

**Summary of Key CHC Provisions in the  
Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES) Act**  
As passed by the House of Representatives on May 15<sup>th</sup>, 2020

**Note: The provisions listed below are not final** and may change as negotiations take place before a final bill is signed into law.

**Major Health Center Priorities:**

- **Emergency Funding for Health Centers, including Look-Alikes:**
  - \$7.6 Billion to “remain available until September 30, 2025, for necessary expenses to prevent, prepare for, and respond to coronavirus...including maintenance or expansion of health center and system capacity and staffing levels.”
  - Additional language states that funds may be used to “(1) purchase equipment and supplies to conduct mobile testing for SARS–CoV–2 or COVID– 19; (2) purchase and maintain mobile vehicles and equipment to conduct such testing; and (3) hire and train laboratory personnel and other staff to conduct such mobile testing.”
  
- **Two options for fully forgivable loans for health centers with over 500 employees:**
  - Extends eligibility for the Paycheck Protection Program (PPP) to all nonprofits of all sizes (previously only nonprofits with less than 500 employees were eligible)
    - Sets aside 25% of total PPP funding for non-profits, with a maximum of 12.5% going to those with over 500 employees.
    - Does not provide additional funds.
    - Extends the covered period for all PPP loans from June 30 to December 31.
  - Requires the Federal Reserve to offer fully-forgivable “Main Street Loans” to non-profit organizations that “predominantly serve low-income communities” and are ineligible for PPP loans. The forgiveness terms on these loans would mirror those for PPP loans.
  
- **Additional Funding for the Provider Relief Fund:**
  - Provides an additional \$100 billion for the Provider Relief Fund part of the Public Health and Social Services Emergency Fund (PHSSEF), which currently stands at \$175 billion, to provide grants to health care institutions on the frontlines of the crisis including hospitals, public entities, not-for-profit entities and Medicare and Medicaid enrolled suppliers and institutional providers, to cover the unreimbursed health care related expenses or lost revenues attributable to the public health crisis. Health centers are eligible entities based on these criteria.
  - Includes additional language that would create a new grant application process and would limit the total amount a provider could receive in any quarter from the PHSSEF based on several factors, including any funding already received from the PHSSEF and forgivable loans from the PPP.
  
- **Funding for testing and contact tracing:** Provides \$75 billion for testing, contact tracing, and other activities necessary to effectively monitor and suppress COVID-19.

- **Increases the Federal Medical Assistance Percentage (FMAP):** Increases FMAP rates by a total of 14% percentage points starting July 1, 2020 through June 30, 2021.

### Other Provisions of Interest to CHCs:

#### General

- **State, Local, Tribal and Territories Assistance:** \$500 billion for state governments, \$375 billion for local governments, \$20 billion for Tribal governments and \$20 for governments in the Territories to assist with the fiscal impacts from the public health emergency caused by the coronavirus.
- **Centers for Disease Control and Prevention:** \$2.1 billion to support federal, state, and local public health agencies to prevent, prepare for, and respond to the coronavirus, including:
  - \$2 billion for State, local, Territorial, and Tribal Public Health Departments and
  - \$130 million for public health data surveillance and analytics infrastructure modernization
- **Establishes a Heroes Fund for Essential Workers:** \$200 billion to ensure that essential workers who have risked their lives working during the pandemic receive hazard pay.
- **COVID-19 testing strategy:** Requires the Secretary of HHS to update the COVID-19 strategic testing plan required under the Paycheck Protection Program and Health Care Enhancement Act no later than June 15, 2020.
- **No cost-sharing for COVID-19 treatment:**
  - Eliminates cost sharing for Medicaid beneficiaries for COVID-19 treatment and vaccines during the COVID-19 public health emergency.
  - Establishes zero cost-sharing (out-of-pocket costs) for COVID-19 treatment under Medicare Parts A and B and Medicare Advantage during the COVID-19 public health emergency
  - Requires coverage under Medicare PDPs and MA-PDPs without cost-sharing or Utilization Management Requirements for drugs intended to treat COVID-19 during the COVID-19 public health emergency.

