

McDermottPlus Check-Up: June 05, 2020

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This Week's Dose

House Republicans released proposals to support coronavirus (COVID-19) testing, and the Center for Medicare and Medicaid Innovation (CMMI) released new flexibilities for numerous value-based payment models.

Congress

Congress Eyes July for Next Relief Bill.

Last week, the House of Representatives issued its revised [calendar](#) for the remainder of the year. The congressional schedule has been unpredictable up to this point, with leadership making frequent last-minute decisions to call members back to Washington. The published schedule indicates that the House is trying to settle into its new normal. According to the calendar, the entire month of June is designated for committee activity. Members will likely hold remote committee hearings focused on oversight of the government's COVID-19 response. With the chamber's [adoption](#) of proxy voting, members will have no reason to return to Washington until work begins in earnest on the next relief package. The House calendar and [statements](#) from Senate leadership indicate this will likely be July at the earliest.

House Republicans Issued Proposals for COVID-19 Testing.

Republicans on the House Energy and Commerce Committee released a [series of recommendations](#) that call for testing to be directed toward vulnerable populations at the highest risk for infection, including nursing community residents, healthcare facility workers, meat and poultry packing workers, and minority communities. The plan also recommends that Public Health Laboratories be modernized to provide access to high throughput testing equipment, similar to what large commercial laboratories have. This proposal follows a [report](#) released by the Department of Health and Human Services (HHS) last week, which outlined the Administration's goals for increasing the nation's testing capacity. The Energy and Commerce Republicans' recommendations broadly align with the Administration's strategy, leaving most of the responsibility and authority for testing to states. Senate Democrats released a [proposal](#) on April 15 to bolster COVID-19 testing, which calls for a more

centralized approach coordinated by the federal government.

Administration

CMMI Announced Payment Model Flexibilities.

CMMI [released new flexibilities and adjustments](#) for many of its payment models to help protect model participants during the COVID-19 pandemic. A comprehensive table detailing the announced flexibilities for each of the payment models is available [here](#), and a blog post from Centers for Medicare and Medicaid Services (CMS) Administrator Seema Verma announcing these changes is available [here](#). Significantly, many of the new models, including Direct Contracting and Kidney Care Choices, are slated to begin on April 1, 2021. Primary Care First will begin January 1, 2021, except for the Serious Illness component, which will begin April 1, 2021. In addition, the Next Generation Accountable Care Organization model is extended an additional year, through the end of 2021. In the announcement, CMMI states it will release additional model-specific flexibilities as information becomes available. The COVID-19 pandemic has underscored the weaknesses of Medicare's fee-for-service (FFS) payment model, with many FFS providers facing significant financial shortfalls. This week's announcement demonstrates the Administration's desire to continue to move providers away from FFS, toward capitated payment models that could provide more stable cash flow.

CMS Released Data on Nursing Home Facilities and Announced Enhanced Enforcement Measures.

CMS released a report showing that nearly 26,000 nursing home residents and staff have died from COVID-19, which has swept through long-term care facilities. According to CMS, the virus has infected more than 60,000 long-term care residents and 34,000 staff. CMS also posted [state-by-state data](#) on nursing home cases and deaths, showing the highest rates of incidence in Connecticut, Massachusetts, New York, New Jersey, and Washington, DC. In the past month, CMS has required [enhanced reporting](#) of COVID-19 data from nursing facilities, with increased penalties for facilities that fail to meet transparency or virus mitigation requirements. Following the report, CMS [announced](#) that it will increase civil monetary penalties for nursing homes with persistent infection control violations. In addition, CMS will distribute \$80 million provided by the CARES Act for states to conduct surveys of nursing homes based on performance metrics. States that do not complete required surveys will face a reduction in their portion of the CARES Act funding. The agency also sent a [letter to governors](#) urging them to target testing efforts to nursing communities.

Provider Relief Fund Updates

- HHS updated the [Provider Relief Fund FAQs](#) to provide additional clarity on items and services that count as "lost revenues" attributable to COVID-19, and therefore can be covered using payments from the Fund. Keep in mind that all providers are also required to comply with the [Terms & Conditions](#) specific to each distribution stream.
- The Centers for Disease Control and Prevention (CDC) updated its [dataset](#) of the healthcare entities who have agreed to the Terms and Conditions and received claims reimbursement for testing or treatment of uninsured COVID-19 patients.
- Bipartisan leadership from the Senate Finance and House Energy and Commerce committees sent a [letter](#) urging HHS to improve its pace in making distributions from the

Provider Relief Fund specifically for Medicaid-dependent providers. Lawmakers join stakeholders who are becoming increasingly frustrated with the amount of time it has taken to get relief to some of the most vulnerable safety net providers. It has been 70 days since the CARES Act funded the Provider Relief Fund.

Our [toolkit](#) assembles resources related to the Provider Relief Fund all in one place.

Quick Hits

- The [House Energy and Commerce](#), [Senate Finance](#), and [House Appropriations](#) committees held hearings on governors' response to COVID-19, the Food and Drug Administration's foreign drug manufacturing inspection process, and CDC's efforts surrounding the pandemic.
- Democratic leaders of the House Coronavirus Committee and House Oversight Committee sent a [letter](#) demanding information from HHS on the government's vaccine development contracts with drug companies.
- Senator Patty Murray (D-WA), Ranking Member of the Senate Health, Education, Labor and Pensions (HELP) Committee, sent a [letter](#) seeking information on the Administration's decision to contract with a private company to collect COVID-19 data.
- The Congressional Budget Office [estimates](#) that the HEROES Act ([H.R. 6800](#)), House Democrats' opening bid for the next COVID-19 relief package, would cost approximately \$3.5 trillion over 10 years, far surpassing the scale of the CARES Act, which is, to date, the largest government stimulus package ever enacted.
- HHS [announced](#) the distribution of \$250 million to help hospitals and other entities train workforces, expand telemedicine, and procure supplies to respond to COVID-19.
- CMS released [guidance](#) to help states implement the Optional COVID-19 Testing (XXIII) Group for uninsured individuals established by the Families First Coronavirus Response Act.
- HHS released new [guidance](#) for laboratories specifying what additional data must be reported along with COVID-19 test results.
- The HHS Office of Inspector General released its [semiannual report to Congress](#) documenting its COVID-19 pandemic activities.
- The Government Accountability Office published a [report](#) identifying current federal policies that create program administrative challenges for state Medicaid officials.

M+ Resources

- The 2020 presidential election is five months away. On this week's episode of the [Health Policy Breakroom](#), our consultants discuss how COVID-19 has shifted the dynamics of the race.
- The federal response to COVID-19 includes several financial relief opportunities for

healthcare providers. [Our chart](#) highlights the primary funding streams available.

- Find all McDermottPlus analysis related to COVID-19 on our [COVID-19 Resource Center](#).

Next Week's Diagnosis

The Senate HELP Committee will hold a hearing on going back to school safely. We continue to watch for HHS to distribute more money from the Provider Relief Fund.

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