

MMHPI COVID-19 Response Briefings

COVID-19 Federal Appropriation Considerations for Grantmakers – May 13, 2020

To date, Congress has passed four bills in response to the COVID-19 pandemic. Substantial funds will flow to health care providers, either directly or through state/local governments. Grantmakers should be mindful of these other funds when making grants to providers, as well as mindful of the vagaries involved in the flow of federal funds, which generally take longer than expected to reach their intended recipients and often do not reach them at all. As a result, ***loans and conditional grants should be considered, even when federal funds are likely to flow.***

In addition, there are ***general programs available to all private organizations – inclusive of health care providers***, both for-profit and non-profit – through the Small Business Administration. The biggest is the Paycheck Protection Program (PPP), which was designed to cover immediate cash flow and is still broadly available. Any provider in need with fewer than 500 employees can and should pursue this funding.

There are also practice reforms that health care providers should be implementing now, particularly in the area of telehealth. While the future of the liberalized allowances for telehealth is not certain, there are funds available now that providers should be pursuing. MMHPI has pulled together relevant guidance through a series of [Provider Newsletters](#). ***Given how much federal aid is tied to Medicaid, providers should also maximize Medicaid billing.***

Finally, the scope of the economic fallout from the pandemic makes mental health and substance abuse services ***more important than ever***. But it is also likely that some businesses – including providers – may not survive the next nine months financially. More than ever, ***grantmakers should also consider the financial viability of a provider when making awards.***

Below we summarize federal funding opportunities for key groups of providers. ***Grantmakers should ensure that providers seeking grants are fully aware of and pursuing these funds.***

All Providers

Phase 1 – Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (H.R. 6074); Total Appropriations: \$8.3 billion; Signed into Law: March 6, 2020. The Act includes \$500 million related to waivers for expanding Medicare telehealth availability.

Phase 2 – Families First Coronavirus Response Act (H.R. 6201); Total Appropriations: \$104 billion; Signed into Law: March 18, 2020. The Act authorizes a temporary 6.2 percentage point increase in the **federal medical assistance percentage (FMAP) for state Medicaid programs**. This frees up \$450M in Texas General Revenue dollars, per quarter, and helps sustain providers.

Phase 3 – Coronavirus Aid, Recovery, and Economic Security Act (CARES Act) (H.R. 748); Total Appropriations: \$2.2 trillion; Signed into Law: March 27, 2020.

- The **Provider Relief Fund** (\$100 billion, plus \$75 billion more from Phase 3.5) through the **Department of Health and Human Services (HHS)** allows every provider treating uninsured COVID-19 patients on or after February 4, 2020 to submit claims for reimbursement. Some provider groups have set-asides (see specific sections below). The funds flowed disproportionately to providers serving Medicare recipients and hospitals, but MMHPI expects this to expand in May to include Medicaid providers, including mental health providers. 24,307 Texas providers / health systems received over \$2 billion in payments from the initial \$30 billion, and these are the only providers eligible to receive funds from the next \$20 billion released on 4/24/2020. ***The list of providers who received payment can be accessed [here](#) and is updated biweekly.***
- The **Coronavirus Relief Fund** provides \$150 billion to the **Department of the Treasury (DOT)**. Texas has received \$11.24 billion from the fund. Approximately \$5.06 billion is reserved for local governments to cover COVID-19 costs outside their baseline budgets (including health care not covered elsewhere – see [guidance](#) on allowed costs).
 - DOT provided **direct payments to six eligible cities and 12 eligible counties, totaling more than \$3.2 billion** (City of Austin, Bexar County, Collin County, Dallas County, City of Dallas, Denton County, El Paso County, City of El Paso, Fort Bend County, City of Fort Worth, Harris County, Hidalgo County, City of Houston, Montgomery County, City of San Antonio, Tarrant County, Travis County, Williamson County).
 - On May 11, 2020, Governor Abbott [announced](#) that 242 counties and each of the cities in those counties that did not receive direct payments from the DOT are *eligible to apply for a per capita allocation* from the remaining **\$1.85 billion of the local government allocation based on a per capita allotment**. The Texas Division of Emergency Management is administering this process (more information is [here](#)).

