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**THA Priorities: December 2020 through Early 2021**

**COVID-19: Pandemic Response and Recovery**:

**Enhance the Federal Medical Assistance Percentage (FMAP) for Two Years**. Tennessee is grappling with increased demand for Medicaid coverage due to COVID-19. It is vital that Congress increases the federal match for Tennessee’s Medicaid program to respond to the crisis in coverage and access to care.

**Extend the congressionally enacted moratorium on the Medicare sequester cuts until the public health emergency ends**. The current sequester moratorium ends Dec. 31, 2020. THA estimates the current annual impact of the sequester on Tennessee hospitals between $70 and $80 million.

**Increase the Provider Relief Fund balance and encourage the U.S. Department of Health and Human Services (HHS) to adhere to its June reporting guidance for hospitals.** The pandemic’s impact on hospitals and health systems likely will continue throughout 2021 so Congress is urged to make more money available to struggling hospitals, as well as ensure maximum time and flexibility from HHS to use the funds. Two American Hospital Association (AHA) reports estimate hospitals will lose more than $323 billion from March through December 2020 as a result of COVID-19.

**Ensure Federal Liability Protections**. These challenging times present new and unavoidable risks in caring for patients due to limited resources amid patient surges, as well as continually evolving clinical best practices and guidance. As response efforts intensify, THA believes it is imperative to do all it can to support those working on the front lines of this pandemic. This includes providing appropriate liability protections for facilities and frontline medical providers treating patients amid the COVID-19 crisis.

**Waive 340B Eligibility Requirements in 2021.** The pandemic significantly has reduced inpatient admissions of low-income Medicare and Medicaid patients, a determining criterion for the 340B program. Waiving eligibility requirements next year for any previously eligible hospital will allow hospitals whose inpatient admission thresholds have been impacted by COVID-19 to remain in the 340B program.

**Ensure Accelerated Payment Forgiveness**. Full forgiveness of Medicare accelerated payment for hospitals will provide necessary support to recover and rebuild while delivering the care that patients and communities are depending on. In addition, Congress should ensure parallel opportunities for hospitals that could not take full advantage of the accelerated and advanced payment program.

**Evaluate the IMPACT Act.** The 2014 Improving Medicare Post-Acute Care Transformation Act (IMPACT Act) was passed with ambitious timelines to standardize quality metrics and patient assessments across long-term care hospitals (LTCHs), skilled nursing facilities (SNFs), home health agencies (HHAs) and inpatient rehabilitation facilities (IRFs). Like all providers, these important post-acute partners have been impacted by COVID-19 so THA encourages Congress to evaluate the IMPACT timelines and ensure the provider data collected during the pandemic will not skew the program fundamentals in future years.

**Healthcare Delivery System Sustainability and Affordability**:

**Codify Temporary Flexibilities and Support Increased Opportunities for Telehealth and E-Prescribing**. The current pandemic flexibilities have proven to connect people to necessary services in a meaningful way in both rural and urban areas across Tennessee. THA asks Congress to continue to support increased flexibilities for e-prescribing and telehealth *after* COVID-19, and expand grants for telehealth, including training, equipment support and strategic planning for healthcare providers. This should include allowing rural health clinics to provide telehealth services and ensuring Medicare reimbursement parity.

**Delay through 2022 the scheduled Medicaid DSH reductions.** Medicaid disproportionate share hospital (DSH) payments providefinancial assistance to hospitals serving a disproportionate number of low-income patients and thereby ensure that Medicaid and uninsured patients have access to healthcare services. Congress has, with bipartisan support, both delayed and eliminated the cuts multiple times in the last seven years, but $4 billion in reductions are scheduled to take effect Dec. 12, 2020.

**Ensure Sustainability of Rural Hospitals.** Rural hospitals are an essential part of providing access to care in Tennessee and critical to the economic stability of small and rural communities**.** Because of their size, modest assets and financial reserves, demographics, fragile economies and higher proportion of Medicare and Medicaid patients, rural hospitals disproportionately rely on the predictability and stability of Medicare and Medicaid payments. These concerns have become especially acute with the impact of the pandemic. THA wishes to highlight several specific requests:

* **Reform the Medicare Area Wage Index.** *Fair Medicare Hospital Payments Act* *(S. 3665, sponsored by Senators Lamar Alexander and Marsha Blackburn)* establishes an appropriate national minimum (0.85) Medicare area wage index (AWI).
* **Provide a path for distressed rural hospitals to maintain a medical presence in their communities.**
* *Rural Hospital Closure Relief Act* *(S. 3101/HR 5481)* allows the most vulnerable rural hospitals (rural PPS hospitals) to convert to critical access hospitals (CAHs).
* *Rural Emergency Acute Care Hospital (REACH) Act* by Senator Charles Grassley would allow CAHs and small rural hospitals with 50 or fewer beds to convert to rural emergency hospitals.
* Remove the 96-hour physician certification requirement as a condition of payment for CAHs.
  + **Support the Rural Health Agenda**, sponsored by Sen. Marsha Blackburn and Reps. Phil Roe and David Kustoff.
  + *Rural America Health Corps Act (S. 2406/H.R. 4899)* creates a loan repayment program for physicians willing to finish their residencies in rural areas.
  + *Telehealth Across State Lines Act (S. 2408/H.R. 4900)* would create a federal telehealth best practices program and a grant program to incentivize the expansion of rural telehealth services.
  + *Rural Health Innovation Act**(S. 2411****/****H.R. 4898)* creates a five-year grant program to help strengthen local triage and urgent care resources.