

Holland & Knight

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President Joe Biden's first 100 days of his administration has focused largely on passing a \$1.9 trillion COVID relief package - the American Rescue Plan (ARP). The ARP adds to the \$900 billion in aid passed by Congress in the Consolidated Appropriations Act of FY 2021 in December 2020 and the \$2.2 trillion in aid included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. The ARP is intended to: (1) accelerate vaccine delivery and distribution; (2) facilitate the reopening of schools; (3) provide significant aid to state and local governments; and (4) expand small business aid, including further resources towards the Paycheck Protection Program and a \$25 billion grant program for restaurants

Below please find key health provisions of the Senate-amended [American Rescue Plan](#). Sen. Murray's office indicated that the final bill text would not be available until tonight/tomorrow. The final version of the text will include some policy changes but will not materially change the items outlined below.

The House is scheduled to vote tomorrow (March 9th) on the Senate version of the COVID relief bill, a timeline that could see the legislation signed into law early this week.

Title IX- Committee on Finance

Subtitle D – Public Health

Sec. 2301. Funding for COVID–19 vaccine activities at the Centers for Disease Control and Prevention.

- Provides \$7.5 billion to the CDC for activities to plan, distribute, and track COVID-19 vaccines. These funds may also go to state, local, Tribal, and territorial public health departments for wraparound support for vaccine distribution and administration. The funds will be available until expended and will be distributed through existing CDC vehicles/cooperative agreements to the public health departments/officials in the 64 CDC jurisdictions.
- This section also provides additional supplemental funding to states, localities, and territories within 21 days of enactment above and beyond similar funding provided in the FY 2021 regular appropriations bill based upon the difference between FY 2021 funding and the [FY 2020 Public Health Emergency Preparedness](#) grant formula funding.
- Sec. 2302. Funding for Vaccine Confidence Activities
 - Provides \$1 billion to the CDC to strengthen public understanding and confidence in COVID-19 vaccines to ultimately improve U.S. vaccination rates. The funds will be available until expended and will be distributed through existing CDC vehicles/cooperative agreements to the public health departments/officials in the 64 CDC jurisdictions.
- Sec. 2303. Funding for Supply Chain for COVID-19 Vaccines, Therapeutics, and Medical Supplies
 - Provides \$6.05 billion for research, development, manufacturing, production, purchase of vaccines, therapeutics, and ancillary medical products and supplies to respond to COVID. Funding may apply not only to COVID-19 but also to any pandemic-capable disease. Funding will be available until expended and will likely be available through HHS contract vehicles/Broad Agency Announcements.

- Sec. 2304. Funding for COVID-19 Vaccine, Therapeutic, and Device Activities at the Food and Drug Administration
 - Provides \$500 million to the FDA to evaluate the continued effectiveness of FDA-regulated products approved to address COVID-19. Funding also applies to expand continuous manufacturing abilities to ensure a robust supply chain of COVID-related products. Funding may also be used to expand FDA facility inspections to accelerate the review of products delayed due to COVID.
- Sec. 2305. Reduced Cost-Sharing
 - Ensures individuals who received unemployment compensation in 2021 receive cost-sharing subsidies as those whose family income is no greater than 133 percent of the federal poverty line.

Subtitle E – Testing

- Sec. 2401. Funding for COVID-19 Testing, Contact Tracing, and Mitigation Activities.
 - Provides HHS with \$47.8 billion to fund activities to respond to and mitigate the spread of COVID-19. This funding may be used to:
 - Implement a national COVID-19 testing strategy;
 - Provide technical assistance to state, local, and territorial public health departments to detect, diagnose, and trace COVID-19;
 - Support expanded COVID-19 testing and development, including through the acquisition of non-federally owned facilities to increase testing capacity; and,
 - Enhance IT resources for public health data sharing.
 - The funds will be available until expended and will be distributed through existing CDC vehicles/cooperative agreements, including and especially the Epidemiology and Laboratory Capacity (ELC) Cooperative Agreement to the public health departments/officials in the 64 CDC jurisdictions.

Subtitle F – Public Health Workforce

- Sec. 2501. Funding for Public Health Workforce
 - Provides \$7.66 billion to HHS to maintain and expand the U.S. public health workforce, including through grant support to public health departments to recruit and hire new public health workers and related administrative support as well as providing PPE and other supplies to new workers.
- Sec. 2502. Funding for Medical Reserve Corps.
 - Provides \$100 million for the Medical Reserve Corps.

