

Planning for the End of the Public Health Emergency (PHE)

The Biden Administration [recently announced](#) it will terminate the federal COVID-19 PHE on May 11, 2023. Governor Newsom also [previously announced](#) the California COVID-19 state of emergency will end on Feb. 28, 2023. CHA will update this page with resources to assist members in preparing for the end of the PHE, including the unwinding of certain regulatory waivers, as well as special coverage and payment policies.

PHE Flexibilities Resources

State and federal policymakers made a large number of temporary policy changes to help the health care system adapt to the changing needs of the COVID-19 pandemic. While nearly all of these policies currently remain in effect, most are scheduled to expire once the state and federal COVID-19 emergency declarations end.

This CHA [resource](#) identifies the major pandemic-related policy changes affecting hospitals, and indicates if — and when — they are scheduled to expire.

Earlier this year, Department of Health Care Services (DHCS) updated its [plan](#) for unwinding the program changes in place under the PHE.

Medicaid Eligibility and Federal Funding

On Dec. 29, 2022, President Joe Biden signed the Consolidated Appropriations Act of 2023, which makes two major changes to COVID-19 pandemic-related Medicaid policies that will have significant impacts on California's hospitals.

Prior Law. Previous COVID-19-related federal legislation made state Medicaid programs eligible to receive a 6.2 percentage-point increase in the federal government's share of cost, provided states met certain conditions. (In Medi-Cal, California's Medicaid program, the federal share of cost is normally 50%.) Among these conditions is the "continuous coverage requirement," a prohibition against states terminating beneficiaries' Medicaid eligibility except in limited circumstances, such as those where the beneficiary moves out of state or is deceased. Under this prior law, the enhanced federal funding and the continuous coverage requirement would remain in place until on or after the COVID-19 public health emergency expires, which is not expected to occur until mid-April 2023 at the earliest.

Resumption of Eligibility Redeterminations. The Consolidated Appropriations Act decouples the enhanced federal funding and continuous coverage requirement from the COVID-19 public health emergency and instead establishes fixed dates for winding down these pandemic-related policies. Under this change in law, the continuous coverage requirement will expire on March 31, 2023, triggering the renewal of Medicaid eligibility redeterminations and terminations. This is expected to result in 2 million to 3 million beneficiaries losing Medi-Cal coverage over the next 14 months. To avoid a huge increase in the number of uninsured patients and protect continuity of care, the DHCS and Covered California are working to implement an [auto-enrollment program](#) whereby individuals who lose their Medi-Cal eligibility are auto-assigned to a Covered California plan, in which they are enrolled after they opt in.

Scheduled Phasedown of Enhanced Federal Medicaid Funding. The enhanced federal funding will phase down to zero percentage points, according to the following schedule:

| Time Period | Enhanced Federal Funding (in percentage points) |
|----------------------|--|
| 1/1/2020 - 3/31/2023 | 6.2% |
| 4/1/2023 - 6/30/2023 | 5% |
| 7/1/2023 - 9/30/2023 | 2.5% |
| 10/1/2023 - 12/31/23 | 1.5% |
| 1/1/2024 onward | 0% |

States' eligibility for the enhanced federal funding after the full enhancement expires on March 31, 2023, is conditional upon state Medicaid programs meeting certain requirements, such as resuming eligibility redeterminations, according to federal rules.

Impacts on Hospitals. The wind-down of these two pandemic-related policies will affect hospitals in important ways. First, hospitals may see increases in the number of uninsured patients. Second, given the scheduled reversion of the federal share of the cost to standard levels, the net financial benefit for hospitals will go down in Medi-Cal financing programs where hospitals, rather than the state, pay the nonfederal share of cost.

Federal Waivers Extended Beyond the PHE

In the Consolidated Appropriations Act (CAA) of 2023, Congress extended certain COVID-19 flexibilities beyond the end of the PHE. Including certain telehealth waivers and the acute hospital care at home waiver.

Telehealth. The CAA of 2023 extends the following Medicare telehealth flexibilities until Dec. 31, 2024:

- Allows telehealth services to be furnished in any geographic area and in any originating site setting, including the beneficiary's home;
- Allows physical therapists, occupational therapists, speech-language pathologists, and audiologists to furnish telehealth services; Allows continued payment for telehealth services furnished by Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) using the methodology established during the PHE
- Delays the in-person visit requirements for mental health services furnished via telehealth.
- Allows certain services to be furnished via audio-only telecommunications systems;
- Allows a telehealth visit to be used instead of a face-to-face encounter for recertification of a patient's eligibility for hospice care.

These policies do not reflect all telehealth flexibilities that have been permissible for the duration of the PHE, and CHA awaits additional rulemaking and guidance from the Centers for Medicare & Medicaid Services (CMS) to adopt these changes in regulations. CHA will update this resource page as more information is available.

Acute Hospital Care at Home. The CAA of 2023 extends the Acute Hospital Care at Home Program until Dec. 31, 2024. The legislation also requires that CMS issue a report by Sept. 30, 2024, that evaluates the program based on certain data participating hospitals must submit.