

Health Care in The ARPA Bill: Selected Highlights from Chapter 102 of the Acts of 2021

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Nancy Wagman
Massachusetts Budget and Policy Center

INTRODUCTION

New federal dollars coming to Massachusetts to address both the health and economic impacts of the COVID-19 pandemic continue to play a significant role in the state’s recovery. One of the largest sources of new federal funding to help Massachusetts respond to and recover from the pandemic is the federal American Rescue Plan Act (ARPA), passed in March 2021. ARPA provides economic assistance to individuals, businesses, community organizations, schools, and other entities. It also provides significant funding for states to use to meet their own identified needs. Overall, ARPA sends more than \$39.4 billion to Massachusetts (see sidebar).¹

On December 13, 2021, Governor Baker signed Chapter 102 of the Acts of 2021 into law. This legislation, often referred to as the “ARPA bill,” appropriates close to \$4 billion, including \$2.55 billion in funding directly from ARPA (see sidebar for more information about ARPA’s State Fiscal Recovery Fund, the source for this funding).² Chapter 102 invests these funds in many areas, including housing, infrastructure, education and economic development. Health services received \$950 million in the law, with funding for physical health, behavioral health, long-term care services, and public health initiatives. Because Chapter 102 also includes a commitment to ensure that many of these funds are distributed to the communities that were hardest hit by the COVID-19 pandemic—which include Black, Brown, low-income, and immigrant communities³—it has the potential to help improve long-standing health inequities. This issue brief summarizes the key components of Chapter 102 that will affect health and health care in Massachusetts.

AMERICAN RESCUE PLAN ACT (ARPA) FUNDING TO MASSACHUSETTS

President Joe Biden signed the American Rescue Plan Act (ARPA) into law in March 2021 to get money into the states to start building towards recovery from the effects of the COVID-19 pandemic. Massachusetts has received a total of about \$39.4 billion from ARPA. Funding includes direct payments to individuals (for example, in the form of tax credits and enhanced health insurance subsidies), funding to businesses or nonprofits, through grant programs, as well as directly to the state and to local governments for use at their discretion.

ARPA FUNDING TO MASSACHUSETTS	
For Individuals	\$19.7B
<i>Direct (tax credits, health insurance subsidies, etc.)</i>	\$11.4B
<i>Unemployment Subsidies</i>	\$8.3B
For Businesses or Nonprofits	\$2.3B
For Grant Programs	\$8.7B
Discretionary Fiscal Recovery Funding	\$8.7B
<i>Local Fiscal Recovery Fund</i>	\$3.4B
<i>State Fiscal Recovery Fund</i>	\$5.3B
TOTAL ARPA FUNDING TO MASSACHUSETTS	\$39.4B

Author’s calculations. Data from Mass. Executive Office of Administration and Finance. See <https://www.mass.gov/info-details/about-covid-19-federal-funds>.

Most of the funding appropriated through Chapter 102 comes from one-time State Fiscal Recovery Fund dollars Congress included in ARPA. Though there are some restrictions on how states can use this money (see Appendix A for a summary on the eligible uses of ARPA fiscal recovery funds), states have tremendous flexibility to use these funds at their discretion for initiatives that respond to COVID-19 and its negative economic impacts. Massachusetts received \$5.3 billion in State Fiscal Recovery Funds, and some of that had already been spent prior to the passage of Chapter 102. Although the state’s spending in Chapter 102 is a relatively small portion of the total \$39.4 billion from ARPA, it accounts for more than half of what remains from the state’s “discretionary” portion.

For more information about the key components of ARPA that will affect health care in Massachusetts, please see the Blue Cross Blue Shield of Massachusetts Foundation’s resource “Impact of the American Rescue Plan Act on the Massachusetts Health Care System,” available at <https://www.bluecrossmafoundation.org/publication/impact-american-rescue-plan-act-massachusetts-health-care-system>.

INVESTMENTS TO RECOVER FROM A PUBLIC HEALTH CRISIS

First and foremost, the COVID-19 pandemic has been a public health crisis. Spending in Chapter 102 includes funding to address challenges in Massachusetts’ health and health care systems created or compounded by the pandemic in the following categories: health care providers, public health, long-term services and supports, and behavioral health (inclusive of mental health and substance use disorders).