Section G - Public Health Investments

- Sec. 2601. Funding for community health centers and community care.
 - Provides \$7.6 billion to HHS to be awarded for grants and cooperative agreements to community health centers and qualified Hawaiian entities for COVID-19 vaccine distribution, testing, contract tracing, equipment, staff, infrastructure, and community education and outreach.
- Sec. 2602. Funding for National Health Service Corps.
 - Provides \$800 million to HHS for state loan repayment programs.

- Sec. 2603. Funding for Nurse Corps.
 - Provides \$200 million to HHS for loan repayment programs.
- Sec. 2604. Funding for teaching health centers that operate graduate medical education.
 - Provides \$330 million through FY 2023 to HHS for new graduate medical residency training programs, a per resident increase of \$10,000, maintaining existing staff, and expanding programs, establishing new or expanding existing primary care residency programs, and boost the federal response to public health emergencies.
- Sec. 2605. Funding for family planning.
 - Provides \$50 million to HHS for federal grants to assist in the establishment and operation of family planning and preventive health projects and services, not including abortion services.

Section H – Mental Health and Substance Use Disorder

- Sec. 2701. Funding for block grants for community mental health services.
 - Provides \$1.5 billion to HHS through FY 2025 for grants to states for providing community mental health services.
- Sec. 2702. Funding for block grants for prevention and treatment of substance abuse.
 - Provides \$1.5 billion to HHS through FY 2025 for substance abuse prevention and treatment.
- Sec. 2703. Funding for mental health and substance use disorder training for health care professionals, paraprofessionals, and public safety officers.
 - Provides \$80 million to HHS/HRSA for grants or contracts with qualifying entities in rural and underserved communities to train health professionals in evidence-informed strategies for reducing and addressing suicide, burnout, mental health conditions, and substance use disorders among health care professionals.
- Sec. 2704. Funding for education and awareness campaign encouraging healthy work conditions and use of mental health and substance use disorder services by health care professionals.
 - Provides \$20 million to HHS/CDC to carry out a national evidence-based education and awareness campaign directed at health care professionals and first responders by encouraging them to identify risk factors and seek support and treatment for their own mental health and substance use concerns.
- Sec. 2705. Funding for grants for health care providers to promote mental health among their health professional workforce.
 - Provides \$40 million to HHS/HRSA for grants or contracts with healthcare entities, including provider trade associations and FQHCs to establish or expand protocols to promote mental health among healthcare providers, particularly in rural and underserved communities.
- Sec. 2706. Funding for community-based funding for local substance use disorder services.
 - Provides \$30 million to HHS to support community-based overdose prevention programs, syringe services programs, and other harm reduction services.

- Sec. 2707. Funding for community-based funding for local behavioral health needs.
 - Provides \$50 million to HHS for grants to address increased community behavioral health needs worsened by the COVID-19 public health emergency to be used for care coordination, workforce training, surge capacity, integrating evidence-based care models, providing mental and behavioral health services via telehealth, and supporting preventive and crisis intervention services.
- Sec. 2708. Funding for the National Child Traumatic Stress Network.
 - Provides \$10 million to HHS in funding for the national child traumatic stress network.
- Sec. 2709. Funding for Project AWARE.
 - Provides \$30 million to HHS for Project AWARE for advancing wellness and resiliency in education.
- Sec. 2710. Funding for youth suicide prevention.
 - Provides \$20 million to HHS for grants for youth suicide and early prevention programs.
- Sec. 2711. Funding for behavioral health workforce education and training.
 - Provides \$100 million to HHS for grants for mental and behavioral health education and training programs.
- Sec. 2712. Funding for pediatric mental health care access.
 - Provides \$80 million to HHS for grants to promote behavioral health integration in pediatric primary care by supporting the development of new or improvement of existing statewide or regional pediatric mental health care telehealth access programs.
- Sec. 2713. Funding for expansion grants for certified community behavioral health clinics.
 - Provides \$420 million to HHS for grants to Certified Community Behavioral Health Clinics.

Section I – Exchange Grant Program

- Sec. 2801. Establishing a grant program for Exchange modernization.
 - Provides \$20 million through FY 2022 to HHS to award grants to ACA Exchanges to modernize or update systems, programs, or other technology.

Subtitle J - Medicaid

Sec. 9811. Mandatory coverage of COVID–19 vaccines and administration and treatment under Medicaid.

