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Infrastructure Investment and Jobs Act Key Healthcare Provisions

Broadband: The bill provides a \$65 billion investment in broadband and cybersecurity primarily to underserved communities. These funds will allow for the further development of a virtual digital health infrastructure. The bill seeks to create a more equitable distribution of broadband to include communities that experienced difficulty accessing telehealth and virtual care during the pandemic due to lack of broadband or the ability to pay for internet connectivity, software, and hardware needed to participate in the virtual delivery of care.

\$42.45 billion in grants to states for deployment: This funding supports a formula-based grant program to states, territories, and the District of Columbia for the purposes of broadband deployment. Projects would have to meet a minimum download/upload build standard of 100/20 megabits per second. The funding includes 10% set aside for high-cost areas and each state and territory receives an initial minimum allocation, a portion of which could be used for technical assistance and supporting or establishing a state broadband office. To increase affordability, all funding recipients have an obligation to offer a low-cost plan as a condition of receiving funding. States would be required to have enforceable plans to address all of their unserved areas before they are able to fund deployment projects in underserved areas. After both unserved and underserved areas are addressed, states may use funds for anchor institution projects.

\$14.2 billion affordability vouchers: This provision creates a permanent, sustainable Affordable Connectivity Benefit to ensure low-income families can access the internet. The program provides a \$30 per month voucher for low-income families to use toward any internet service plan of their choosing. It builds on the Emergency Broadband benefit, making the benefit permanent and expanding eligibility to help more low-income households, while also making it more sustainable for taxpayers.

\$2.75 billion – Inclusion Grants: Establishes two formula-based and competitive grant programs administered by the Department of Commerce National Telecommunications and Information Administration (NTIA). Goal: to promote digital inclusion and equity for communities that lack the skills, technologies and support needed to take advantage of broadband connections. Grants can be used to accelerate the adoption of broadband through digital literacy training, workforce development, devices access programs, and other digital inclusion measures. The legislation also tasks NTIA with evaluating digital inclusion projects and providing policymakers at the local, state, and federal levels with detailed information about which projects are most effective.

\$2 billion - Tribal Grants: This provision will provide additional funding to the Tribal Broadband Connectivity Program, which was established by the December COVID-19 relief package and is administered by the NTIA. Grants from this program will be made available to eligible Native American, Alaska Native, and Native Hawaiian entities for broadband deployment as well as for digital inclusion, workforce development, telehealth, and distance learning.

\$2 billion - Rural Areas: The provision includes support for programs administered by the Department of Agriculture, including the ReConnect Program, that provide loans and grants (or a combination of loans and grants) to fund the construction, acquisition, or improvement of facilities and equipment that provide broadband service in rural areas.

\$1 billion for “Middle Mile” deployment: This provision would create a grant program for the construction, improvement, or acquisition of middle-mile infrastructure. Eligible entities include telecommunications companies, technology companies, electric utilities, utility cooperative, etc. The “middle mile” refers to the installation of a dedicated line that transmits a signal to and from an internet “Point of Presence”. Competition of middle-mile routes is necessary to reach unserved areas, reduce capital expenditures and lower operating costs.

\$600 million Private Activity Bonds (PABs): Based on the Rural Broadband Financing Flexibility Act (S.1676), this provision allows states to issue PABs to enhance broadband deployment, specifically for projects in rural areas where a majority of households do not have access to broadband.

Cybersecurity Grants

\$1 billion State, Local, Tribal, and Territorial (SLTT) Grant Program: Allocated over four years, these funds are available until expended and will establish a new grant program to provide federal assistance to SLTT entities. The current grant programs to provide cybersecurity assistance to SLTT entities has inherent flaws that this program will address. The program will be administered by the Federal Emergency Management Agency in consultation with CISA acting as the subject matter expert.

\$157.5 million Department of Homeland Security Science and Technology Directorate for Research and Development - These funds will include support for specific areas of research related to risk assessments, cybersecurity vulnerability testing, and positioning, navigation, and timing capabilities over five years.

\$100 million Cyber Response and Recovery Fund: This provision allows the Secretary of Homeland Security to declare a Significant Incident following a breach of public and private networks and a fund that allows the Cybersecurity and Infrastructure Security Agency to provide direct support to public or private entities as they respond and recover from significant cyberattacks and breaches. Funded at \$20 million per year over five years, any unused funds remain available until expended with the program ending Sept. 30, 2028.

\$35 million CISA Sector Risk Management: Establishes a one-time investment in fiscal year 2022 for CISA to establish a capability to oversee and execute cross-sector governance to support CISA’s national cross-sector coordination role.

\$21 million Office of the National Cyber Director: The National Cyber Director was sworn in to office July 14, 2021. This office does not currently have appropriated funds. This will fully fund the office through FY 2022.

PPE

Buy American PPE: The legislation seeks to support domestic production of PPE to ensure more stable access given the accelerated demand and the overburdened overseas supply chain. The bill requires the federal government to purchase personal protective equipment ("PPE") exclusively from domestic manufacturers, with contracts that run for at least two years.

Medicare - Revenue Raisers

Restoring Medicare Payment Cuts: The Infrastructure Bill restores a two percent cut to all Medicare payments to providers installed in 2013 under sequestration to help fund infrastructure spending. This cut was paused by Congress at the onset of the pandemic in 2020 to assist financially distressed providers. Congress then extended the moratorium through 2021. Under the Infrastructure Bill, the cut to Medicare payments to providers will restart in 2022 and run through 2031. As scored by the Congressional Budget Office ("CBO") in its [Infrastructure Bill Report](#) ("CBO Report"), the Medicare cuts would result in approximately \$21 billion in savings over the ten-year period (2022 through 2031).

Delaying Part D Rebate Rule: The Infrastructure Bill also delays a controversial Medicare [Part D rebate rule](#) (the "Part D Rebate Rule") until 2026. This Trump-era regulation, originally set to go into effect in 2022, eliminates the safe harbor for Part D rebates and replaces it with a far narrower safe harbor for point-of-sale discounts which are designed to directly benefit patients with high out-of-pocket costs. The Part D Rebate Rule also changes the way pharmacy benefit managers ("PBMs") are compensated. However, in January 2021, the Biden administration successfully sought to delay Part D Rebate Rule from taking effect until 2023 via a [court order](#). The Infrastructure Bill will now delay it for an additional three years. As scored by the CBO and reported in the CBO Report, the delay would result in \$52 billion in savings over the three-year period.

Requiring Drug Manufacturers to Refund Medicare for Discarded Drugs: Finally, the Infrastructure Bill requires drug manufacturers to refund Medicare for any single-dose or single-use package drugs dispensed under Medicare Part B (which reimburses for physician services including physician-administered drugs). Beginning in 2023, these refunds must be made each quarter. This requirement aims to deter drug manufacturers from overpacking single-use containers and hopes to decrease drug waste. It could force some big pharmaceutical companies to repay the federal government roughly \$100 million annually based on the current rate and volume at which medicine is discarded by doctors due to overpacking. In turn, this repayment would contribute to funding the Infrastructure Bill's projects. According to the CBO Report, the refund provision would result in approximately \$3.2 billion in Medicare program savings.