

Surprise billing banned for providers that get CARES Act grants

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The White House announced Thursday that providers receiving grants from the \$100 billion aid fund in Congress' third stimulus package will be banned from balance billing patients for COVID-19 treatment.

Providers that receive grant funds from the Coronavirus Aid, Relief, and Economic Security Act will have to certify that they will not try to collect more money from COVID-19 patients than the patients would have to pay if services had been in-network. The ban applies to patients covered by commercial, government or employer-sponsored coverage.

"The Trump Administration is committed to ensuring all Americans are not surprised by the cost related to testing and treatment they need for COVID-19," said White House spokesman Judd Deere.

CMS Administrator Seema Verma announced Tuesday that \$30 billion of the \$100 billion relief fund will be distributed shortly to a wide range of providers based on their national share of Medicare payments. Some hospitals are unhappy with the distribution method because they say it disadvantages providers that treat mostly uninsured and Medicaid patients and does not provide additional funding for providers in areas with more severe outbreaks. Democrats are pushing for Congress to add more aid funding in the next COVID-19 relief bill.

The ERISA Industry Committee supported the administration's action on surprise billing.

"While Congress has failed to act, the Administration is taking on healthcare providers that rate profits over patients," said ERIC President and CEO Annette Guarisco Fildes.

It is not clear how the ban might apply to ancillary providers within hospitals that could be out-of-network. Kaiser Family Foundation executive vice president for health policy Larry Levitt said that the administration's policy is an important step, but potentially leaves a loophole.

"A lot of surprise bills come from physicians who treat patients in the hospital—or the private equity firms that own physician practices—not always the hospitals themselves," Levitt tweeted Thursday.

The prohibition does not set additional guidelines for how insurers are to reimburse providers for out-of-network services.