FACT SHEET

Health System Recommendations to the President and Congress for Additional Covid relief

- Delay implementation of Medicare sequestration through July 1, 2022

Congress enacted legislation in December 2021 that delayed Medicare sequestration through March 31, 2022 and reduced sequestration to 1% through June 30, 2022. Reducing sequestration another 1% from April 1, 2022 through June 30, 2022 would provide additional resources to all hospitals.

- Delay Medicare loan repayments (H.R. 2407)

Many providers have already begun repaying Medicare loans or have fully repaid them. Halting the repayment process for one year will allow those providers needing additional resources to keep the cash on hand to help finance the increased costs they are currently experiencing. All funds will be repaid to the Medicare Trust Fund. H.R. 2407 would implement this request.

- Provider Relief Fund:
    - Distribute remaining funds to providers no later than March 31, 2022. Focus payments on staffing costs (budgeted vs actual from April 1, 2021 to March 1, 2022)

Phase 4 payments are projected to be completed in early 2022, leaving approximately $25 billion remaining in the PRF. Those are both obligated and unobligated funds. Congress should reclassify all these funds as unobligated. Distribution should target staffing cost increases associated with Covid care based on budgeted vs. actual amounts between April 1, 2021 and March 1, 2022. Most staffing cost increases for Covid care were incurred during this time. Phase 4 PRF payments are for Covid expenses and losses for the period ending March 31, 2021. There have been NO PRF payments for Covid losses and expenses for the period after March 31, 2021.

- Increase fund by $20 billion

The initial funding amount of $175 billion did not anticipate an additional year of increasing case numbers. The additional funding will give HHS flexibility in addressing unanticipated Covid expenses and losses.

- Delay reporting requirements by 6 months

Delaying the reporting requirements and allowing providers to continue to utilize existing payments for an additional six months will help providers until additional funding is provided and Covid cases begin to subside. Additionally, a delay in reporting will reduce the burden on staff at a time when staff resources are stressed.

- Update DRG payment for Covid to reflect the longer length of stay

The DRG for Covid payments has not been updated in more than a year. Covid patients are staying in the hospital far longer than what had been anticipated when the reimbursement and add-on payments were created. The current 20% add-on does not cover the additional costs. The payment must be updated to better align the resource costs with extended stays.

- Allow FEMA to reimburse for direct and indirect clinical staffing related to Covid

Relax FEMA regulatory requirements that restrict FEMA staff from providing any care for patients who are not Covid patients; some de minimis care for non-Covid patients would prioritize patient care. Currently, hospitals cannot use even a minute of FEMA staff time, i.e. moving a non-Covid patient from a hospital room to make more space for a Covid patient, without keeping detailed logs of FEMA staff use and non-Covid utilization cannot be reimbursed. This burdensome requirement consumes considerable staff time.

- Reinstate hospitals that have lost their 340B status due to the pandemic. (S. 773)

A growing number of 340B hospitals' DSH percentages fell below 11.75 percent due to the ongoing pandemic, leading to the loss of their 340B status for a full year. S. 773 would ensure that DSH hospitals can maintain 340B status through the public health emergency or reinstate their 340B program status if already lost.

- Protect current nurse and allied health workforce funding (H.R. 4407 / S.1568)

Because of a CMS error made over the past 20 years, hospital-based schools of nursing and allied health professionals are getting a substantial payment reduction – jeopardizing the future of these programs. This will reduce the number of nurses and allied health professionals. About a third of these programs serve rural areas.

Regulatory

- Delay for six months Cares Act Reporting 2 deadline of March 31, 2022 and Medicare Cost Reporting deadlines of May 30, 2022.

Each of these deadlines are dependent upon Financial Statements and other critical documents. Hospitals are redeploying team members to support the frontline, including staff from the finance department. As a result, financial statements could be delayed as well as other critical documents needed to complete these reports. Preparation of these documents takes place in January and February, thus the immediate need for an extension.

- Delay implementation or enforcement of Surprise Billing Regs (particularly 'good faith estimate' requirements)
- Delay enforcement of hospital price disclosure requirements

The surprise billing regulations are effective January 1, 2022, and we are waiting for additional regulations and guidance for parts of the law, including the good faith estimate requirements for all patients. Additionally, the hospital price disclosure regulations are effective January 1, 2022. Providers are spending significant amount of staff time and resources to prepare for compliance. These regulations are exceptionally complex, as recognized by HHS. To ensure seamless implementation requires more time and resources, which are not available during the pandemic.