



## Congress Passes Historic COVID-19 Aid and Economic Relief Legislation

### H.R. 748 “The Coronavirus Aid, Relief, and Economic Security Act” (CARES ACT)

On Wednesday, March 25, 2020, the U.S. Senate unanimously adopted a \$2 trillion bipartisan agreement to address the needs of the American people and health care providers confronting the coronavirus pandemic. The House is expected to pass it on Friday. It is the biggest economic rescue package in U.S. history. CMA [aggressively advocated](#) for additional financial assistance for physician practices, and increased funding for public health and the production of personal protective equipment.

(Organized medicine also stopped attempts to include a ban on surprise medical billing that favored insurers over physicians and patients. That issue has been deferred to the Lameduck session of Congress in December 2020.)

This comprehensive package provides new resources to address all aspects of the COVID-19 pandemic.

- + More than \$150 billion to help strained state governments combat the pandemic;
- + \$100 billion in direct funding for hospitals and physicians on the front lines;
- + 2% Medicare physician payment increase;
- + \$377 billion in support to small businesses, including low-interest and forgivable loans and grants for small businesses (less than 500 employees), including physician practices;
- + Tax credits and assistance for small businesses and physician practices;
- + Additional telehealth funding and coverage;
- + Funding to spur the production and distribution of more personal protective equipment, medical equipment, testing kits and related supplies;
- + Support for law enforcement, firefighters, and first responders;
- + Funding for public health and scientific research for COVID-19 treatments and vaccines;
- + Support for both small businesses and large industries impacted by the crisis;
- + Assistance for schools and universities and at-home learning technology; and
- + Funding for social services including nutrition programs, more child care, affordable housing and programs that assist the homeless.

Below is a more detailed summary of the health care related provisions of interest to physicians.

### Direct Financial Assistance, Small Business Loans, Tax Credits for Physicians

#### Financial Assistance and Payment Increases

- + **\$100 billion in direct assistance to physicians**, hospitals and other health care workers for unreimbursed expenses and lost revenues due to reductions in other services as a result of the COVID-19 outbreak. Detailed guidance for eligibility and submitting requests is forthcoming from the Department of Health and Human Services (HHS).
- + **2% Medicare payment increase for physicians**, hospital and other providers. May 1-December 31, 2020.
- + **20% enhanced Medicare inpatient payment for patients with a COVID-19 diagnosis**. Hospitals can also request to receive Medicare payments in an upfront lump sum.
- + **Suspends all Medicare physician quality reporting programs**.
- + **\$1 billion in supplemental funding for community health centers**.
- + **\$360 billion in Small Business Administration grants and loans for small businesses, including physician practices**. See the Small Business section below.
  
- + **Allows all student loan payments, principal, and interest to be deferred for six months through September 30, 2020, without penalty for all federally owned loans**. Includes medical school student loans.
- + **Provides professional liability protections with exceptions under the Good Samaritan laws for physicians providing volunteer medical services during the COVID-19 public health emergency**.
- + **\$454 billion to the Treasury Secretary's Stabilization Fund to provide emergency relief to assist businesses, including physician practices impacted by the outbreak**.
- + **Congress updated the mandate to cover and pay through Medicare, Medicaid, private insurers, TriCare, the VA and Indian Health Services for COVID-19 vaccines, testing and related physician visits** and prohibit any patient cost-sharing for such services. Medicare will pay for 100% of the visit costs. Private insurers must pay the contracted rate. If there is no contract, insurers must pay the cash price posted by the physician.

#### Authorizes Medicare Telehealth Coverage and Payment for:

- + Services provided to NEW patients, as well as established patients.
- + Services provided in Rural Health Centers and Federally Qualified Health Centers.
- + Nephrologists conducting periodic evaluations of patients on home dialysis.
- + Providers fulfilling the hospice face-to-face recertification requirements.

- + Home health services.

