As a result of the COVID-19 pandemic, the fiscal wellbeing of hospitals and health systems has suffered greatly due to lost revenue, increased cost of care, and unprecedented resource and staffing needs. The American Hospital Association estimates that by December 2020, hospital financial losses will reach $323.1 billion. Based on average costs for inpatient treatment of respiratory conditions, the Kaiser Family Foundation estimates the median cost of treating a COVID-19 patient at more than $12,000 for a patient with pneumonia to more than $88,000 for one requiring ventilator support for 96 hours or more. Millions of Americans lost their employer-sponsored health insurance coverage due to pandemic-related unemployment, adding to the uncompensated care provided by hospitals. Even before the pandemic, a quarter of rural hospitals were in danger of closing, a situation COVID-19 is expected to exacerbate.

In response to this unprecedented impact on hospitals and health systems, federal, state, and local governments provide an array of financial support and relaxed billing restrictions on activities such as telehealth to stabilize access to critical medical facilities and ensure continued operations.

**Government Programs**

*CARES Act and Other Federally-Funded Programs*

Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a $2.2 trillion dollar stimulus bill, in response to the COVID-19 pandemic. Under this act, the Paycheck Protection Program and the Health Care Enhancement Act allotted $175 billion to the Provider Relief Fund to aid hospitals and healthcare providers struggling amidst the pandemic. These distributions do not need to be repaid as long as providers comply with specific terms and conditions. On October 1, 2020, the federal government added $20 billion to the coronavirus relief fund for healthcare providers.

In addition to the CARES Act, other government-sponsored programs were enacted or expanded to assist medical facilities in maintaining financial resilience. Each of these programs differs significantly in availability, eligibility, and timeline for applying. State-level financial assistance programs vary widely depending on the type of medical service provided and federal relief funds received.

In reviewing the available relief and financial assistance, hospitals should consider several factors when choosing which programs fit their needs, including:

- Eligibility requirements, such as small business designations or non-profit status.
• Terms and conditions of each program, such as restrictions on use of funds, repayment timelines, and interactions of funds with other programs.
• Conditional requirements such as specific healthcare related expenses or debt/lost revenue strictly associated with the COVID-19 pandemic.
• Understanding terminology such as “extraordinary” circumstances.
• Compliance requirements.
• Interactions between the programs and how one may affect eligibility or terms for another.
• Tax provisions.

Each federal relief program also has key dates, application processes, and forms that need to be carefully reviewed and tracked through each phase or stage of the funding process. Administrative personnel should be aware of reporting requirements, close-out tasks, or necessary follow-up procedures.

As resource and funding changes occur, hospitals should closely monitor federal updates on repayment terms, extensions, and additional requirements. The continuing resolution passed on September 30, 2020 included several major updates that will postpone recoupment of disbursed funds, reduce per-claim recoupment amount, and lower repayment interest rates.

**Centers for Medicare & Medicaid Services Waivers and Flexibilities**

In response to the pandemic, the Centers for Medicare & Medicaid Services (CMS) modified certain Medicare, Medicaid, Children’s Health Insurance Program (CHIP), and Health Insurance Portability and Accountability Act (HIPAA) requirements via issuance of 1135 waivers to ensure continued access to healthcare and added flexibility in payments and allowable services. Examples of some modifications include waiving:

- Preapproval requirements.
- Requirements for physicians and other healthcare professionals to be licensed in their state of practice with equivalent licensing in another state.
- Performance deadlines and timetables (may be adjusted but not waived).
- Payment limits permitting Medicare enrollees to use out of network providers in emergency situations.
- Cost-sharing for telehealth visits.

Among these CMS programs and services are the Accelerated and Advanced Payment Program, COVID-19 Government Program Reimbursement, Suspension of Medicare Sequestration, and Expansion of Telehealth Reimbursement. Tracking the status of these waivers is integral for hospitals to effectively take advantage of available programs.

CMS modifications included increasing access for Medicaid and Medicare beneficiaries to COVID-19 testing and vaccines. Hospitals should maintain awareness of changing coverage and requirements.
State and Local Programs
Under the CARES Act, the U.S. Treasury established the Coronavirus Relief Fund with $150 billion dollars allotted for state, local, and tribal governments. Payments from the fund can only be used to cover certain expenses.

