of cost-cutting provisions. One such: A moratorium on payment under the MPFS for HCPCS Level II code G2211 (Visit complexity inherent to certain office/outpatient E/M) until at least January 2024.

A three-month delay of the Medicare sequester payment reductions through March 31, 2021, further spares physicians from additional cuts to Part B payments.

Major Stimulus Bill Pumps Funds into Healthcare

Cont'd

Physicians Granted More Reprieves

Also in the Consolidated Appropriations Act of 2021, Congress:

- ⇒ Authorize HUD to insure mortgages under Section 223(d) to cover the operating losses of healthcare facilities that are already insured under the Section 232 and 242 programs and that were financially sound immediately prior to the COVID-19 pandemic.
- ⇒ Appropriate an additional \$250 million to the FCC for its COVID-19 Telehealth Program authorized under the CARES Act.

Coronavirus Relief Provisions Abound

The Coronavirus Stimulus and Relief package includes several more provisions aimed directly at physicians, including:

- ⇒ An additional \$3 billion in funding for the Provider Relief Fund (PRF), and clarification that providers can calculate lost revenue for the PRF reporting requirements “using the Frequently Asked Questions guidance released by the Department of Health and Human Services in June 2020 including the difference between such provider’s budgeted and actual revenue budget if such budget had been established and approved prior to March 27, 2020.”
- ⇒ The extension of funding for key federal health programs, including Community Health Centers, the National Health Service Corps, the State Health Insurance Assistance Program (SHIP), GME Teaching Centers, and others.
- ⇒ A temporary freeze of Alternative Payment Model (APM) payment incentive thresholds at current levels through 2024.

Major Stimulus Bill Pumps Funds into Healthcare

Cont'd

- ⇒ Inclusion of the HOSPICE Act to impose new program integrity standards and intermediate remedies and penalties on hospice programs that are out of compliance with the Conditions of Participation (CoPs).
- ⇒ Allowance for physicians at rural health clinics and federally qualified health centers to bill as hospice attending physicians under Medicare Part B
- ⇒ Extension from 2025 to 2030 of the IMPACT Act of 2014's requirement to update the hospice aggregate cap by the hospice payment update rather than the Consumer Price Index for Urban Consumers.
- ⇒ A three-year extension of the Independence at Home (IaH) demonstration — a home-based primary care model that focuses on chronically and seriously-ill Medicare beneficiaries.
- ⇒ Text from the Improving HOPE for Alzheimer's Act, which requires CMS to carry out provider outreach and reporting on cognitive assessment and care plan services for patients with Alzheimer's disease and/or related dementias (CPT® code 99483 Cognitive assessment and care planning services).
- ⇒ "Surprise billing" legislation that requires arbiters to settle disputes between providers and insurers.
- ⇒ Increased funding for telehealth services, including \$250 million for the Federal Communications Commission COVID-19 Telehealth Program.
- ⇒ Delaying CMMI's new Radiation Oncology Model until no sooner than at least January 2022.
- ⇒ New transparency requirements for health plans and payers intended to address anti-competitive practices.