

To: Healthcare Managers and CEOs
From: Director of Nursing
Date: 18th September 2021
Subject: Funding for the healthcare providers during the pandemic

Opening statement

The memo provides an insight into the critical funding sources for healthcare providers and institutions across the United States. The Covid-19 pandemic resulted in overstretching of healthcare resources with the new higher costs of the disease resulting in revenue losses for healthcare providers. Additionally, this memo elaborates on the increased Medicare reimbursement for Covid-19 inpatient treatment for healthcare institutions.

Context

Healthcare spending was high during the initial period of the Covid-19 pandemic across many healthcare institutions. While owing to the critical factor of financial resources to enhance the hospital capacity to withstand the pressures of the pandemic, the first quarter of the year 2019 resulted in lower revenues for healthcare providers in managing their healthcare provision requirement (Kaiser Health News, 2021). The reduction in hospital and provider visits significantly impacted healthcare revenues. Besides, the disparity in the Federal healthcare relief funds for the coronavirus pandemic, specifically for particular rural hospitals and providers offering critical access, resulted in low incomes for several healthcare providers, drastically reducing their capacity to overcome their financial burdens. Further, the uncertainty in the service utilization across many healthcare providers is evident in the long term with the emergence of the coronavirus Delta variant. In light of the healthcare financing challenges, Congress, through various funding streams, has offered prospects of cushioning the providers through sequestration of the two percent Medicare payments. The Federal funding

streams have provided an opportunity to leverage the provider activities across different funding prospects effectively.

Task segment

According to Kaiser Health News (2021), the High Covid-19 hospitals could receive federal funding, including increasing the Medicare Covid-19 inpatient reimbursement. During the coronavirus pandemic, many hospitals experienced a surge in inpatients necessitating care resulting in resource inefficiency and inadequacies. The Federal government's ARP funding for increasing reimbursements ensures that hospitals have access to an additional 20 percent increment during the public health emergency period (Kaiser Health News, 2021). The federal government endeavors to ensure healthcare providers attend to Covid-19 inpatients within their hospitals through the funding program. With the increasing wave of coronavirus variants, the Federal funding endeavors to assist healthcare providers in counteracting the high costs involved in treating and offering care for Covid-19 patients owing to the need to purchase personal protective equipment and critical emergency supplies. Additionally, the funding program enhances a new policy on the New Covid-19 Treatments Add-on Payments (NCTAP) intended to counter the financial impediments for healthcare providers in the provision of Covid-19 treatments (Centers for Medicare and Medicaid Services, 2021). The NCTAP policy will endeavor to increase the payments for healthcare providers who utilize new approaches and strategies approved by the FDA or apply the emergency use authorization (EUA) during the public health emergency period. Furthermore, the Centers for Medicare and Medicaid Services (CMS) incentivizes healthcare providers to offer Covid-19 inpatient hospitalization after the expiration of the public health emergency period while incorporating specific technologies (Kaiser Health News, 2021). The CMS realizes the increasing need to monitor and treat emerging conditions arising from the coronavirus strains, thereby encouraging healthcare providers to sustain the fight across the population. Moreover, healthcare institutions are assured of reimbursement through the cost-sharing initiative and copayments for Covid-19 beneficiaries during their extended hospital stays. Therefore, high

Covid-19 hospitals have an opportunity to continue with their service delivery for healthcare providers through an enlarged reimbursement for Covid-19 inpatients.

Summary

High Covid-19 hospitals are grappling with financial challenges in meeting their financial costs. The American Rescue Program (ARP), through the funding stream of increased Medicare reimbursement, endeavors to sustain its operations. Healthcare managers and hospital CEOs need to recognize the accruing benefits of the funding program in guaranteeing their support towards attending to the patient needs.

References

- Centers for Medicare and Medicaid Services. (2021, April 21). New COVID-19 treatments add-on payment (NCTAP). <https://www.cms.gov/medicare/covid-19/new-covid-19-treatments-add-payment-nctap>
- Kaiser Health News. (2021, February 11). Funding for Health Care Providers During the Pandemic: An Update. KFF. <https://www.kff.org/policy-watch/funding-for-health-care-providers-during-the-pandemic-an-update/>