The $1.9 trillion, 628-page coronavirus relief bill includes billions of dollars for the ongoing efforts to treat, prevent and contain the COVID-19 pandemic, along with many other provisions that will help shape U.S. health care for years to come. Here’s what physicians should understand about the legislation, which was signed by President Joe Biden and passed by Congress without any Republican votes through the budget-reconciliation process.

The AMA was neutral on the measure, which contains appropriations without offsetting spending cuts and—without further congressional action—would trigger some automatic federal budget reductions including up to a 4% slash in physician Medicare payments. This would be on top of the 2% reductions in Medicare payments from the previous budget sequester that had been temporarily stopped but will resume April 1 unless Congress takes action.

The legislation also failed to address COVID-19 related liability protections that are necessary. The AMA has advocated safe harbors for physicians faced with suboptimal treatment arrangements, guidelines and protocols, patient surges and postponement of elective procedures. The AMA supports the bipartisan Coronavirus Provider Protection Act, which includes these provisions while exempting “willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious flagrant indifference to the rights or safety” of a patient.

Here are some of the top health care-related provisions in the “American Rescue Plan Act of 2021” that doctors should know about.

To help fight the pandemic, the law:

- Gives $47.8 billion for state and local health departments’ COVID-19 testing, contact tracing and other mitigation activities.
- Directs $10 billion for use of the Defense Production Act to boost domestic production of personal protective equipment (PPE), vaccines and rapid COVID-19 tests.
- Contributes $8.7 billion to the COVID-19 global response.


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Adds $8.5 billion to the Provider Relief Fund created by the Coronavirus Aid, Relief and Economic Security (CARES) Act.

Allocates $7.5 billion to the Centers for Disease Control and Prevention to plan, prepare for, promote, distribute, administer and track COVID–19 vaccines.

Allocates $500 million to the Food and Drug Administration to evaluate the continued performance, safety, and effectiveness—including emerging COVID-19 variants—of vaccines, therapeutics, and diagnostics authorized for the treatment, prevention, or diagnosis of COVID-19.

Increases funding to waive copays for veterans during the pandemic, and to support COVID-19 vaccine distribution, expanded mental health care and enhanced telehealth coverage for veterans, and extend support for veterans who are homeless or in danger of becoming homeless.

To expand access to care, the law:

- Invests nearly $35 billion in premium subsidy increases for those who buy coverage on the Affordable Care Act marketplace by expanding availability of tax credits to individuals whose income is above 400% of the federal poverty level for 2021 and 2022.
- Provides a two-year, 5% increase in the Medicaid Federal Medical Assistance Percentages to states that expand Medicaid.
- Gives states an option to provide 12-month post-partum coverage under their Medicaid and CHIP programs.
- Provides that anyone who received unemployment compensation at any point during 2021 and is not otherwise eligible for health coverage—including individuals below the poverty level—can receive the maximum subsidies for marketplace coverage and cost-sharing reductions, which will particularly help in states that have not expanded Medicaid.

To boost public health, the law:

- Allocates $7.6 billion for community health centers to administer COVID-19 vaccines; to test, trace, mitigate and treat COVID-19; and to enhance health services and infrastructure.
- Provides more than $6 billion for Indian Health Service and Native American housing programs.
- Sustains funding for federal nutrition assistance programs including the Supplemental Nutrition Assistance Program (SNAP), which will get $1.1 billion.
- Provides $1.5 billion for community mental health service block grants and another $1.5 billion in block grants to fund substance-use disorder prevention and treatment.

To help develop the health workforce, the law:

- Allocates $7.7 billion for expanding and sustaining local public health workforces.
Provides $800 million for the National Health Service Corps Repayment Program, $330 million for Graduate Medical Education Teaching Health Centers, and $100 million for the Medical Reserve Corps.

Provides $80 million to provide mental health and substance-use disorder (SUD) training for health professionals, paraprofessionals and public-safety officers.

Supplies $40 million for grants that support community mental health and SUD treatment, training of health professionals, and promotion of mental health among the health workforce.

Physicians’ call to stop pay cuts

The pandemic has caused global economic disruption that has not spared physician practices. An AMA survey conducted last year on the financial impact of COVID-19 on physician practices found physicians averaged a 32% drop in revenue between February and August 2020.

And a recent analysis of Medicare claims data found that Medicare Physician Fee Schedule (MPFS) spending dropped as much as 57% below expected pre-pandemic levels in April 2020. MPFS spending fell an estimated $9.4 billion during the first half of 2020, or 19% lower than expected.

This economic disruption could be exacerbated with an additional 6% in Medicare payment cuts unless Congress takes action. The AMA Physicians Grassroots Network is calling on physicians to take action now and to tell Congress to support H.R. 315, the Medicare Sequester COVID Moratorium Act, which would postpone the 2% reduction until the end of the COVID-19 public health emergency.

Learn more about the AMA’s recent and ongoing COVID-19 advocacy.