

Pathways to Coverage for COVID-19 Testing and Treatment for Adults in Medicaid Expansion and Non- Expansion States

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About Manatt Health

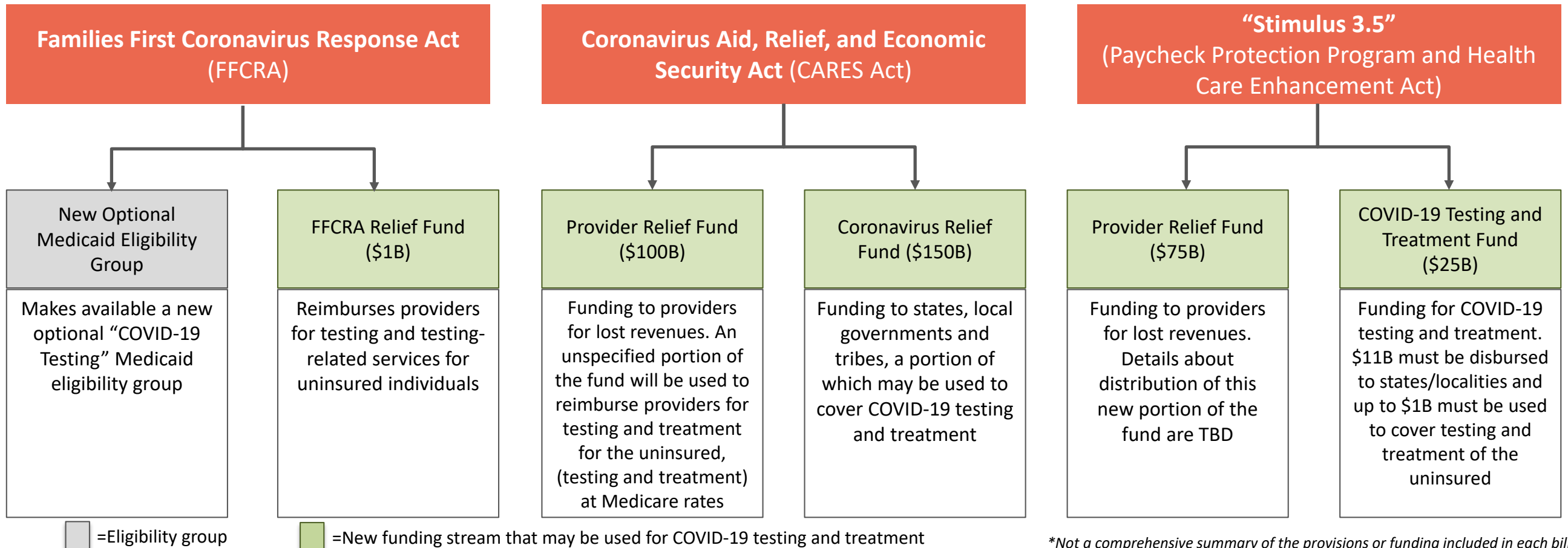
Manatt Health, a division of Manatt, Phelps & Phillips, LLP, is an integrated legal and consulting practice with over 90 professionals in nine locations across the country. Manatt Health supports states, providers, and insurers with understanding and navigating the complex and rapidly evolving health care policy and regulatory landscape. Manatt Health brings deep subject matter expertise to its clients, helping them expand coverage, increase access, and create new ways of organizing, paying for, and delivering care. For more information, visit www.manatt.com/ManattHealth.aspx

Context Setting

- States are actively pursuing various coverage options for uninsured individuals who need COVID-19 testing and treatment
- Available coverage options vary based on an individual's income and immigration status and whether a state has expanded Medicaid or not
- In addition to existing Medicaid State Plan and Marketplace coverage options, Congress enacted new options for providing coverage for the uninsured for COVID-19: (1) testing-only; and (2) testing and treatment
- Federal legislation also includes other targeted funding to help support health care providers responding to the pandemic

