COVID-19 Program Flexibilities and Considerations for Their Continuation

What GAO Found

In response to the COVID-19 pandemic, the Centers for Medicare & Medicaid Services (CMS), the federal agency responsible for overseeing Medicare and Medicaid, made widespread use of program waivers and other flexibilities to expand beneficiary access to care. Some preliminary information is available on the effects of these waivers. Specifically:

Medicare. CMS issued over 200 waivers and cited some of their benefits in a January 2021 report. For example, CMS reported that:

• Expansion of hospital capacity. More than 100 new facilities were added through the waivers that permitted hospitals to provide care in non-hospital settings, including beneficiaries’ homes.
• Workforce expansion. Waivers and other flexibilities that relaxed certain provider enrollment requirements and allowed certain nonphysicians, such as nurse practitioners, to provide additional services expanded the provider workforce.
• Telehealth waivers. Utilization of telehealth services—certain services that are normally provided in-person but can also be provided using audio and audio-video technology—increased sharply. For example, utilization increased from a weekly average of about 325,000 services in mid-March to peak at about 1.9 million in mid-April 2020.

Medicaid. CMS approved more than 600 waivers or other flexibilities aimed at addressing obstacles to beneficiary care, provider availability, and program enrollment. GAO has reported certain flexibilities such as telehealth as critical in reducing obstacles to care. Examples of other flexibilities included:

• Forty-three states suspended fee-for-service prior authorizations, which help ensure compliance with coverage and payment rules before beneficiaries can obtain certain services.
• Fifty states and the District of Columbia waived certain provider screening and enrollment requirements, such as criminal background checks.

While likely benefitting beneficiaries and providers, these program flexibilities also increase certain risks to the Medicare and Medicaid programs and raise considerations for their continuation beyond the pandemic. For example:

• Increased spending. Telehealth waivers can increase spending in both programs, if telehealth services are furnished in addition to in-person services.
• Program integrity. The suspension of some program safeguards has increased the risks of fraud, waste, and abuse that GAO previously noted in its High-Risk report series.
• Beneficiary health and safety. Although telehealth has enabled the safe provision of services, the quality of telehealth services has not been fully analyzed.