

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

Summary of Key Provisions

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The Coronavirus Aid, Relief, and Economic Security (CARES) Act, H.R. 748, was passed by Congress and enacted into law on March 27, 2020, and is the third legislative package (Phase 3) to address the federal government's response to the SARS-CoV-2 virus and COVID-19 (Coronavirus) national health emergency. This analysis summarizes key provisions in the CARES Act that are of importance to ACP, its members, and its advocacy agenda.

While many of the provisions and programs described below have the *potential* of directly benefiting physicians, their practices, and their patients, the actual benefit will be determined in large part to how effectively they are implemented by federal agencies, whether physicians and their practices are prioritized in funding, how burdensome it is for them to apply and document eligibility, how quickly funds are disbursed, and how much funding is available after other entities apply for it. ACP is advocating with federal agencies and Congress to ensure that physicians and their practices get the support they need, as quickly as possible. ACP is also advocating with CMS and other payers for additional actions that can be taken to support practices, in addition to those expressly created by the CARES Act. ACP's full range of advocacy activities related to COVID-19, continuously updated, can be found at [here](#). ACP's practical practice management resources for physicians and their practices on COVID-19, continuously updated, can be found [here](#).

KEY PROVISIONS POTENTIALLY BENEFITTING PHYSICIANS AND PATIENTS

Grants/Loans to Physician Practices

Paycheck Protection Program. The CARES Act establishes a \$349 billion loan program administered through the Small Business Association (SBA) to help employers with their cash flow during the crisis. The loans will be made through participating SBA banks and lenders and the loan proceeds can be used for payroll costs, group health care benefits, payments of interest on mortgages, rent, utilities, and interest on other debt obligations. The amount of the loan is for two months of the employer's average monthly payroll costs from the last year plus an additional 25 percent capped at \$10 million total. These loans are fully guaranteed by the federal government and are available through June 30, 2020, at a four percent interest rate. Eligible employers include small businesses, businesses that employ no more than 500 employees, 501(c)(3) nonprofits, as well as sole proprietors, self-employed individuals, independent contractors, and other entities. (Section 1102)

Loan Forgiveness. Employers that maintain their level of full-time employees and level of payroll by not reducing salary by more than 25 percent for any employee will be able to receive the highest amount of loan forgiveness. The amount of forgiveness cannot exceed the original amount of the loan. Employers will not receive forgiveness if the loan was not used for payroll costs, mortgage interest, rent, and utility payments during the eight weeks after receiving the loan. Employers are required to

apply for loan forgiveness and document staff and payroll levels, and payments on eligible mortgage, lease, and utility obligations. (Section 1106)

Emergency Economic Injury Disaster Loans (EIDL) Grants. The CARES Act provides \$10 billion for emergency grants for eligible entities who have applied for an EIDL because of COVID-19. The advance of \$10,000 by the SBA to small businesses and nonprofits will happen within three days of applying for the loan. The emergency grant does not have to be repaid, even if the EIDL is subsequently denied. However, the emergency grant would be subtracted from the amount forgiven via the Paycheck Protection Program. The grant can be used for payroll, sick leave, increased production costs, or other business costs, including debts, rent, and mortgage payments. (Section 1110)

Public Health and Social Services Emergency Fund (PHSSEF). The Assistant Secretary for Preparedness and Response (ASPR) within the Department of Health and Human Services (HHS) will administer \$100 billion from the PHSSEF for reimbursing hospitals and health care providers due to COVID-19 related expenses and loss of revenue. The PHSSEF funding will be distributed in grants to hospitals, public entities, nonprofits, and Medicare and Medicaid enrolled providers to cover health care related expenses or lost revenues due to the coronavirus public health emergency. (Division B- Title VIII – Departments of Labor, Health and Human Services, Education and Related Agencies)

Advance Refunding of Tax Credits For Sick and Family Leave. Establishes the regulatory authority for the Department of Treasury to issue tax credit advances for the expanded paid sick and family medical leave provisions, as enacted in previous stimulus legislation, the Families First Coronavirus Response Act, H.R. 6201 (phase 2). Employers will receive an advance tax credit instead of having to be reimbursed after the expanded leave has been paid. (Section 3606)

Increased Payment and Protections for Physicians and Other Providers

Limitation on Liability for Volunteer Health Care Professionals during COVID-19 Emergency Response. Doctors that come forward to provide volunteer medical services during the public health emergency related to COVID-19 will have liability protection. (Section 3215)

Increasing Provider Funding through Immediate Medicare Sequester Relief. This section stops temporarily the Medicare sequester cut, which would have reduced payments to providers by two percent. The suspension of the Medicare sequester is from May 1, 2020, to December 31, 2020. This increases payments for hospitals, physicians, and other providers. The Medicare sequester would be extended by another year beyond current law. (Section 3709)

Medicare Add-on for Inpatient Hospital COVID-19 Patients. This section increases the payment to a hospital for treating a patient admitted with COVID-19 by 20 percent. This add-on payment would be available through the duration of the COVID-19 emergency period. (Section 3710)

Preventing Medicare Clinical Laboratory Test Payment Reduction. This section prevents scheduled reductions in Medicare payments for clinical diagnostic laboratory tests furnished to beneficiaries in