#### Medicaid

- **No cost-sharing for uninsured persons covered under Medicaid for COVID-19 treatment.** Ensures that uninsured individuals whom states opt to cover through the new Medicaid eligibility pathway will be able to receive treatment for COVID-19 without cost-sharing during the COVID-19 public health emergency.
- **Medicaid coverage for citizens of Freely-Associated States.** Restores Medicaid eligibility to individuals who are residents of the freely-associated states.
- **MFAR Delay:** Prevents the Secretary of Health and Human Services (HHS) from finalizing the Medicaid Fiscal Accountability Regulation (MFAR) until the end of the COVID19 public health emergency.
- **Extension of existing section 1115 demonstration projects:** Authorizes states with section 1115 demonstration projects that expire on or before February 28, 2021 to extend them through December 31, 2021

- **Non-emergency medical transportation:** Codifies the regulatory requirement that state Medicaid programs cover non-emergency medical transportation (NEMT).

#### Medicare

- **Improves the terms for repayment of Accelerated and Advance Medicare Payments:** Lowers the interest rate for advances made to Medicare providers under the Accelerated and Advance Payment Program, reduces the per-claim recoupment percentage, and extends the period before repayment begins.
- **Special enrollment period for Medicare Parts A & B:** Creates a new special enrollment period for Medicare Parts A & B eligible individuals during the COVID-19 public health emergency.
- **Special enrollment period through all exchanges:** Provides for a two-month open enrollment period through all exchanges – both Federally -facilitated and state-based - to allow individuals who are uninsured, for whatever reason, to enroll in coverage.

#### Broadband

- **Broadband Funding:** Provides \$4 billion for emergency home connectivity needs.
- **Expansion of Rural Health Care Program of FCC in Response to COVID-19:** Authorizes \$2 billion for a temporary expansion of the FCC's Rural Health Care Program (RHCP) to partially subsidize their health care providers' broadband service. Authorized subsidies would flow to all nonprofit and public hospitals, not just rural ones. Increases the broadband subsidy rate from 65 percent to 85 percent. Also uses authorized funds to expand eligibility of the RHCP to ensure mobile and temporary health care delivery sites are eligible and temporarily modifies administrative processes to ensure funding is delivered expediently.

#### Additional Funding for various health and social services programs:

- **Supplemental Nutrition Assistance Program (SNAP)** – Provides \$10 billion to support anticipated increases in participation and to cover program cost increases related to flexibilities provided to SNAP by the Families First Coronavirus Response Act.
- **Special Supplemental Nutrition Program for Women Infants and Children (WIC)** – Provides an additional \$1.1 billion to provide access to nutritious foods to low-income pregnant women or mothers with young children who lose their jobs or are laid off due to the COVID-19 emergency.
- **The Emergency Food Assistance Program (TEFAP)** – Includes \$150 million to help local food banks meet increased demand for low-income Americans during the emergency.
- **Child Nutrition Programs** – Includes \$3 billion in additional funding to provide emergency financial relief to school meal providers and USDA's Child and Adult Care Food Program.
- **Community Development Financial Institutions (CDFI)** – \$1 billion for economic support and recovery in distressed communities
- **Assistance to Homeowners**--\$75 billion to states, territories, and tribes to address the ongoing needs of homeowners struggling to afford their housing due directly or indirectly to the impacts of the pandemic by providing direct assistance with mortgage payments, property taxes, property insurance, utilities, and other housing related costs.
- \$1.5 billion for the **Substance Abuse Prevention and Treatment Block Grant;**
- \$1 billion for the **Community Mental Health Services Block Grant;**

- \$100 million for **services to homeless individuals**;
- \$7 billion for **Child Care and Development Block Grants**;
- \$1.5 billion for the **Low-Income Home Energy Assistance Program (LIHEAP)**.