FEMA’s Public Assistance (PA) Program is specific for governments and non-profit medical facilities tasked with responding to emergency situations. These facilities are eligible for reimbursement under the Stafford Act emergency declaration for what is deemed “extraordinary” costs related to emergency medical services and care that are not related to usual healthcare services and are not otherwise eligible for reimbursement (e.g., some expenses related to operating an alternate care site may be reimbursable). PA requires that the expenditures be made by the state and then up to 75% of the cost may be reimbursed if found eligible. Discussion with the jurisdiction emergency manager is critical to understand if the hospital is an eligible entity and the process for submitting claims. Cost tracking and documentation is critical to obtaining reimbursement under FEMA’s PA program.

To ensure continued access to priority medical services amid the pandemic’s social distancing measures, government agencies greatly expanded telehealth services and coverage for beneficiaries. Hospitals and health care providers should be aware of the specific policies and terms that pertain to telehealth coverage and reimbursement opportunities that may vary by state.

Hospital Preparedness Program
Through the Coronavirus Preparedness and Response Supplemental Appropriations Act, the Office of the Assistant Secretary for Preparedness and Response (ASPR) awarded $150 million to support COVID-19 patient surge preparedness and response. These funds were distributed to the 62 existing state, local, and territorial Hospital Preparedness Program (HPP) cooperative agreement recipients, hospital associations, the National Emerging Special Pathogens Training and Education Center, and 10 regional Ebola and special pathogen treatment centers. ASPR awarded an additional $250 million under the CARES Act to these same entities. The combined funding supports coordination within healthcare coalitions, healthcare workforce training, procurement of supplies and equipment, and improving capacity of healthcare services, including expansion of telehealth. In addition to this supplemental funding, ASPR implemented some flexibilities to reduce burdens on recipients of non-COVID HPP funding. While directed toward state, local, and territorial health departments, hospitals may also benefit from the approximately $730 million awarded by the Centers for Disease Control and Prevention through the Coronavirus Preparedness and Response Supplemental Appropriations Act to support the public health response to COVID-19.

Resources Related to Government Programs
- Alliance for Connected Care: Telehealth for COVID-19
- American College of Physicians: COVID-19 State and Private Payer Policies
- American Hospital Association: Sources of Financial Support for Health Care Providers during the COVID-19 Pandemic
• American Medical Association: CARES Act/COVID 3.5: Loans and Other Financial Assistance for Physician Practices
• American Society of Clinical Oncology: COVID-19 Government, Reimbursement & Regulatory Updates
• ASPR:
  o HPP COVID-19 Resources for Health Care System Preparedness and Response
  o COVID-19 Supplemental Funding Overview
• ASPR TRACIE:
  o Centers for Medicare & Medicaid Services (CMS) Waivers and Declarations for COVID-19
  o Federal Recovery Programs for Healthcare Organizations
• Center for Connected Health Policy: Current State Telehealth Laws and Reimbursement Policies
• Centers for Disease Control and Prevention: COVID-19 Funding
• Centers for Medicare & Medicaid Services:
  o COVID-19 Emergency Declaration Blanket Waivers for Health Care Providers
  o Fact Sheet: Expansion of the Accelerated and Advance Payments Program for Providers and Suppliers During COVID-19 Emergency
  o General Provider Telehealth and Telemedicine Tool Kit
  o Medicaid State Plan Fee-for-Service Payments for Services Delivered via Telehealth
  o Medicare Telemedicine Health Care Provider Fact Sheet
  o Physicians and Other Clinicians: CMS Flexibilities to Fight COVID-19
  o Telemedicine
• Children’s Hospital Association: Provider Relief Funding Resources and Information
• Federal Emergency Management Agency: Coronavirus (COVID-19) Pandemic: Medical Care Costs Eligible for Public Assistance
• Greater New York Hospital Association: COVID-19 Emergency Federal Funding Sources for Hospitals
• HCA: HCA Cares
• Healthcare Financial Management Association: HFMA Recommended Coronavirus Resources
• Health Resources and Services Administration: Coronavirus (COVID-19) Provider Relief Fund
• Kaiser Family Foundation:
  o FAQs Medicare Coverage and Costs Related to COVID-19 Testing and Treatment
  o Medicaid Emergency Authority Tracker: Approved State Actions to Address COVID-19
• McGuire Woods: 10 Financial Support Opportunities for Healthcare Companies During the COVID-19 Crisis
• U.S. Department of Health and Human Services: CARES Act Provider Relief Fund: For Providers
• U.S. Department of the Treasury: The CARES Act Provides Assistance for State, Local, and Tribal Governments
Insurance/Private Payers

Many health insurance providers have enacted emergency plans, financing options, and waivers to support medical providers during the COVID-19 crisis.