### Small Business Administration Loans

- + **Small Business Administration (SBA): \$377 billion in new funding for low-interest and forgivable loans and grants for businesses including physician practices.**
  - **Emergency Economic Injury Disaster Grants and Loans (EIDL): \$10 billion in grants and loans** to businesses that have been adversely impacted by COVID-19 and need financial support.
  - **Provides an advance grant of \$10,000 (within 3 days of application) to small businesses and non-profits that apply for an SBA Economic Injury Loan (EIDL).**
  - **The EIDL advance grants do not need to be repaid, even if the grant is subsequently denied by EIDL, and may be used to provide paid sick leave to employees, maintain payroll, or pay business obligations and debts, including rent and mortgage.**
  - **Maximum EIDL loans are up to \$2 million with interest rates up to 3.75%, as well as principal and interest deferment for up to 4 years. The loans may be used to pay for expenses that could have been met had the COVID-19 outbreak not occurred, including payroll and other operating expenses.**
  - **New “Paycheck Protection Program”: \$350 billion worth of new 100% government-guaranteed SBA loans, a portion of which SBA will forgive based on allowable expenses.**
  - Assists small businesses with no more than 500 employees. Businesses with more than one physical location that employs no more than 500 employees per location in certain industries are also eligible.
  - These zero-fee loans can be used for employee salaries, paid sick or medical leave, insurance premiums, and mortgage, rent and utility payments.
  - The maximum loan amount is \$10 million and the interest rate cannot exceed 4%.
  - Up to 8 weeks of average payroll and other costs will be forgiven if the business retains its employees and their salary levels. Principal and interest is deferred for up to a year and all borrower fees waived. Other costs

### Tax Relief and Other Benefits

- + **Multiple provisions that provide tax relief for employers, including physician employers.**
- + **Allows advance refunding of tax credits for employers to offset the costs of paid sick and medical leave for employees.**

## COVID-19 FEDERAL STIMULUS SUMMARY

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- + **Refundable Employer Payroll Tax Credits** for 50% of wages paid by employers to employees during the crisis. The credits are for employers whose (1) operations were fully or partially suspended due to a COVID-19 related shut-down order, or (2) gross receipts are down by more than 50%. Credit is provided for the first \$10,000 in compensation per employee from March 13, 2020 to December 31, 2020.
- + **Waives the 10% penalty on early withdrawal of distributions up to \$100,000 from qualified retirement funds** and allows more flexibility for loans from certain retirement plans. Such distributions may be made for individuals, spouses or dependents diagnosed with COVID-19, quarantined, furloughed, laid off, having work hours reduced, unable to work because of lack of child care, closing or reducing hours of business owned by the individual.

### Employment Aid:

#### Unemployment Funding, Paid Sick and Medical Leave, Child Care

- + **Child Care Block Grant: \$3.5 billion to allow child care programs to remain open and meet priority emergency staffing needs for health care workers and first responders.**
- + **Expands unemployment benefits** for employees who remain unemployed after state unemployment benefits are no longer available. (Legislation enacted by Congress last week increased funding for state unemployment insurance funds.)
- + **Expanded Sick and Medical Leave:** The previous Congressional bill expanded paid sick leave and paid family and medical leave for those impacted by the COVID-19 outbreak.

#### Department of Defense: PPE Production, Hospital Beds, and Veterans Affairs

- + **\$1.4 billion for deployments of the National Guard for all Governors.**
- + **\$1 billion for the Defense Production Act to increase production of PPE** – Allows the Department of Defense to invest in manufacturing to increase the production of personal protective equipment and medical equipment to meet the demands of civilian health care workers.
- + **\$415 million for research and development** of promising vaccines and anti-viral drugs.
- + **\$1.5 billion for expansion of military hospitals and expeditionary hospital packages** to alleviate the anticipated strain on both the military and civilian healthcare systems, these funds will nearly triple the 4,300 beds available in military treatment facilities.
- + **Veteran's Affairs: \$19.6 billion** for medical services, PPE, and medical supplies; support for community medical care in emergency departments and urgent care centers; funding for alternative sites of care, telehealth, telemental health, and retirement homes; grants to support construction of existing hospital, nursing home and other facilities; and support for other programs.

#### More Medicare, Medicaid, Private Insurer and Health Savings Account Changes

- + **Congress updated previous legislation to 1) allow states to cover uninsured individuals on Medicaid** for purposes of COVID-19 testing and related physician visits; and 2) **Provide an additional 6.2% in federal Medicaid matching funds** to all states immediately.

## COVID-19 FEDERAL STIMULUS SUMMARY

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- + \$200 million for Medicare and States to assist **nursing homes with infection control**.
- + Requires Medicare Part D plans to provide up to a **90-day supply of prescription medications** if requested by a patient.
- + **Stops the scheduled reductions in Medicare payments for clinical diagnostic laboratory tests** and delays for one year the reporting mandate on labs to provide private payer payment data.
- + **Allows Physician Assistants, Nurse Practitioners, and Nurse Specialists to order home health services** for Medicare patients when working in accordance with state scope of practice laws.
- + **Medicare Post-Acute Care:** Allows acute care hospitals to transfer patients out of their facilities and into alternative settings to prioritize resources for COVID-19 patients. The bill waives the Inpatient Rehab Facility 3 hour rule. It also allows Long Term Care Hospitals to maintain such designations even if more than 50% of the cases are less intensive.
- + Allows high-deductible health plans with health savings accounts to cover telehealth services prior to a patient reaching the deductible.
- + Allows patients to use HSA funds for Over-the-Counter medications.