Summary of Relevant Legislation and Funding Streams

Legislation in March and April 2020 created new opportunities for providers to be paid for COVID-19 testing and treatment via new Medicaid eligibility groups and new funding streams. Below is a high-level summary of the applicable mechanisms made available by each piece of legislation*



*Not a comprehensive summary of the provisions or funding included in each bill

Optional Medicaid Eligibility Group for COVID-19 Testing

- **The Families First Coronavirus Response Act (FFCRA) created a new optional “COVID-19 Testing” Medicaid Eligibility Group**
 - States may use the Medicaid Disaster State Plan Amendment (SPA) template to elect an optional Medicaid eligibility group to provide COVID-19 testing and testing-related services for uninsured individuals, without regard to income and without cost sharing
 - Uninsured individuals include those who are not enrolled in other commercial or federal health care programs
 - Regular Medicaid residency and immigration rules apply
 - Medical assistance and administrative costs are matched at 100% Federal Medical Assistance Percentage (FMAP)
 - Coverage may be effective as of March 18
 - The CARES Act amended the group to ensure that uninsured individuals in non-expansion states could be eligible for this group

Funding for COVID-19 Testing

Funding for COVID-19 Testing and Related Services

- **\$1 Billion FFCRA Relief Fund**
 - Funding to be used to pay claims for providers for reimbursement of testing and testing-related services for uninsured individuals
 - The Health Resources and Services Administration (HRSA) will distribute this funding through a claims-based system directly to registered providers, paid at Medicare rates
- **\$25 billion “COVID-19 Testing Fund” (“Stimulus 3.5”)**
 - Up to \$1 billion of the fund must be used to pay claims to providers for reimbursement of testing and testing-related services for uninsured individuals; details have not yet been released about how this funding will be distributed, but it is likely to follow the HRSA approach above
 - At least \$11B is available to states/localities to support testing and testing-related needs