Across all four of these categories, many of Chapter 102’s specific initiatives and investments focus on workforce development. The pandemic has worsened a workforce crisis in what are known as “the caring professions.” Across the Commonwealth, health, public health, long-term care, and behavioral health services have all been struggling to meet

staffing challenges. Whether because of burnout, worries about the infection risks in direct care work, the lack of adequate child care for one's own children, or being discouraged by low pay rates, health and health-related professions overall have been deeply affected by employment disruptions.⁴ Many of Chapter 102's health and health care provisions attempt to remedy this workforce shortage by investing in a variety of workforce development, recruitment, and training programs.

Health care providers. The pandemic has taxed health care provider organizations such as hospitals and health clinics at the frontlines responding to this public health emergency. Chapter 102 provides grants to help providers cover the costs they have incurred in testing and treating patients presenting with COVID, as well as investments to help improve electronic health record system infrastructure at community health centers.

CHAPTER 102 FUNDING PROVISIONS FOR HEALTH CARE PROVIDERS

1599–2028: For Fiscally Strained Hospitals — \$260,000,000. To support hospitals and their affiliated health care providers in hard-hit cities and towns. This includes:

- **\$250,000,000** to a new trust fund called the COVID-19 Public Health Emergency Hospital Relief Trust Fund administered by the Secretary of Health and Human Services. A separate section of the law (Section 71) describes that the fund would award grants to hospitals or related providers to cover unreimbursed expenses or lost revenue related to the pandemic and provide support for health providers that served disproportionately impacted communities. The types of expenses these funds could reimburse include the costs of temporary medical facilities, personal protective equipment, medical supplies, and worker training. Of the total in this trust fund, \$50,000,000 is specifically reserved for high public payer hospitals including acute care hospitals and those that provide psychiatric residential or day services (other than those providing intensive residential treatment for adolescents).
- **\$5,000,000** to Community Care Cooperative, a MassHealth Accountable Care Organization (ACO) made up of the state's federally qualified community health centers, for the purpose of updating and improving their electronic health record systems at the central office.
- **\$5,000,000** for grants to community health centers to update and improve their electronic health records.

Line items that begin with 1599- will be administered by the Executive Office of Health and Human Services, rather than by the individual state agencies or their commissioners.

Public health. The state's public health infrastructure has been tested as never before as state and local health departments have had to monitor health care system capacity, track infection and vaccination rates across community and clinical delivery sites, and provide guidance about mask mandates, school closures, and more.⁵ Chapter 102 includes funding to support regional and local public health systems and to help develop the public health workforce. There is also funding for initiatives to better unify municipal public health data systems, with an emphasis on developing shared public health services. Chapter 102 also invests in specific public health initiatives such as an outreach and education campaign focused on vaccinations and health care coverage in communities hard-hit by the COVID-19 pandemic.

CHAPTER 102 FUNDING PROVISIONS FOR PUBLIC HEALTH

1599–2025: Local and Regional Public Health — \$200,100,000. To support regional and local public health systems, particularly with an emphasis on developing shared public health services among cities and towns.

- **\$98,850,000** to create a standardized and unified public health data system, including online inspections and permitting.
- **\$71,150,000** for a four-year training and professional development program for local boards of health.
- **\$30,000,000** for training and education for staff members at local boards of health and health departments.
- **\$100,000** for a report on the state of the health care workforce. This study, described in a separate section (**Section 80**) of the law would be conducted by the Health Policy Commission and focus on the issues that have led to both chronic and acute workforce shortages in both the primary and behavioral health care systems.

4000–0012: MassHealth Outreach & Vaccine Public Awareness — \$5,000,000. To support an outreach and education campaign in communities hard-hit by the COVID-19 pandemic, focused on COVID-19 vaccinations and on eligibility redetermination for the MassHealth program. This program would be run by the consumer health advocacy organization Health Care for All.

4513–0101: Public Health Programs and Special Projects — \$10,143,000. To support a wide range of public health programs, services, or special projects through the Department of Public Health. All of the total is "earmarked" for specific projects or initiatives.

Line items that begin with 1599- will be administered by the Executive Office of Health and Human Services, rather than by the individual state agencies or their commissioners.