### Public Health and Scientific Research

- + **Drug and Device manufacturers are mandated to report shortages.**
- + **Ryan White HIV/AIDS Program: \$90 million**
- + **Substance Abuse and Mental Health Services Administration (SAMHSA): \$425 million to increase access to community mental health services.**
- + **Rural Assistance: \$25 billion to support telemedicine, including \$100 million to help ensure rural Americans have access to broadband and \$20 million to support business loans.**
- + **Indian Health Service (IHS): \$1.032 billion to support the tribal health system and the purchased/referred care program.**
- + **Federal Prisons: \$100 million to respond to Covid-19.**
- + **Aligns 42 CFR Part 2 regulations with HIPAA privacy laws regarding the sharing of substance use disorder treatment records.**
- + **Centers for Disease Control and Prevention (CDC): \$4.3 billion to support federal, state, and local public health agencies to prevent, prepare for, and respond to the coronavirus, including:**
  - \$1.5 billion to support States with
    - Purchase of personal protective equipment;
    - Surveillance for coronavirus;
    - Laboratory testing to detect positive cases;
    - Contact tracing to identify additional cases;
    - Infection control and mitigation at the local level to prevent the spread of the virus; d
- + \$1.5 billion in flexible funding for repatriation and quarantine efforts, purchase and distribution of diagnostic test kits, support for laboratory testing, workforce training programs, combating

## COVID-19 FEDERAL STIMULUS SUMMARY

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antimicrobial resistance and antibiotic resistant bacteria as a result of secondary infections related to COVID-19.

- + Additional funds for global disease detection, Infectious Diseases Rapid Response, and communicating with the public and providers.
- + **National Institutes of Health: \$945 million** for vaccine, therapeutic, and diagnostic research to increase understanding of COVID-19, including underlying risks to cardiovascular and pulmonary conditions.
- + **Biomedical Advanced Research and Development Authority (BARDA): \$27 billion, including**
  - \$16 billion for the Strategic National Stockpile to procure critical medical supplies, personal protective equipment, ventilators, and medicine;
  - \$3.5 billion to advance development, manufacturing, and purchase of vaccines and therapeutics.
  - Funding for innovations in manufacturing platforms to support a U.S.-sourced supply chain of vaccines, therapeutics, and small molecule active pharmaceutical ingredients;
  - Funding to support U.S.-based next generation manufacturing facilities;
  - Increased medical surge capacity at additional health facilities;
  - Funding for research related to antibiotic resistant secondary infections associated with coronavirus;
- + **National Science Foundation (NSF): \$75 million** to support RAPID Grant research at molecular, cellular, physiological and ecological levels to better understand coronavirus genetics, modes of action, transmission, virulence and population dynamics.
- + **Food and Drug Administration (FDA): \$80 billion to continue efforts to develop vaccines and address shortages of critical medicines.**
- + **Allows the FDA to approve over-the-counter (OTC) drugs administratively, rather than going through a full rulemaking process.**

### Expiring Health Care Programs Extended Until November 30, 2020

- + Teaching Health Center Primary Care Graduate Medical Education Program
- + Community Health Centers
- + National Health Service Corps
- + Special Diabetes Programs
- + Community Mental Health Centers
- + Disproportionate Share Hospital Funding Cuts Delayed Until Nov 30, 2020
- + Reauthorizes 1) health care workforce programs that train primary care physicians, physicians specializing in geriatrics, and nurses; 2) Health Resources and Services Administration (HRSA) Telehealth and rural health care grants.

## Bill Language

### Final Text:

- + [final-text.pdf](#)
- + [final-text-appropriations.pdf](#)

### Summaries:

- + [Appropriations Section by Section.pdf](#)
- + [Banking Title Summary 3.25.20 FINAL.pdf](#)
- + [C-3 summary\\_V1.2.pdf](#)
- + [COVID 3 -- UI and Tax Title Summary.pdf](#)
- + [Finance Health Section by Section Wyden edits final.pdf](#)
- + [Stimulus Small Biz EXPLAINER FINAL.pdf](#)
- + [Stimulus Small Biz Section By Section FINAL.pdf](#)
- + [Summaries of Judiciary Provisions Senate COVID bill - 3.25.20.pdf](#)
- + [Summary Subtitle B - Air Carrier Worker Support.pdf](#)