

4/17/2020

Dear REDC Members,

Hope you are all staying healthy and safe this week. Below you'll find our updates on COVID-19 items (i.e. telehealth) and the SERVE Act for this week.

Action Items for REDC Members:

1. We ask that you share this new COVID-19 4th Package Action Alert with your network, staff, etc. with the Action Alert Date set for Tuesday, April 21st
 - a. Document with all Social Media/Links/Images to share is attached and labeled "April 21_4th COVID Package Action Alert"
2. Additionally, on the ERISA telehealth side, Congress is requesting stories from providers and patients on struggles they are having accessing mental health care. We ask that you also share this request for stories so that we can quickly utilize these for negotiations.
 - a. Document with all Social Media/Links/Sharing Materials attached and labeled "Mental Health Care During COVID Story Collection Materials"

SERVE Act:

- Today we received positive news from Congressman Seth Moulton's office that the House Armed Services Committee has indicated that they will be including some provisions of the SERVE Act within the underlying NDAA legislation (called a Chairman's mark). While the language has not been made available to HASC Committee Members yet, what seemed to be indicated was that they would be including provisions **requiring DOD to loosen restrictions and administrative barriers to permit freestanding RTCs to contract with TRICARE.**
- First off, this is positive news assuming nothing changes, and shows that the REDC and parallel EDC patient advocacy is working!
- Second, this means there are two remaining provisions that are unclear if they will be included (1) removing the age limit for military family members to receive RTC and (2) early identification trainings for Cos/Supervisory personnel.
 - This is where our efforts will now be focused on negotiating strategies to get it included within the underlying statute, policy report language, or some other form this NDAA as we know the age limit is of great importance to the REDC.
 - As mentioned in previous REDC updates, the biggest issue is the mandatory spending funding (\$30M/year) for removing the age limit as the NDAA is required to be offset.
- Next Steps:

- I'm working with our House & Senate leads to develop a strategy to try and sneak this in before the Chairman's Mark becomes public at the end of this month on the House of Representatives side.
- They expect a markup of the NDAA to occur in the House in May with the Chairman's mark (bill) to be publicly sent out by the end of the month (note this is confidential), however, with Speaker Pelosi wanting the House to be out til May 4th and the DC government extending stay-at-home orders til May 15th, its currently unclear when they can come back.
 - They may try to do a "paper hearing" but there has been much opposition to that mode.
- The Senate NDAA process is typically slower than the House, with their markup likely not occurring to June or July.
- Lastly, do note, there are a number of bites at the apple in the NDAA process...especially with us already having our foot in the door with some SERVE provisions. If the age limit is not included in the House Chairman's bill, the following include other bites:
 - Voice vote for amendment from Moulton/Escobar during HASC markup hearings of the bill to include
 - Working to include in the Senate NDAA, and if it is, then the House & Senate NDAA will be negotiated (called "conferenced") and the Senate typically wins
 - Lastly, there is always the opportunity to have a vote for NDAA amendment on both the House & Senate Floor vote.

TRICARE Telehealth Services and State Licensure Waiver:

- REDC Members accepting TRICARE at lower levels of care such as IOP and PHP have flagged for us that they are struggling to have TRICARE cover telehealth services for these levels of care.
- **Telehealth:**
 - We began digging in and had a conversation with CAPT Simmer at DHA, who indicated the following:
 - Additionally, a letter was sent to TRICARE authorized providers in TRICARE West (see attached) stating that they would NOT cover telehealth for PHP, and are considering IOP.
 - In turn it is clear that advocacy directly to the DHA will not move them, it is time for heavier pressure:
 - **Letter from Congress to DHA:** We have secured Congresswoman Escobar (D-TX) and Hartzler (R-MO) to lead a letter to DHA to pressure them to cover that care. This letter will start circulating the House early next week and be sent to DHA by the end of next week.

- **Organizational Sign-on Letter to HASC & SASC for 4th COVID-19 Package:** Additionally as the 3rd COVID-19 package did include TRICARE/DHA requirements, we are leading an organizational sign-on letter to the Armed Services Committee requesting they include provisions in the 4th COVID-19 package (assuming it is not resolved by then) to have DHA loosen these restrictions on PHP and IOP- similar to that of CMS

- **State Licensure Waivers/Temporary Licensure Grants Waived/Honored:**
 - Yesterday, TRICARE released guidance to contractors that aligned their state licensure requirements with CMS. This was a bit initiative from the TRICARE for Kids Coalition (which we are an active participant of)
 - Keep in mind that TRICARE does not have the same Waiver ability as CMS, so it gets a little complicated, but in theory should have the same effect during the national emergency:
 - If the state has activated licensing requirement waivers, TRICARE respects that waiver, and
 - If a state grants a temporary license under the EMAC legislation in their state law, this temporary license meets the intent of TRICARE policy permitting reimbursement to providers operating with a temporary license, so long as that license is at the full clinical practice level.