- As private payer policies and allowable expenses are evolving and changing frequently, having a plan and dedicated staff members to monitor, document, and distribute changes is imperative to continuity of operations and expedient payment.
- Hospitals may want to create a table or worksheet with relevant private payer allowable services to track changes and updates.
- As of October 1, 2020, several private insurers stopped fully covering virtual visits under specific circumstances. Meanwhile, other insurers expanded telehealth coverage through the end of 2020. Administrative personnel should stay aware of these types of fast-moving changes and verify the process for getting updates.

Resources Related to Insurance

- America’s Health Insurance Plans:
  - Answering the Call: Health Insurance Providers Act Swiftly as Part of the COVID-19 Solution
  - Health Insurance Providers Respond to Coronavirus (COVID-19)
- Center for Connected Health Policy: COVID-19 Telehealth Coverage Policies

Billing

With substantial changes to medical services in response to the COVID-19 pandemic, understanding the complex new set of rules and policies for proper billing is essential.

It is important those responsible for coding procedure:

- Are prepared for a variety of new coding scenarios and services.
- Understand specific program allowances and restrictions. Many state and private payers update their policies, payment rules, and authorization requirements often; a best practice is to designate a staff member to monitor for changes and updates. State hospital associations and other advocacy organizations may also be good sources of summary information.
- Ensure consistency in coding practices by collating and distributing all best practices to a central location, identify which staff members need access to this information, and ensure these points of contact are documented.
- Plan for proper training of necessary staff and implement consistent communication practices across the facility for changes and updates.

Proper documentation and coding will enable rapid and reliable reimbursement. For new scenarios that may arise, it is important to document the hospital’s best practice and distribute this information accordingly. Accounting staff should also coordinate closely with the Finance and Administration section under incident command to enable recovery of response expenses.
Beginning January 1, 2021, CMS will use revised Evaluation and Management (E/M) coding guidelines. While these changes are meant to reduce administrative demand, learning these new coding protocols will be integral to efficient and effective billing.

**Resources Related to Billing**
- American College of Emergency Physicians: [ACEP COVID-19 Field Guide](#)
- American College of Physicians: [COVID-19 Coding](#)
- American Academy of Family Physicians:
  - [Coding for Evaluation and Management Services](#)
  - [Coding Scenarios during COVID-19](#)
- American Medical Association:
  - [Evaluation and Management (E/M) Code and Guideline Changes](#)
  - [Special Coding Advice During COVID-19 Public Health Emergency](#)

**Financial Fraud and Scams**
In the short time since the CARES Act passed, cases of fraudulent activity have grown significantly. Criminal activity can range from simple scams such as calls attempting to sell fake medical products to more elaborate hoaxes attempting to broker loans on behalf of the Small Business Administration. Additionally, increased threats of cybercriminal activity including ransomware have been directed at the healthcare sector. Federal and state officials are diligently investigating these illegal activities.

- The U.S. Department of Treasury directs those who receive calls, emails, or other communications promising stimulus money in exchange for financial information, advanced fees, or any type of purchase to report this activity to the Federal Bureau of Investigation. Internal Revenue Service-related scams should be reported to the Treasury Inspector General.
- The Small Business Administration and the U.S. Department of Health and Human Services Office of the Inspector General update their websites with information on current fraudulent activity including proper authorities to be contacted. Both agencies recommend discussing current criminal activity with staff on a regular basis, providing an area to post information on fraudulent activity, and having proper processes in place for staff to report suspicious behaviors, activities, or communication.
- The Federal Bureau of Investigation directs reporting of suspicious or criminal cyber activity to the local field office or 24/7 to Cyber Watch (855-292-3937 or CyWatch@fbi.gov).

With limited resources during the pandemic, many administrative staff may have dual roles to fill. To streamline duties of designated staff who may also need to act as “security/fraud officers,” hospitals may want to create a one-page guidance document outlining:
- Specific resources to monitor.
- Flags for potential fraudulent activity/solicitation.
- Processes for reporting suspected fraudulent activity (i.e., who to report to and how).
• A designated reporting box or administrative email address for easy collection and documentation of suspected fraudulent activity.

Hospitals should consider providing fraud awareness information to patients as well.

**Resources Related to Fraud**

- Federal Bureau of Investigation:
  - [Internet Crime Complaint Center](#)
  - [Field Offices](#)
- Health Industry Distributors Association: [Vetting Offers for PPE from Unknown Sources](#)
- Senior Medicare Patrol: [COVID-19 Fraud](#)
- U.S. Department of the Treasury:
  - [COVID-19 Scams](#)
  - [IRS-Related Coronavirus Scam](#)
- U.S. Small Business Administration: [SBA Programs – Scams and Fraud Alerts](#)