Long-term services and supports. The pandemic has profoundly affected both the recipients of the state’s long-term services and supports (services and supports that help people with disabilities meet their daily needs for personal assistance and improve the quality of their lives) and the caregivers in those systems. Nursing homes were among the earliest epicenters of the pandemic, with both residents and direct care workers experiencing disproportionately high rates of infection.⁶ Chapter 102 includes funding to help retain workers in these high-risk and relatively low-paid environments. Chapter 102 also authorizes spending of \$300 million in federal funding to support services that enable people with disabilities to live successfully in community-based settings such as houses and apartments rather than under institutional care (see textbox below for more information).

CHAPTER 102 FUNDING PROVISIONS FOR LONG-TERM SERVICES AND SUPPORTS

1599–2029: For Nursing Facility & Workforce Improvements — \$50,000,000. To support capital improvements and efforts to retain workers at nursing homes. This includes:

- **\$25,000,000** for a no-interest or forgivable loan program to develop specialized care units such as for infectious disease isolation, dementia care, traumatic brain injury, substance use disorder, or dialysis; or for improvements such as ventilation or energy conservation; or even such initiatives as creating more private rooms or converting sections of the facility to affordable housing.
- **\$25,000,000** for nursing home workforce retention and recruitment programs, especially for workers in facilities where at least 75 percent of the residents are enrolled in MassHealth.

Section 61: MassHealth Home and Community-Based Services — \$300,000,000. This section of the law adds a new line item 1599–9817 into the fiscal year (FY) 2022 budget to spend out a portion of an estimated total of about \$500,000,000 that will come to Massachusetts from a one-year 10 percentage point increase in the federal reimbursement rate for Medicaid-reimbursable home and community-based long-term services and supports (HCBS). Medicaid-reimbursable HCBS includes home health care, personal care services, case management, school-based services, rehabilitation services, and private duty nursing. These are services primarily provided through the Department of Developmental Services for adults with disabilities.

Section 70 of the law creates a Home and Community-Based Services Federal Investment Fund to hold this funding. The state established three pillars for the use of these funds: addressing challenges in recruiting and retaining the direct care workforce, including support for both paid and unpaid caregivers; continually promoting home and community-based care by supporting families through periods of transition from one service setting to another and developing new care models; and investing in technology or infrastructure that strengthens home and community-based living, including better cross-agency data integration.

Line items that begin with 1599- will be administered by the Executive Office of Health and Human Services, rather than by the individual state agencies or their commissioners.

Behavioral health. The pandemic has also brought to the fore concerns about emotional well-being and behavioral health, especially for children. Months of isolation, recurring anxiety about health risks, disruption of usual routines, and grief over loved ones lost to COVID have had a notable impact on the emotional health of many.⁷ Substance misuse has increased as people struggle to cope with the stress.⁸ Chapter 102 invests over \$400 million in a variety of initiatives to expand access to behavioral health supports and services and community-based primary care.

CHAPTER 102 FUNDING PROVISIONS FOR BEHAVIORAL HEALTH

1599-2026: Behavioral Health Workforce & Infrastructure Supports — \$400,000,000. To expand access to mental and behavioral health supports and services and community-based primary care. This includes:

- **\$198,650,000** to the Behavioral Health Trust Fund. A separate section of the law (Section 72) describes that the fund should assess challenges affecting the behavioral health workforce and factors affecting equity in access to care. Section 72 also creates an advisory group to support the administration of the fund. Governor Baker vetoed Section 72 of the law, and proposed new language placing the fund and advisory commission directly under the Secretary of Health and Human Services rather than under the commissioners of public health and mental health.
- **\$110,000,000** in total for loan repayment programs for behavioral health professionals of all types—from psychologists and primary care physicians to community health workers and recovery coaches—operated through the Behavioral Health Trust Fund and the Executive Office of Health and Human Services.
- **\$15,000,000** for a pre-arrest co-response program that pairs behavioral health clinicians with law enforcement to provide mental health or substance use crisis responses when appropriate to keep people out of jail when possible.
- **\$15,000,000** for primary care workforce development, recruitment, and training at community health centers.
- **\$11,600,000** for a program to recruit psychiatric mental health nurse practitioners to community health centers.
- **\$10,000,000** in grants for assertive community treatment, a model of community-based care for persons with serious mental illness, with \$5,000,000 of this total dedicated to services for people under age 22 who have been unable to be successful with less intensive levels of care. Funding could cover needs such as care coordination, family services, housing supports, and more. There is language requiring that at least one grant be made in each of the state's health and human services regions in order to spread access to this model of care across the state.
- **\$7,000,000** for expanded round-the-clock behavioral health services at community health centers. This is a central component of the state's Roadmap for Behavioral Health Reform.
- **\$5,000,000** for an online resource to help find appropriate behavioral health placements for people who are "boarding" (stuck) in emergency departments.
- **\$5,000,000** for a public campaign to promote awareness and use of behavioral health services.
- **\$5,000,000** for men's crisis stabilization services at the Dimock Center health center in Boston.
- **\$5,000,000** for grants to Massachusetts public colleges and universities for student behavioral health services.
- **\$5,000,000** for the Criminal Justice and Community Support Trust Fund to support both the opening of new behavioral health and treatment beds and also to support a restoration program in Middlesex County. This program would keep certain people with mental health or substance use conditions out of lock-up prior to arrest or adjudication by directing them to appropriate treatment.
- **\$2,500,000** for a "data warehouse" to coordinate data among the agencies under the Executive Office of Health and Human Services in order to make it easier for people to find appropriate services.
- **\$1,500,000** to expand community-based pediatric behavioral health urgent care, particularly for children with complex needs such as involvement with the child welfare or juvenile justice systems, or children with autism spectrum disorders.
- **\$1,000,000** to create a school-based behavioral health technical assistance center.
- **\$1,000,000** for Jewish Family and Children's Services of Greater Boston for wraparound services for at-risk persons.
- **\$750,000** for supports for families with serious mental health needs.
- **\$500,000** for a public awareness program about the loan repayment assistance program administered through the proposed Behavioral Health Trust Fund.
- **\$500,000** for a behavioral health workforce development center at William James College.

5011-0101: Mental Health Programs and Special Projects — \$4,025,000. To support a wide range of behavioral health programs, services, or special projects through the Department of Mental Health. All of the total is "earmarked" for specific projects or initiatives.

Line items that begin with 1599- will be administered by the Executive Office of Health and Human Services, rather than by the individual state agencies or their commissioners.

Chapter 102 also includes a few other provisions that affect health care but do not fall into one of the above categories. For example, it appropriates over \$35 million to support a wide range of health or human services programs or special projects through the Executive Office of Health and Human Services. All of the total is “earmarked” for specific projects or initiatives, and only a portion of these earmarks would be considered “health-related” as there are also earmarks for building repair at community centers, for afterschool activities for youth, for staffing at senior centers, and similar projects more typically considered to be “human (or social) services,” not “health.” Chapter 102 also revives a special commission created in 2017 focused on vision and eye health in children and directs the commission to file their report with the Legislature by December 31, 2021.

A COMMITMENT TO EQUITY

There is no question that the pandemic and its impacts hit some communities harder than others. Black, Brown, low-income, and immigrant communities have all been hit hardest by the virus and by the lingering economic impacts of the downturn during 2020.⁹ ARPA was designed to immediately address the spread of infection, get money into the pockets of people who are struggling, and help rebuild communities, especially those that disproportionately are suffering from the impacts of the pandemic.

In keeping with this intent, Chapter 102 includes language throughout explicitly stating that the appropriations should be directed to “communities disproportionately impacted by the 2019 novel coronavirus pandemic.” The large, newly created health-related line items discussed in this brief (any of the line items that begin with 1599-, such as all the funding for Behavioral Health Workforce & Infrastructure Supports) include this explicit language to govern the appropriations, as do many of the other non-health-related line items (which were not a focus for this brief).

The law also includes a section (Section 74) that creates an “equity and accountability review panel.” This panel is responsible for setting up a tracking system to monitor how well the federal funds appropriated in this legislation (including, but not limited to, the funds appropriated to health and public health) are reaching communities disproportionately affected by the pandemic. The panel is also responsible for monitoring whether contracts are awarded to what are known as “diverse businesses,” which are those that are owned by people of color, women, veterans, members of the LGBT community, or other categories certified by state regulators. The panel is made up of a wide range of stakeholders and is expected to make recommendations to continually improve equity in the allocation of funds appropriated by Chapter 102.

