



# CARES Act Provisions for Healthcare and Health IT

We are witnessing our nation's public health and healthcare system mobilizing in unprecedented ways to respond to the immediate threat of the coronavirus (COVID-19) pandemic. On March 27, Congress passed and President Donald Trump signed the third COVID-19 Emergency Supplemental package, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, with over \$2 trillion in appropriations across many facets of society.

## What is the CARES Act?

The [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) is the third round of emergency funding passed by Congress and signed by President Trump since the outbreak of COVID-19 in March 2020. The stimulus package, totaling over \$2.2 trillion, addresses topics such as healthcare delivery, state funding, small business and non-profit relief, and overall economic stimulus.

## What are the major healthcare sections of the CARES Act?

HIMSS is still reviewing the legislation to make sure our members are fully aware of all the issues affecting them as individuals, healthcare organizations and businesses. So far, we have identified the following sections:

- Public Health Infrastructure Modernization
- Connected Care
- Privacy, HIPAA, Changes to Mental Health Disclosure (42 CFR Part 2)
- CDC Funding
- Transforming facilities into hospitals/clinics
- Security and Cybersecurity
- Impact on States/Communities
- Disaster relief funding for state, local, tribal, and territorial governments
- Extension and Expansion of Community Mental Health Services Demonstration
- Smart Communities or Social Determinants of Health (SDOH) Related Provisions
- Precision Medicine
- Medicare/Medicaid Payment

## How do I learn more or ask questions of HIMSS team members?

We will continue reviewing the new law this week. In the meantime, the following is a breakdown of many of the most critical areas of the law.

If you have questions, please send messages to [policy@himss.org](mailto:policy@himss.org).

## Sections of the CARES Act

### Public Health Infrastructure Modernization

**What it is:** Funding for the Public Health Surveillance and Infrastructure Modernization

**What happened:** Data Campaign members requested funding of \$950 million for the Data Modernization Initiative, to include \$250 million for immediate use on COVID-19. Congress expected to fund 5 years for \$500 million.

**Funding amount:** \$500 million to the Centers for Disease Control and Prevention (CDC)

**Timeline for funding:** Must be expended by September 30, 2024

**Analysis:** HIMSS is proud to report that the \$500 million commitment for public health data surveillance and infrastructure modernization efforts at the CDC, state, and local health departments. These funds will provide an essential and immediate injection of resources to build a public health surveillance system that provides automatic, enterprise, interoperable data exchange in real-time, enabling a coordinated and timely response across the health system.

HIMSS is partnering with the Association of Public Health Laboratories (APHL), Council of State and Territorial Epidemiologists (CSTE), National Association for Public Health Statistics and Information Systems (NAPHSIS), National Association of County and City Health Officials (NACCHO) and

the [Association of State and Territorial Health Officials](#) (ASTHO) to support legislative efforts in the House and Senate to improve public health data systems  
- Data: Elemental to Health.

## Connected Care

**What it is:** Multiple relevant provisions to expand access to telehealth and other connected health technology capabilities

### What happened:

**HRSA Grants:** Sec. 3212 reauthorizes Health Resources and Services Administration (HRSA) grant programs that promote the use of telehealth for healthcare delivery, education, and health information services. Specifically, the bill authorizes \$29 million annually through FY 2025. It adds substance use disorder to the health issues for which telehealth can be developed, used, and stipulates that at least 50% of the funds must be awarded for projects in rural areas.

**HSAs for Telehealth Services:** Sec. 3701 allows a High Deductible Health Plan (HDHP) with a Health Saving Account (HSA) to cover telehealth services prior to a patient reaching the deductible for plan years beginning on or before Dec. 31, 2021.

**Telehealth provider-patient relationship:** Sec. 3703 removes the requirement that a physician or other professional must have treated the patient in the past three years to be eligible to provide telehealth. Further, the section appears to expand the Secretary's waiver authority beyond originating site and geographic limitations, to include additional providers.

**Telehealth Distance Sites:** Sec. 3704 would allow Federally Qualified Health Centers and Rural Health Clinics to serve as a distant site for tele-health consultations during the COVID-19 emergency.

**Home Dialysis Nephrology Waiver:** Sec. 3705 eliminates the requirement that a nephrologist conduct some of the required periodic evaluations of a patient on home dialysis face-to-face during the COVID-19 emergency period.

**Hospice Care Telehealth Waiver:** Sec. 3706 would allow qualified providers to use telehealth to fulfill the hospice face-to-face recertification requirement during the COVID-19 emergency period.