Funding for COVID-19 Testing and Treatment

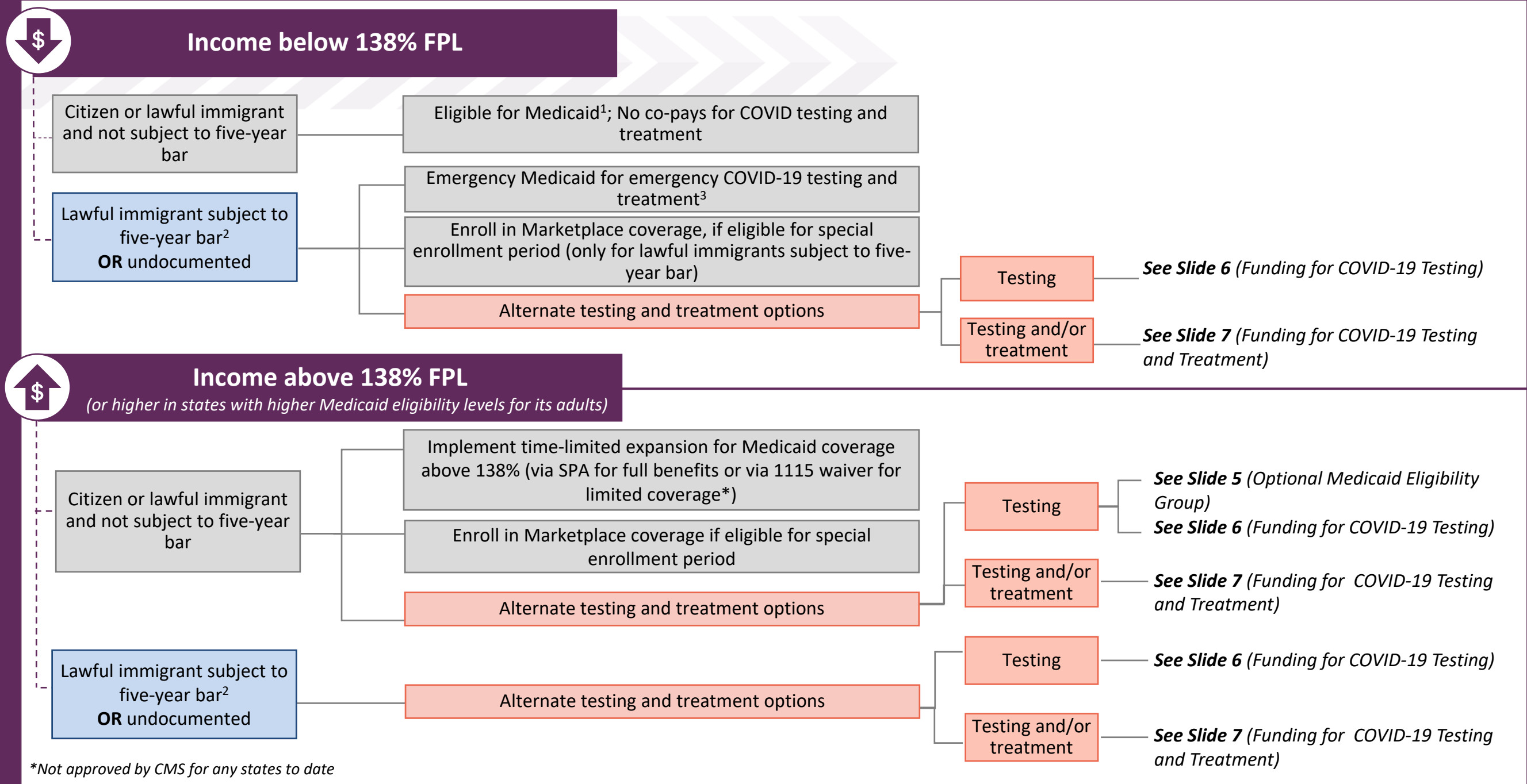
Provider Relief Fund

- **The CARES Act established a \$100B fund** to reimburse eligible health care providers for expenses or lost revenue attributable to COVID-19, including related to testing and treatment
 - An unspecified portion of the fund will be earmarked for an “Uninsured Relief Fund” that HRSA will administer to reimburse providers for testing *and* treatment, at Medicare rates
 - **\$50B** of the fund to be distributed based on net patient revenues in 2018
 - **\$10B** for “high-impact” areas (i.e., targeted distributions to hospitals in areas that have been particularly affected by COVID-19)
 - **\$10B** for rural providers; **\$400M** for Indian Health Services; and an additional, unspecified allocation for Medicaid only providers
- **“CARES Act 3.5” appropriates an additional \$75B** to the Provider Relief Fund
 - HHS has not yet announced how that funding will be distributed, and whether any portion will support uninsured testing/treatment

Coronavirus Relief Fund

- **The CARES Act established a \$150B fund** to states, tribal governments and local governments. Key features include:
 - Funding is distributed by the Treasury, largely in proportion to state population (with a floor of \$1.25B per state)
 - Local governments with populations of 500,000 or more may receive up to 45% of state allocation
 - There are few restrictions on use of funding—may be used to support COVID-19 testing and treatment – but many demands on the fund

Pathways to Coverage for COVID-19 Testing and Treatment for Adults: Medicaid Expansion States