CONCLUSION

The funding from Chapter 102 provides meaningful investments in critical health care needs and presents opportunities for important improvements in public health, health care delivery systems, and health equity. However, much of this federal COVID relief funding coming to the Commonwealth represents one-time investments, and those are not likely sufficient to solve ongoing or underlying inequities. Language in Chapter 102 says the state will have until the end of FY2027 (June 30, 2027) to spend most of the total funding appropriated, so these appropriations may—and will likely—be spent out over several years. Tracking the implementation of this spending will be critical for ensuring that this money is best used to help Massachusetts build towards an equitable recovery.

APPENDIX A: ELIGIBLE USES OF STATE AND LOCAL FISCAL RECOVERY FUNDS

The American Rescue Plan Act identified that the intent of the state and local fiscal recovery funds is to:

- Respond to COVID-19 or its negative economic impacts. This may include providing direct assistance to households, nonprofits, or businesses.
- Provide premium pay to eligible essential workers (up to \$13 per hour, up to \$25,000 per worker).
- Make up for services cut, up to the amount of revenue lost due to the pandemic.
- Invest in water, sewer, or broadband infrastructure.

On the other hand, the money cannot be used to:

- Pay for (offset) a net tax cut (for the state funds).
- Deposit into a pension fund (for both the state and local funds).¹⁰

Even with the restrictions placed on these dollars, they are quite flexible and can be used in ways that can directly address issues of equity, and the guidance provided to states on the use of these funds specifically emphasizes the importance of targeting spending to directly benefit communities disproportionately affected by the pandemic.

ENDNOTES

- 1 As of the date of publication. For details on federal COVID-19 funding to Massachusetts, see the data from the MA Executive Office of Administration and Finance at <https://www.mass.gov/info-details/about-covid-19-federal-funds>.
- 2 Section 81 of Chapter 102 explicitly states that the spending in the law will be supported by up to \$2.55 billion from the federal ARPA discretionary funds and up to \$1.45 billion from remaining FY2021 general fund surplus that was set aside into the Transitional Escrow Fund. For most of the spending in Chapter 102, the Baker administration will draw on either the ARPA discretionary funds or the FY2021 surplus funds as appropriate. A small portion of the funding (about \$80 million that is not specifically pandemic related) will be paid for only out of FY2021 surplus dollars.
- 3 See, for example, the recommendations from the MA Department of Public Health COVID-19 Health Equity Advisory Group, June 19, 2020, available at <https://www.mass.gov/doc/health-equity-advisory-group-recommendations/download>.
- 4 See, for example, Sara Berg, “Half of Health Workers Report Burnout Amid COVID-19,” American Medical Association, July 20, 2021, available at <https://www.ama-assn.org/practice-management/physician-health/half-health-workers-report-burnout-amid-covid-19>.
- 5 See Massachusetts Health Policy Commission, “Impact of COVID-19 on the Massachusetts Health Care System: Interim Report,” April 2021, available at <https://www.mass.gov/doc/impact-of-covid-19-on-the-massachusetts-health-care-system-interim-report/download>.
- 6 Data available from the MA Department of Public Health COVID-19 Response Reporting at <https://www.mass.gov/info-details/covid-19-response-reporting>.
- 7 See, for example, Kaitlyn Kenney Walsh, Jessica Gottsegen, Sharon K. Long, Jenna T. Sirkin, Rebecca Rasky, Melissa Newberry, Celli Horstman, and Alexandra Figueroa, “Behavioral Health During the First Year of the COVID-19 Pandemic: An Update on Need and Access in Massachusetts 2020/2021,” Blue Cross Blue Shield of Massachusetts Foundation, February 2022, available at <https://www.bluecrossmafoundation.org/publication/behavioral-health-during-first-year-covid-19-pandemic-update-need-and-access-0>.
- 8 See, for example, Nirmita Panchal, Rabah Kamal, Cynthia Cox, and Rachel Garfield, “The Implications of COVID-19 for Mental Health and Substance Use,” Kaiser Family Foundation, February 10, 2021, available at <https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use/>.
- 9 See “Tracking the COVID-19 Economy’s Effects on Food, Housing, and Employment Hardships,” Center on Budget and Policy Priorities, November 10, 2021, available at <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-economys-effects-on-food-housing-and>.
- 10 See U.S. Treasury Guidance on the use of Coronavirus State and Local Fiscal Recovery Funds at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.



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