Energy & Commerce Rejects $35 Billion In Additional Provider Relief

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(Inside Health Policy)

House Energy & Commerce Committee Chair Frank Pallone (D-NJ) and his Democratic colleagues rejected a Republican amendment Thursday (Feb. 12) to add $35 billion in provider relief funds to the COVID-19 relief package, including batches of $5 billion for Medicaid and rural providers.

Rep. Brett Guthrie's (R-KY) amendment is similar to what senators passed last week (Feb. 4), but the senators' amendment would have set aside 20% of the $35 billion for rural areas. Guthrie's amendment to add $35 billion to the existing $178 billion provider relief fund failed on a party-line vote after Pallone said he didn't want to take any money away from other elements of the COVID-19 relief package.

Inside Health Policy previously reported that the Biden administration was holding off on adding more money to the relief fund until it explored how funds have been used so far.

"[T]he problem is, you know, if we provide more money to the provider relief fund -- they already have $24 billion they're not using -- we would probably have to cut back on the vaccine or the testing, or the additional health care workforce which I think does not make sense given that there's still unobligated money in the provider relief fund," Pallone said.

Pallone pointed out the Democrat's plan still provides $7.5 billion for the Centers for Disease Control and Prevention's vaccine distribution work, $46 billion for COVID-19 testing and contact tracing, and at least $7.6 billion for healthcare workforce expansion and loan repayment programs.

"I just think that if we're going to end the pandemic, this bill has to go towards the vaccines, the testing, the contact tracing and improving the public health workforce," Pallone added.

But other lawmakers weren't sure how much provider relief is left and asked Pallone to try to get an itemized account of what's been spent so far.

Congress added $3 billion to the fund at the end of last year, and the most recent provider relief fund update HHS sent on Jan. 8 shows $116.92 billion has been distributed to roughly 643,978 providers. The fund also provides reimbursement for COVID-19 testing and treatment to providers who treat uninsured individuals, and as of Jan. 6, HHS had paid out nearly $3 billion to cover those costs.

Rep. Michael Burgess (R-TX) said while providers have received several forms of relief, like the Medicare accelerated payment program, the provider relief fund is the most useful for providers because it's not a loan.

“[The Medicare accelerated payment program] actually has an interest rate that is significantly higher than the rate at which you can borrow funds from any other financial institution right now,” Burgess said. “So although that has been important in helping our medical practices, it is by no means the stopgap, and Mr. Guthrie's amendments will actually fill some of the holes that have indeed been left by the accelerated payments program.”

LeadingAge was disappointed Democrats rejected the amendment.

“What we’ve seen from the House thus far is a significant step in the right direction on healthcare provisions, but we’re disappointed that resources for the millions of low-income older adults living in federally-assisted affordable housing have largely been forgotten,” Katie Smith Sloan, LeadingAge president and CEO, said in a statement. “Relief must prioritize their needs, as well as those of providers struggling with the financial consequences of the pandemic.”

LeadingAge is asking for $120 billion in relief, including $40 billion to $50 billion designated specifically for aging services providers to use for testing, personal protective equipment and vaccines that are not otherwise covered by the federal government.

They also want lawmakers to expedite the relief payments and let them use the provider relief for up to six months after the end of the pandemic. Providers are expected to spend all relief money by June. -- *Dorothy Mills-Gregg* (dmillsgregg@iwpnews.com)