Commercial/ERISA Plan COVID-19 4th Package Issues (Telehealth, State Waivers, COBRA, etc.):

- I. **Health Insurance Affordability and Access**
 - a. The REDC is leading and actively circulating a sign on letter addressed to House and Senate leadership urging a federal subsidy program under COBRA for Americans that are unemployed or furloughed during the national emergency. The letter will be closing early next week and sent to Congress.
 - b. The Senate finalized a letter led by Sen. Durbin (D-IL) to Senate Majority Leader McConnell (R-KY) and Minority Leader Schumer (D-NY) urging for robust subsidy funding for COBRA in the 4th package. A copy of the letter text is attached.
 - c. This idea is gaining steam and in the House and Senate chambers, so we will continue to keep up the pressure on Members of Congress.

II. Democratic Health Leaders Call on Trump Administration to Help Millions Affected by COVID-19 Access Health Coverage ([full letter here](#))

- a. The letter calls for the Administration to establish a new Special Enrollment Period (SEP) for millions affected by the ongoing economic and health crisis.
- b. The letter posed the following questions to the Administration:
 - i. What actions will the Administration take to increase awareness of an SEP to potentially eligible consumers? Please also provide a timeline of these actions.
 - ii. How will the Administration reduce the burden on applicants through HealthCare.gov who may need to provide supporting documentation to prove loss of coverage?
 - iii. How will the Administration reduce the burden on applicants through HealthCare.gov whose income data on file, such as a previous year's tax return, may trigger an income inconsistency?
 - iv. Will the Administration provide additional protections with respect to tax filing reconciliation for applicants through HealthCare.gov who may struggle to accurately project their annual household income as a result of COVID-19?
 - v. What steps is the Administration taking to inform consumers about the lack of coverage non-ACA compliant plans may provide for COVID-19 and other serious medical conditions?

III. Departments of Labor, Health & Human Services & Treasury Release FAQ

- a. The three federal agencies released an FAQ document to help providers, facilities and insurers understand the expansion of coverage for the testing of COVID-19 and related procedures. Included within the FAQ, the Departments made mention to states ability to loosen state licensing laws to further encourage telehealth use declaring:
 - i. The Departments also encourage states to support efforts to increase access to telehealth and other remote care services. In particular, the Departments urge states to consider whether state licensing laws could be relaxed during the

period in which a public health emergency declaration under section 319 of the PHS Act related to COVID-19 or a national emergency declaration under the National Emergencies Act, 50 U.S.C. section, 1601 et seq., related to COVID-19 is in effect, to enable more in-state and out-of-state providers to offer telehealth and other remote care services in the state.

New Loan Program Soon to be Available for REDC Members:

The program will run through two facilities: [Main Street New Loan Facility \(MSNLF\)](#) and the [Main Street Expanded Loan Facility \(MSELF\)](#)

For the MSNLF, eligible borrowers include:

- Business up to 10,000 employees or up to 2.5 billion in 2019 annual revenue.
- Business is created or organized in the U.S.
- Cannot already participate in the Main Street Expanded Loan Facility (MSELF) or the Primary Market Corporate Credit Facility

Loan Details:

- 4 year maturity
- Amortization of principal and interest deferred for one year
- Minimum loan size of \$1 million
- Maximum loan size is the lesser of (i) \$25 million or (ii) an amount that, when added to the existing outstanding and committed but undrawn debt of the borrower, does not exceed 4x the borrowers 2019 earnings before interest, taxes, depreciation and amortization

For the MSELF, eligible borrowers include:

- Business up to 10,000 employees or up to 2.5 billion in 2019 annual revenue.
- Business is created or organized in the U.S.
- Cannot already participate in the Main Street Expanded Loan Facility (MSELF) or the Primary Market Corporate Credit Facility

Loan Details:

- 4 year maturity
- Amortization of principal and interest deferred for one year
- Minimum loan size of \$1 million

- Maximum loan size this is the lesser of (i) \$150 million, (ii) 30% of the borrower's existing outstanding and committed but undrawn bank debt, or (iii) an amount that, when added to the borrower's existing outstanding and committed but undrawn debt, does not exceed 6x the borrower's 2019 earnings before interest, taxes, depreciation, and amortization.

Best,

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Managing Principal

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