Phase 3.5 – Paycheck Protection Program and Health Care Enhancement Act (H.R. 266);

Total Appropriations: \$484 billion; Signed into Law: April 24, 2020. Adds \$75 billion to HHS the Provider Relief Fund, in addition to the \$100 billion allocated to the Fund in the CARES Act. HHS is working to determine how these funds will be distributed. MMHPI is monitoring.

Federally Qualified Health Centers (FQHCs) and Community Health Centers (CHCs)**Phase 1 – Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020.**

The **Health Resources and Services Administration (HRSA)** awarded \$100 million to 1,381 health centers. Funds may be used for COVID-19 related expenditures, including boosting telehealth capacity. HRSA provided **72 Texas health centers** \$5,897,008 in grants (list of [grantees](#)).

Phase 3 – CARES Act; Total Appropriations: \$2.2 trillion; Signed into Law: March 27, 2020.

- The Provider Relief Fund targets **\$10 billion for rural health clinics (rural FQHCs) and rural hospitals**, including \$634,362,996 for 393 Texas providers (the most of any state).
- HRSA also provided **72 Texas health centers** \$76,701,360 in grants (list of [grantees](#)).

Phase 3.5 – Paycheck Protection Program and Health Care Enhancement Act (H.R. 266); Total Appropriations: \$484 billion; Signed into Law: April 24, 2020. On May 7, 2020, HRSA provided **72 Texas health centers** \$31,137,693 in funding (list of [grantees](#)).

Hospital Systems

Phase 3 – CARES Act; Total Appropriations: \$2.2 trillion; Signed into Law: March 27, 2020.

Many hospitals received funds in the initial \$30 billion and follow-up \$20 billion distributions from the Provider Relief Fund (see above). In addition, Texas rural hospitals received funds noted above. HHS also targeted **\$12 billion for hospitals in areas hardest hit**. Only two Texas hospitals received [payment](#): Houston Methodist Hospital and Houston Methodist Sugar Land.

Local Mental Health Authorities (LMHAs)

Phase 3 – CARES Act; Total Appropriations: \$2.2 trillion; Signed into Law: March 27, 2020.

\$425 million went to the Substance Abuse and Mental Health Services Administration. Of this:

- Certified Community Behavioral Health Clinics (CCBHCs) received \$250 million to increase access to mental health care. **Texas providers received \$26.4 million:** Andrews Center (Tyler) - \$3,784,318; Burke Center (Lufkin) - \$1,433,393; The Center for Health Care Services (San Antonio) - \$2,000,000; Community Healthcore (Longview) - \$4,000,000; Emergence Health Network (El Paso) - \$2,000,000; Helen Farabee Centers (Wichita Falls) - \$1,705,428; Lakes Regional MHMR Center (Terrell) - \$1,992,031; LifePath Systems (McKinney) - \$2,000,000; MHMR of Tarrant County (Ft. Worth) - \$4,000,000; Pecan Valley Centers for Behavioral & Developmental HealthCare (Granbury) - \$1,449,703; and Texoma Community Center (Sherman) - \$1,997,460.
- HHSC is likely to receive other grants, and MMHPI is monitoring the situation.

Telehealth Infrastructure

Phase 3 – CARES Act; Total Appropriations: \$2.2 trillion; Signed into Law: March 27, 2020.

- **\$100 million** to the **U.S. Department of Agriculture (USDA)** to help ensure rural Americans have access to broadband. **\$25 million** to the **USDA** for the **Distance Learning and Telemedicine Program**, which supports rural community access.
- **\$200 million** to the **Federal Communications Commission (FCC)** for health care providers to address COVID-19 by providing telecommunications services, information services, and devices necessary to enable the provision of telehealth.