Hey Let's Fund 2022

An Act

In March, Congress decided to fund the federal government; with that Appropriations Act came a few healthcare initiatives (though perhaps not everything we'd hoped for). For the 340B hospitals worried about how the whole COVID business messed up your disproportionate share business, however, it's a great one!

340B Discount Drugs

The 340B discount drug program allows for covered entities to purchase drugs at discounted prices. Some entities are deemed covered entities (like critical access hospitals and federally qualified health centers), while others must meet certain criteria. *Technically*, all have some other criteria to meet, such as be a government or have an agreement with a government to provide charity care, but prospectively paid (PPS) hospitals, specifically, must also meet certain disproportionate share thresholds specifically, a subsection (d) hospital (slang for a PPS hospital) needs a DSH percentage of 11.75. If that PPS hospital happens to be a rural referral center or sole community hospital, it can get into the 340B discount drug program with just an 8 percent DSH percentage.

If you're still reading, it's likely this applies to you – and that you understand COVID surges have behaved differently than normal patient levels at your facility, from the perspective of both number of patients and those patients' insurance payors. COVID inpatient surges (and even lack of being able to provide all services) may have decreased your DSH percentage below the 340B DSH threshold.

The 2022 Appropriations Act added in a grandfathering of sorts for these hospitals.

Qualifying hospitals will need to submit an attestation discussing how COVID impacted their facility and their DSH percentage. It should be noted, though, that the coverage is short and does not appear to be retroactive (i.e. the earliest you can attest is after the date of the Act – so if you were already removed from the program, you would be requesting to rejoin as of the date of the Act).

A hospital must have lost eligibility during a cost report period ending on or before December 31, 2022.

The start date is any cost report beginning in federal fiscal year 2020 or later.

HHS must receive the attestation within 30 days of the passing of the Act (for those already out of the program) or, for those who will be out after filing the next cost report, 30 days after that report is filed.

Grandfathered hospitals must have been a covered entity participating in the program at January 31, 2020.

Medicare Telehealth Expansions

The Public Health Emergency (PHE) ushered in several expansions to telehealth services; once the PHE ends, so too will those expanded services. Congress has, however, allowed the following expansions to remain in place for an additional 151 days after the end of the PHE:

- Allowing the originating site to be the patient's home (remember, there's no facility fee for the patient's home).
- Occupational therapists, physical therapists, speech therapists, and audiologists can be eligible practitioners.
- Rural health clinics and federally qualified health centers can continue to be distant site providers.
- Coverage of new mental health telehealth encounters (which includes RHCs) was written into law with the caveat of a required in-person visit. For the 151 days after the PHE, that in-person visit is not required.
- Audio-only services continue to be allowed.

Once again—*these are only for an added 151 days after the end of the PHE*. However, Congress has requested Med Pac study these services and recommend a more permanent solution moving forward.

Closing

If you have questions, please call me or your own favorite DZA representative at 509-242-0874.