

American Rescue Plan Act: Provisions of Interest to PCAs and CHCs

Signed into law March 11, 2021

Direct Financial Support to Health Centers

- **\$7.6 billion in one-time funds for CHCs** (*both grantees and look-alikes*):
 - Funds can be used for expenses incurred starting January 31, 2020 (last year)
 - Allowable uses of funds are broad, and include:
 - standard COVID activities (e.g., testing, tracing, vaccinating, educating),
 - equipment and supplies, including to purchase and maintain mobile vehicles for COVID care
 - workforce – both to address COVID needs and “to carry out other health workforce-related activities”
 - “to modify, enhance, and expand health care services and infrastructure”
 - While all decisions are subject to final approval (and therefore are subject to change), BPHC leadership is expected to:
 - provide a small amount of funding (no details) for PCAs, HCCNs, and technical assistance providers.
 - carve out some funding will be carved out for large construction projects (minimum \$500 million.) This funding will be awarded through a competition.
 - provide the remaining funding sent to CHC as quickly as possible. BPHC hopes to be able to distribute these funds before requiring CHCs to submit applications. These funds will likely be able to be used for expenses through September 30, 2022.
- **Paycheck Protection Loans for larger CHCs:** Health centers with over 500 staff will be eligible for Paycheck Protection Loans, provided that they have no more than 500 staff *per site*. Deadline to apply, unless Senate votes to extend, is March 31, 2021. (U.S. House voted 415-3 to extend deadline to May 31. No action scheduled yet in Senate, as of March 19).

Medicaid:

- **Incentive for States to Expand Medicaid:** States that have yet to expand Medicaid will receive a 5 percentage point increase in the FMAP for their base program for two years. The FMAP increase would be available at any point after enactment and would begin in the first calendar quarter when a new expansion state incurs spending for people in the Medicaid adult expansion groups. If a state expands during the PHE, that state will receive both the COVID-related 6.2 percentage point FMAP and the new 5-percentage-point increase. States choosing to expand would be required to maintain coverage levels to access the FMAP increase, including the newly established requirement to cover COVID-19 vaccine and treatment.
- **Postpartum Coverage:** For five years, gives states the option to extend Medicaid/ CHIP eligibility to pregnant individuals for 12 months postpartum. States choosing this option

must provide women with the full Medicaid benefit package during the 12-month postpartum period.

- **COVID Vaccines and Treatment:**

- Provides 100% FMAP for COVID vaccines and treatment, without beneficiary cost-sharing, under both Medicaid and CHIP until one year after the end of the PHE.
- States have the option to provide coverage to the uninsured for COVID-19 vaccines and treatment without cost sharing at 100% FMAP.
- Provides coverage for COVID vaccines for patients in limited-scope Medicaid programs (e.g., programs that cover only family planning services)

Expanding Access to Affordable Insurance

- **Premium contributions expanded to persons above 400% FPL and capped at 8.5% of income:** Currently, the ACA provides subsidies to help with premium costs (via advanced tax credits) for persons between 100-400% FPL. Under the ARP, for the next two years:
 - Any currently eligible individual or household who is paying more than 8.5% of their income on ACA plan premiums will see their subsidy increased so they pay no more than 8.5% of their income.
 - Persons over 400% FPL will become eligible for premium subsidies, capping their contributions at 8.5% of their income.
- **Free coverage for unemployed persons.** Individuals who are eligible for unemployment insurance in 2021 will receive subsidies to cover the entire cost of their ACA Marketplace insurance premiums.
- **100% coverage for COBRA costs:** The Federal government will pay 100% of COBRA costs through Sept. 30, 2021 for workers who lost their jobs or had their hours reduced, and who are not eligible for other coverage.

Workforce

- **National Health Service Corps:** \$800 million in one-time funding. (In recent years, annual NHSC funding has been around \$310 million for the standard program.)
- **Nurse Corps:** \$200 million in one-time funding. (In recent years, annual Nurse Corps funding has been around \$85 million.)
- **Teaching Health Centers:** \$330 million in one-time funding. (In recent years, annual THC funding has been around \$127 million.)
- **General expansion of the public health workforce:** \$7.66 billion for establishing, expanding and sustaining the public health workforce, including by making awards to state, local and territorial public health departments. Public health departments may use awarded funds to hire staff and procure needed equipment (including PPE), technology, and other supplies to support public health efforts. Public health workforce also is one of the permitted uses of funds in several other sections (for example, the section on COVID-19 testing, contact tracing and mitigation).

Rural

- **Funding for rural providers:** Provides \$8.5 billion to reimburse rural health care providers (including CHCs) for health care-related expenses and lost revenues attributable to the pandemic. Providers will be required to apply for that funding, and cannot have received funding to cover those expenses from a different source.
- **Rural Broadband:** Creates a \$10 billion fund to finance rural broadband infrastructure.

340B

- **Elimination of cap on discounts.** The law eliminates the requirement that rebates on a drugs purchased by Medicaid be capped at 100% of the drug's price. Thus, if a drug maker raises a drug's price significantly faster than inflation, the rebate can exceed 100% -- meaning that the drug maker will have to pay Medicaid for purchasing the drug. As 340B discounts are directly tied to Medicaid rebates, this provision means that drug makers should have to pay 340B providers when the providers "purchase" certain drugs. However, drug makers may try to argue that the lifting of the cap does not extend to 340B.

Veterans

- **Eliminate cost-sharing:** Eliminates VA copays or cost-sharing for treatment during the pandemic.
- **Increased funding:** Provides funding for increased VA healthcare expenses during the pandemic, including through the Community Care Program.

Family and Medical Leave

- **FFCRA Leave.** Reinstates until Sept. 30, 2021 the mandatory paid family and medical leave provisions that were established by the Families First Coronavirus Response Act and expired on Dec. 31, 2020.