

GAO@100 Highlights

Highlights of [GAO-21-575T](#), a testimony before the Committee on Finance, U.S. Senate

Why GAO Did This Study

Medicare and Medicaid—two federally financed health insurance programs—spent over \$1.5 trillion on health care services provided to about 140 million beneficiaries in 2020. Recognizing the critical role of these programs in providing health care services to millions of Americans, the federal government has provided for increased funding and program flexibilities, including waivers of certain federal requirements, in response to the COVID-19 pandemic.

The CARES Act includes a provision for GAO to conduct monitoring and oversight of the federal government's response to the COVID-19 pandemic. In response, GAO has issued a series of government-wide reports from June 2020 through March 2021. GAO is continuing to monitor and report on these services.

This testimony summarizes GAO's findings from these reports related to Medicare and Medicaid flexibilities during the COVID-19 pandemic, as well as preliminary observations from ongoing work related to telehealth waivers in both programs. Specifically, the statement focuses on what is known about the effects of these waivers and flexibilities on Medicare and Medicaid, and considerations regarding their ongoing use.

To conduct this work, GAO reviewed federal laws, CMS documents and guidance, and interviewed federal and state officials. GAO also interviewed six provider and beneficiary groups, selected based on their experience with telehealth services.

GAO obtained technical comments from CMS and incorporated them as appropriate.

View [GAO-21-575T](#). For more information, contact Jessica Farb at (202) 512-7114 or farbj@gao.gov or Carolyn L. Yocom at (202) 512-7114 or yocomc@gao.gov.

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MEDICARE AND MEDICAID

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.