**Telecommunications, Remote Patient Monitoring and Telehealth Waivers:** Sec. 3707 would direct the Department of Health and Human Services (HHS) Secretary to issue guidance encouraging the use of telecommunications systems, including remote patient monitoring, to furnish home health services consistent with the beneficiary care plan during the COVID-19 emergency.

**Federal Communications Commission Funding:** Provides \$200 million for the Federal Communications Commission (FCC) to support the efforts of healthcare providers to address coronavirus by providing telecommunications services, information services, and devices necessary to enable the provision of telehealth services.

## Privacy, HIPAA, Changes to Mental Health Disclosure (42 CFR Part 2)

**What it is:** Two separate sections in Subpart C "Miscellaneous Provisions" call out HIPAA and privacy, Section 3221 - Confidentiality and disclosure of records relating to substance use disorder; Section 3224 - Guidance on protected health information.

### What happened:

Section 3221 allows for additional care coordination by aligning the 42 CFR Part 2 regulations, which govern the confidentiality and sharing of substance use disorder treatment records, with Health Insurance Portability and Accountability Act (HIPAA), with initial patient consent. Section 3224 requires HHS to issue guidance on what can be shared of patient record during the public health emergency related to COVID-19.

**Timeline:** For Section 3224, the Secretary shall issue guidance no later than 180 days after the enactment of this Act.

## CDC Funding

**What it is:** Overall, CDC receiving funds to accelerate and replenish public health preparedness and response. Funds intended to reimburse local funds already spent, improve surveillance, and communication.

**What happened:** Increase in funding for public health activities

**Funding amount:** \$4.3 billion to include \$1.5 billion in State and Local preparedness grants; \$500 million for Global Health Security improvements; \$800 million for global health; \$500 million for Data Campaign, and \$300 million to replenish Infectious Disease funds.

## **Timeline for funding: Must be expended by September 30, 2024**

### **Transforming facilities into hospitals/clinics**

#### **What it is: Additional available funding for providers**

**Funding amount:** \$100 billion available

**Timeline for funding:** Remains available until expended

The Bill creates a \$100 billion *Public Health and Social Services Emergency Fund* for our health system to prevent, prepare for, and respond to coronavirus, domestically or internationally. The HHS Secretary can use grants and other mechanisms to provide funds to eligible providers for expenses or lost revenues that are attributable to coronavirus. This funding is also available to providers for building or construction of temporary structures and leasing of properties, among other purposes. The Secretary has the authority to make a pre-, prospective, or retrospective payment for building or construction. Eligible providers will have to submit an application to HHS that includes a statement justifying the need for this funding.

### **Security and Cybersecurity**

Funds have been appropriated to the Small Business Administration and Department of Commerce to be used for educational grants risk of and mitigation of cyber threats in remote customer service or telework practices.

In addition, the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency, is allocated \$9.1 million to be used by September 30, 2021 to prevent, prepare for, and respond to coronavirus, domestically or internationally, which shall be for support of inter-agency critical infrastructure coordination and related activities.

### **Impact on States/Communities**

**State Coronavirus Relief Fund:** Section 5001 provides relief to the States through the State Coronavirus Relief Fund. Funds can be used for costs that are necessary expenses incurred due to COVID-19, were not accounted for in the budget most recently approved, were incurred during the period March 1 - Dec 30, 2020.

**What happened:** Provides \$150 billion to States, Territories, and Tribal governments to use for expenditures incurred due to the public health emergency with respect to COVID-19 in the face of revenue declines, allocated by population proportions, with a minimum of \$1.25 billion for states with relatively small populations.

**Funding amount:** \$150 billion (Distribution based on population and will be at least \$1.25 billion for each state. 45% of state funds set aside for local governments with populations over 500,000. \$3 billion set aside for Washington, DC, Puerto Rico, Virgin Islands, Guam, Northern Mariana Islands and American Samoa. \$8 billion set for tribal governments.)

**Timeline for funding:** Must be expended between March 1, 2020 and December 30, 2020

### **Disaster Relief Funding for State, Local, Tribal, and Territorial Governments**

What happened: Funds for the immediate needs of state, local, tribal, and territorial governments to help citizens respond and recover from the effects of COVID-19. Reimbursable activities may include medical response, personal protective equipment, National Guard deployment, coordination of logistics, safety measures and community services nationwide. This amount includes: \$45 million for FEMA to expand information technology and communications capabilities and build capacity in response coordination efforts.

**Funding amount:** \$45 billion

**Timeline for funding:** Funding made available to states via the March 13 national emergency declaration and state declaration requests.

### **Extension & Expansion of Community Mental Health Services Demonstration**

**What happened:** This section would extend the Medicaid Community Mental Health Services demonstration that provides coordinated care to patients with mental health and substance use disorders, through November 30, 2020. It would also expand the demonstration to two additional states.