- The bill builds on provisions in the Families First Coronavirus Response legislation that required Medicaid and CHIP coverage of COVID-19 testing without cost-sharing to explicitly require Medicaid and CHIP coverage of COVID-19 vaccines, treatment including prescription drugs, and treatment of conditions that complicate COVID-19 treatment, without the imposition of cost-sharing charges.

Sec. 9812. Modifications to certain coverage under Medicaid for pregnant and postpartum women.

- Full benefits would be available to women during pregnancy and throughout the 12-month postpartum period, or up to a year after the last day of her pregnancy, extending their coverage well beyond the current cutoff of 60 days. If the State selects this option for its Medicaid program, it must provide it under its CHIP program.

Sec. 9813. State option to provide qualifying community-based mobile crisis intervention services.

- The bill allows states to offer community-based mobile crisis intervention services for five years, with an 85 percent Federal Medical Assistance Percentage (FMAP).

Sec. 9814. Temporary increase in FMAP for medical assistance under State Medicaid plans which begin to expend amounts for certain mandatory individuals.

- States that newly expand Medicaid would receive an additional five percentage point increase in their regular Federal Medical Assistance Percentage (FMAP) for two years, no matter when they newly expand. This increase would be in addition to the temporary 6.2 percentage point FMAP increases enacted as part of the Families First Coronavirus legislation available through the duration of the COVID-19 public health emergency. The 5-percentage point increase would not apply to other Medicaid spending that is not subject to the regular FMAP, such as administrative costs and Disproportionate Share Hospital (DSH) spending.

Sec. 9815. Extension of 100 percent Federal medical assistance percentage to Urban Indian Health Organizations and Native Hawaiian Health Care Systems.

- For two years, the bill would temporarily apply the 100 percent FMAP available to Indian Health Service (IHS) providers furnishing care to Medicaid beneficiaries to include Urban Indian Health Programs and Native Hawaiian Health Care Systems services. Such providers are grantees of the IHS and serve IHS-eligible patients on Medicaid, but they are not formally part of the IHS and, as a result, do not receive the 100 percent Federal Medical Assistance Percentage (FMAP) like other IHS providers.

Sec. 9816. Sunset of limit on maximum rebate amount for single-source drugs and innovator multiple source drugs.

- The bill delayed by one year, till 2024, the removal of the cap on Medicaid inflation rebates. Medicaid requires a minimum 23% rebate on brand drugs, and companies pay an additional inflation rebate when they raise prices faster than inflation. That inflationary rebate is currently capped at 100% of the Average Manufacturer Price (AMP) to avoid making drug companies pay rebates that are greater than the price of drugs.

Sec. 9817. Additional support for Medicaid home and community-based services during the COVID–19 emergency.

- States would have the option of receiving a 7.35 percentage point increase in their Medicaid matching rate for home and community-based services (subject to a 95 percent limit) for one year starting April 1, 2021. As a condition of the increase, states would be required to use this additional funding to expand and enhance home and community-based services in one or more enumerated ways, including increasing home and community-based reimbursement rates and providing payments to financially stressed providers.

Sec. 9818. Funding for State strike teams for resident and employee safety in nursing facilities.

- The bill appropriates \$250 million to support state-based “strike” teams to help respond to COVID-19 in nursing homes

Subtitle L – Medicare

Sec. 9831. Floor on the Medicare area wage index for hospitals in all-urban States.

- The bill restores an area wage index floor for hospitals in all-urban states starting October 1, 2021. The bill directs the HHS Secretary to create a Medicare area wage index for hospitals in all-urban states to address a 2019 rule that imposed across-the-board cuts to increase pay for low-wage hospitals.

Sec. 9832. Secretarial authority to temporarily waive or modify application of certain Medicare requirements with respect to ambulance services furnished during certain emergency periods.

- The bill provides for Medicare reimbursement to ambulance providers even if the patients aren't transported to a healthcare facility. The authority would last the duration of the public health emergency.

Sec. 9833. Funding for Office of Inspector General.

- The bill provides \$5 million to the HHS Office of Inspector General (OIG) for oversight activities with respect to the Provider Relief Fund.

Subtitle N – Other Provisions

Sec. 9911. Funding for providers relating to COVID–19.

- The bill provides an additional \$8.5 billion in relief funding for rural entities—far short of the \$35 billion sought by stakeholders