



COVID-19 and the Uninsured: Federal Funding Options to Pay Providers for Testing and Treatment

Updated November 3, 2020

Congress enacted provisions to increase access to Coronavirus Disease 2019 (COVID-19) testing and treatment (including, for some programs, an eventual vaccine) under the Families First Coronavirus Response Act (FFCRA; P.L. 116-127), as amended by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136). Separately, Congress provided funding to support testing infrastructure in the Paycheck Protection Program and Health Care Enhancement Act (PPHCEA; P.L. 116-139). In addition, these laws appropriated funding to government agencies that provide health services (e.g., the Department of Veterans Affairs) and for specific health providers (e.g., health centers). These laws largely focus on COVID-related modifications for individuals who have public or private health care coverage; however, this Insight discusses federal funding options under these laws that can be used to pay providers for COVID-19-related testing and treatment for uninsured individuals through funding distributed under an administrative construct referred to as the Uninsured Fund (UF) and a newly created Medicaid option for testing.

Testing

Congress provided additional [funding for health centers](#), which are [obligated to provide care](#) to all individuals regardless of their ability to pay, to expand access to testing for uninsured individuals. It also appropriated \$1 billion in both FFCRA and PPHCEA to [reimburse providers](#) for diagnostic and antibody testing and for associated costs (e.g., specimen collection), which is being administered as the UF. Under the UF, providers must seek reimbursement for testing uninsured individuals, where *uninsured* is [defined in FFCRA](#) as individuals who are not covered by a federal health program or are not enrolled in specified types of private health insurance coverage. Except in a few instances (e.g., testing sites supported by the [Federal Emergency Management Agency](#)) providers are not obligated to seek reimbursement from the UF). However, those that do must comply with certain [terms and conditions](#) that include accepting the fund's reimbursement, at the Medicare rate, as full payment. These requirements may mean that some providers will instead choose to pursue payment from individuals, which may be higher than the Medicare rate.

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IN11526

Medicaid Option: Full Federal Provider Reimbursement for “COVID-19 Testing” Enrollees

FFCRA, as amended by the CARES Act, provides states an option during the [public health emergency \(PHE\) period](#) to use Medicaid to pay participating providers for [COVID-19 testing](#) administered without cost sharing to [uninsured individuals](#). Under the FFCRA Medicaid option, the definition of uninsured individuals used elsewhere in the law is expanded to include additional groups (e.g., certain enrollees who are entitled to limited Medicaid benefits). For the [18 states](#) that have adopted the “COVID-19 testing” [eligibility group](#) (as of September 2, 2020), Medicaid providers may seek [100% federal reimbursement](#) for COVID-19 testing, testing-related state plan services, visits, and administrative expenditures for otherwise eligible uninsured individuals (e.g., those who meet federal and state requirements regarding residency, immigration status, and documentation of U.S. citizenship) who are enrolled under this pathway. Unlike most Medicaid eligibility pathways, there is [no financial eligibility test](#) associated with the “COVID-19 testing” group, and states are encouraged to [inform applicants](#) that they may be eligible for comprehensive coverage. Benefits under the “COVID-19 testing” group are [limited](#) and terminate with the sunset of the declared emergency period (i.e., potentially before COVID-19 transmission ends).

Treatment

For outpatient treatment costs for uninsured individuals, Congress provided additional [funding for health centers](#), which are [obligated to provide care](#) to all individuals regardless of their ability to pay. No additional funding was appropriated for inpatient COVID-19 treatment costs. However, under the CARES Act, Congress established the [Provider Relief Fund \(PRF\)](#) to make payments to health care providers for foregone revenue due to COVID-19. Subsequently, the [Administration announced](#) it would use an [unspecified amount](#) of the funds appropriated to the PRF to reimburse providers for uninsured treatment. A total of [\\$175 billion was appropriated](#) to the PRF; as of the date of this Insight’s publication, more than [\\$143 billion has been allocated](#). Uninsured treatment via the PRF is administered through the UF discussed above.

For as long as [funding remains available](#), the UF may reimburse for COVID-19 treatment and eventual vaccines provided to uninsured individuals. For treatment purposes, [uninsured is defined](#) as not having a source of coverage at the time that services are rendered, which is less specific than the FFCRA uninsured definition above. The UF also is to reimburse providers [regardless of the citizenship status](#) of the patient treated. As with testing, providers are not required to seek reimbursement from the UF and may opt not to seek reimbursement for the reasons noted above. Providers or patients also may not [be aware](#) of the fund.

The UF [only reimburses for treatment](#) when [COVID-19 is the primary diagnosis](#) (except for pregnant women, where COVID-19 may be a secondary diagnosis). It reimburses for services that are otherwise covered by Medicare, but it will not reimburse for [outpatient prescription drugs](#), even if such drugs are used for treating COVID-19. These limitations may mean the fund will not always pay for COVID-19-related care—for example, in instances when a patient was not diagnosed because of [testing shortages](#) or for [long-term medical conditions](#) caused by COVID-19. In these instances, providers may bill individuals or provide services as charity care. It is also possible that individuals may forego care. As noted, amounts available for treatment are subject to availability, and it is not yet known whether they [will be sufficient](#), particularly for the costs associated with [acquiring and administering a vaccine](#) to uninsured populations if and when one becomes available.

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