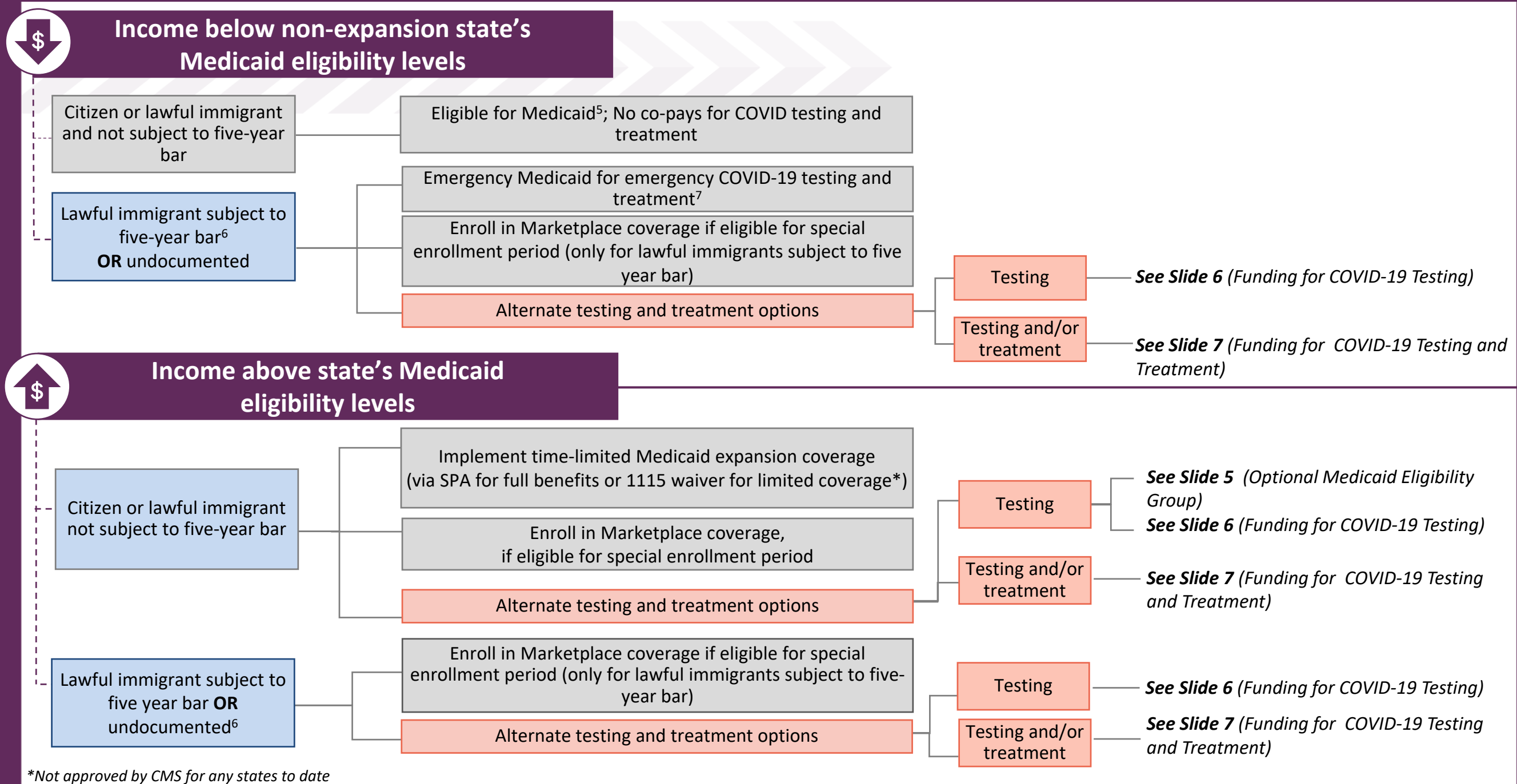
Notes: ¹ A very small subset of immigrants who enroll in Medicaid for non-emergency coverage may be impacted by public charge rules. Most immigrants who are eligible for Medicaid are not subject to public charge determinations.

² States have the option to provide Medicaid coverage to pregnant women and children who are subject to the five-year bar; public charge determinations do not consider Medicaid benefits used by pregnant women and children.

³ Requires state to revise Emergency Medicaid policies to cover COVID-19 emergency testing and treatment; some states may have concerns about doing so if an individual is not in acute distress.

* CMS has not yet issued guidance about whether the \$175B Provider Relief Fund will be restricted to covering uncompensated care costs for citizens and qualified immigrants.

Pathways to Coverage for COVID-19 Testing and Treatment for Adults: Medicaid Non-Expansion States



*Not approved by CMS for any states to date

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Contact Information

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