

December 17, 2019

Congressional Leaders Unveil \$1.4 Trillion Spending Bill for Fiscal Year 2020 with Key Health Care Priorities

Medicaid DSH cuts delayed into May; surprise billing legislation not included

Congressional leaders Dec. 16 unveiled a \$1.4 trillion [spending package](#) for fiscal year (FY) 2020. The bill includes a number of key priorities for hospitals and health systems, including delaying the Medicaid Disproportionate Share Hospital (DSH) cuts through May 22, 2020, and extensions for a number of other health care programs. In addition, the bill does not include problematic legislation to address surprise medical bills and does not use hospital funding to offset other spending priorities.

The House today plans to pass FY 2020 spending bills in two packages. The Senate is likely to pass the package, and the president is expected to sign it before federal funding runs out Dec. 20. One package includes eight bills to fund the departments of Agriculture, Labor, Health and Human Services, Education, Energy, Interior, Transportation, Housing and Urban Development, Veterans Affairs and State, as well as the Environmental Protection Agency, congressional operations and water projects. Another package includes four bills, including the Defense, Homeland Security, Commerce-Justice-Science and Financial Services spending measures.

Highlights of appropriations' items, key health care extenders, and other provisions important to hospitals and health systems follow.

Key Takeaways

- The \$1.4 trillion spending bill funds the government for FY 2020 and includes a number of health care extenders.
- The bill delays the Medicaid DSH cuts through May 22, 2020.
- Other health care extenders include Medicaid funding for U.S. territories.
- The bill includes \$94.9 billion for HHS, an increase of \$4.4 billion above the 2019 enacted level.
- Other areas that will see increased funding include maternal health programs, substance abuse treatment, gun violence research and CHGME.
- The bill does not include problematic legislation to address surprise medical bills or include any hospital pay-fors.
- The House is expected to approve the spending package Dec. 17 and the Senate by Dec. 20. The president is expected to sign it.

APPROPRIATIONS' HIGHLIGHTS

The bill includes funding for programs within the Departments of Labor, Health and Human Services, and Education, and other related agencies, including the Social Security Administration. The bill includes \$94.9 billion for HHS, an increase of \$4.4 billion above the 2019 enacted level. Highlights include:

National Institutes of Health (NIH): The bill provides \$41.7 billion for NIH, an increase of \$2.6 billion above the 2019 enacted level. This includes \$500 million for the All of Us Precision Medicine Initiative, an increase of \$161 million from FY 2019. AHA is a partner in the initiative.

Substance Abuse and Mental Health Services Administration: The bill includes \$3.8 billion for substance abuse treatment, an increase of \$19 million, including continued funding for opioid prevention and treatment.

Gun Violence Research: The bill includes \$25 million for the Centers for Disease Control and Prevention (CDC) and NIH to conduct research on firearm injury and mortality prevention.

Maternal Health Programs: The bill includes \$944 million, an increase of \$17 million, for programs to improve maternal and child health, including an additional \$5 million to reduce maternal mortality. The bill also continues funding of maternal mortality review committees (MMRC) at \$12 million and includes funding for CDC to continue its technical assistance to existing state MMRCs.

Children's Hospitals Graduate Medical Education (CHGME): The bill includes \$340 million for CHGME funding, an increase of \$15 million.

HEALTH CARE EXTENDERS

Medicaid DSH Payments: The bill delays through May 22, 2020 the Medicaid DSH cuts scheduled to go into effect Dec. 21.

Medicaid Funding for U.S. Territories: The bill extends funding to the U.S. territories for FY 2020 and FY 2021, and includes program integrity improvements for Puerto Rico's Medicaid program. This funding will be available at a federal match rate of 76% for Puerto Rico and 83% for the other territories.

Community Mental Health Services Demonstration Program: The bill extends the Certified Community Behavioral Health Clinic demonstration program through May 22, 2020. The demonstration allows eight states to deliver comprehensive mental and substance use disorder treatment to Medicaid beneficiaries at an enhanced provider rate.

Community Health Centers, the National Health Services Corps and Teaching Health Centers that Operate GME Programs: The bill extends funding for these programs, which support training of health providers in underserved areas, through May 22, 2020.

Quality Measurement Endorsement, Input and Selection: The bill extends funding through May 22, 2020 for a contract with a consensus-based entity, such as the National Quality Forum, to support activities related to quality measurement and performance improvement in Medicare and Medicaid.

Geographic Practice Cost Index (GPCI): The bill extends the work GPCI floor, which increases payments for the work component of physician fees in areas where labor costs are lower than the national average, through May 22, 2020.

Health Profession Opportunity Grants (HPOG). The bill extends funding for the HPOG demonstration through May 22, 2020.

OTHER ITEMS

Actions for Delays of Generic Drugs and Biological Products (CREATES Act): The bill provides for a process that allows biosimilar or generic drug developers to obtain samples of reference product biologics or drugs for the purposes of developing and seeking approval of a biosimilar or generic drug. This provision saves about \$4 billion over 10 years.

Repeals the Transportation Fringe Benefit Tax on Nonprofits: For nonprofit tax-exempt hospitals, the Tax Cuts and Jobs Act of 2017 made amounts paid or incurred for qualified transportation fringe benefits and parking facilities used in connection with qualified parking provided to employees taxable as unrelated business income. This bill repeals the tax effective Dec. 22, 2017.

Conrad State 30 Program: The bill extends the program until Sept. 30, 2020. First enacted in 1994, the program allows state health departments to request J-1 visa waivers for up to 30 foreign physicians per year to work in federally designated Health Professional Shortage Areas or Medically Underserved Areas.

Re-enrollment in Qualified Health Plans in Certain Exchanges: To support the Affordable Care Act (ACA), the bill maintains current policy for plan year 2021 for auto-enrollment of certain individuals in exchange plans.

Protection of Silver Loading Practice: To support the ACA, the bill maintains current policy for plan year 2021 on silver loading for qualified health plans on exchanges.

Sale of Tobacco Products to Individuals Under the Age of 21: As a condition for receiving block grant funding under Section 1921 of the Public Health Service Act, the bill continues a requirement that states conduct inspections to ensure retailers do not sell tobacco products to individuals under a certain age, and updates that age to 21. The bill also requires reporting on relevant activities.