**Timeline:** Extend through November 30, 2020

### **Smart Communities**

Overall supports for telehealth, surveillance and informatics infrastructure support the application of Smart health IT technologies and systems including:

Funding for the VA to expand capacity of IT networks to address the demand in services and broaden tele-health capabilities.

Empowers HHS to emphasize the use of telecommunications systems, including for remote patient monitoring and other communications or monitoring services by clarifying guidance and conducting outreach.

\$6 million to the National Institute of Standards and Technology for measurement science to support viral testing and biomanufacturing.

Also accounts for \$25 billion for transit systems. These funds would be distributed through existing formulas including the Urbanized Area Formula Grants, Formula Grants for Rural Areas, State of Good Repair Formula Grants and Growing and High-Density States Formula Grants using FY20 apportionment formulas.

### **Social Determinants of Health (SDOH)Related Provisions**

**What it is:** \$1 billion to the Community Services Block Grant

**What happened:** Families First Coronavirus Aid Package through HUD Community Development Block Grants to help cities, counties, parishes, and states recover from presidentially declared disasters, especially in low- and moderate-income areas. to support COVID-19 SDOH related actions like free virus testing for the uninsured, food aid, emergency paid sick leave, expanded family and medical leave programs, unemployment assistance.

**Funding amount:** Appropriations language determines applicant eligibility. Historically, recipients have included states and local governments in places that have been designated by the President of the United States as major disaster areas. Some supplemental appropriations may restrict funding solely to states. HUD generally awards noncompetitive, nonrecurring Disaster Recovery grants by a formula that considers disaster recovery needs unmet by other Federal disaster assistance programs.

**Timeline for funding:** Subject to availability of supplemental appropriations

### **Precision Medicine**

**What it is:** Funding for Scientific and Technical Research and Services

**What happened:**

Industrial Technology Services - Allocations to prevent, prepare for, and respond to coronavirus, including to support of development and manufacturing of medical countermeasures and biomedical equipment and supplies

National Institute of Standards and Technology (NIST) - Set aside allocations of funds to prevent, prepare for, and respond to coronavirus, (domestically or internationally), for measurement science to support viral testing and biomanufacturing

**Funding amount:** \$60 million to Industrial Technology Services, \$6 million to NIST

**Timeline for funding:** Available until September 30, 2021

### **Medicare/Medicaid Payment**

**What it is:** Non-telehealth/RPM related Medicare-Medicaid measures

**What happened:**

**Medicare Sequester Delayed:** Temporarily lifts the Medicare sequester – which currently is scheduled to reduce payments to providers by 2 percent from May 1 through December 31, 2020 – which in doing so would boost payments for hospital, physician, nursing home, home health, and other care. The Medicare sequester would be extended by one-year beyond current law to provide immediate relief without worsening Medicare's long-term financial outlook.

**Medicare add-on for inpatient COVID-19 hospital stays:** Medicare add-on payments for inpatient hospital COVID-19 patients, increasing the payment that would otherwise be made to a hospital for treating these complex patients by 20 percent. This add-on payment would be available through the duration of the COVID-19 emergency period.

**Acute Care Treatment Flexibility:** Allows acute care hospitals flexibility during the COVID-19 emergency period to transfer patients out of their facilities and into alternative care settings (such as post-acute care) in order to prioritize resources needed to treat COVID-19 cases. The bill, (1) waives the Inpatient Rehabilitation Facility (IRF) 3-hour rule, which requires that a beneficiary be expected to participate in at least 3 hours of intensive rehabilitation at least 5 days per week to be admitted to an IRF; and, (2) allows a Long Term Care Hospital (LTCH) to maintain its designation even if more than 50 percent of its cases are less intensive as well as temporarily pauses the current LTCH site-neutral payment methodology.

**Delay in Medicaid Disproportionate Share Hospital Payments:** Moreover, the bill delays the scheduled reductions in Medicaid Disproportionate Share Hospital payments through November 30, 2020.

### **Extension for Community Health Centers, the National Health Services Corps, and Teaching Health Centers that operate Graduate Medical Education (GME)Programs**

**What happened:** Funding deadline extended from May 22, 200 through November 30, 2020.

**Funding amount:** Funding remains at current levels, specifically “\$4,000,000,000 for fiscal year 2020, and \$668,493,151 for the period beginning on October 1, 2020, and ending on November 30, 2020.”

**Timeline for funding:** There will need to be a lame duck package to extend this and other HHS programs.

*Coronavirus Updates*

Get the latest news and resources to stay on top of the COVID-19 coronavirus pandemic.

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