2021. Also delays for one year the requirement that laboratories report private payer data. (Section 3718)

Providing Hospitals Medicare Advance Payments. For the duration of the COVID-19 emergency period, an existing Medicare accelerated payment program is expanded for hospitals. Eligible facilities can request up to a six month advanced lump sum or periodic payment. (Section 3719)

Addressing Shortages of Personal Protective Equipment and Other Medical Equipment

Requiring the Strategic National Stockpile to Include Certain Types of Medical Supplies. This provision makes clear that the Strategic National Stockpile (SNS) should stockpile certain medical supplies including personal protective equipment, ancillary medical supplies, and other applicable supplies required for the administration of drugs, vaccines and other biological products, medical devices, and diagnostic tests in the stockpile. (Section 3102)

Additional Funding for the Strategic National Stockpile (SNS). The CARES Act includes \$16 billion for personal protective equipment, ventilators, and other medical supplies for federal and state response efforts. When combined with other funding provided through previously-enacted stimulus legislation, the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, H.R. 6074 (phase 1), approximately \$17 billion has been provided for the SNS. (Division B- Title VIII – Departments of Labor, Health and Human Services, Education and Related Agencies)

Coverage for Patients

Coverage of Diagnostic Testing for COVID-19. Private insurance plans are required to cover without cost sharing all testing for COVID-19, including those tests without an emergency use authorization (EUA) by the Food and Drug Administration (FDA). (Section 3201)

Pricing of Diagnostic Testing. Insurers are required to pay either the rate specified in a contract between the provider and the insurer, or, if there is no contract, a cash price posted by the provider for COVID-19 testing covered with no cost to patients. (Section 3202)

Rapid Coverage of Preventive Services and Vaccines for Coronavirus. Within 15 days, COVID-19 vaccines are covered without cost-sharing if they have in effect a rating of “A” or “B” in the current recommendations of the United States Preventive Services Task Force (USPTF) or a recommendation from the Advisory Committee on Immunization Practices (ACIP). (Section 3203)

Eliminating Medicare Part B Cost-Sharing for the COVID-19 Vaccine. Medicare beneficiaries would receive, without any cost sharing, a COVID-19 vaccine in Medicare Part B. (Section 3713)

Clarification Regarding Uninsured Individuals. In a state Medicaid program that offers an enrollment option to the uninsured, these individuals can receive a COVID-19 test and related service with no cost-sharing. This section clarifies a previously-enacted phase 2 stimulus provision. (Section 3716)

Clarification Regarding Coverage of Tests. Medicare Part B beneficiaries can receive all tests for COVID-19 with no cost-sharing. This section clarifies a previously-enacted phase 2 stimulus provision. (Sec. 3717)

Confidentiality and Disclosure of Records Relating to Substance Use Disorder. In order to facilitate care coordination, 42 CFR Part 2 regulations, which govern the confidentiality and sharing of a patient's substance use disorder treatment records, are aligned with Health Insurance Portability and Accountability Act (HIPAA). Initial patient consent is required. (Section 3221)

RELIEF FOR MEDICAL STUDENTS AND RESIDENTS

Temporary Relief for Federal Student Loan Borrowers. Student loan borrowers can defer student loan payments, principal, and interest for six months, through September 30, 2020, without penalty to the borrower for all federally owned loans. Relief is provided for over 95 percent of student loan borrowers. (Section 3513)

Campus-Based Aid Waivers. The institutional matching requirement for campus-based aid programs is waived so that institutions are allowed to transfer unused work-study funds to be used for supplemental grants. (Section 3503)

Use of Supplemental Educational Opportunity Grants (SEOG) for Emergency Aid. Institutions are permitted to award additional SEOG funds to students impacted by COVID-19. (Section 3504)

Federal Work-study During a Qualifying Emergency. Institutions can issue work-study payments to students who cannot work due to work-place closures as either a lump sum or in payments. (Section 3505)

Adjustments of Subsidized Loan Limits. Excludes the period time a student has dropped out of school due to COVID-19 from counting towards lifetime subsidized loan eligibility. (Section 3506)

Exclusion from Federal Pell Grant Duration Limit. Excludes the period time a student has dropped out of school due to COVID-19 from counting towards lifetime Pell eligibility. (Section 3507)

Institutional Refund and Federal Student Loan Flexibility. Students are not required to return Pell grants or federal student loans if they dropped out of school due to COVID -19. Also waives the requirement that institutions calculate the amount of grant or loan assistance that the institution must return for students who dropped out of school due to COVID-19. (Section 3508)

ADDITIONAL TELEHEALTH FLEXIBILITY

Expanding Medicare Telehealth Flexibilities. Eliminates the previously-enacted phase 1 stimulus requirement that limited the Medicare telehealth expansion authority during the COVID-19 emergency period to only where the physician treated the patient within the past three years. (Section 3703)

Allowing Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) to Furnish Telehealth in Medicare. This section would allow FQHCs and RHCs to furnish telehealth services to beneficiaries in their home. During the COVID-19 emergency period, FQHCs and RHCs to serve as a distant site for telehealth consultations. A distant site is where the practitioner is located during the time of the telehealth service. (Sec. 3704)

Telehealth network and telehealth resource centers grant programs. Health Resources and Services Administration (HRSA) grant programs that boost the use of telehealth health care delivery, education, and health information services are reauthorized. (Section 3212)

HEALTH SYSTEM AND HEALTH PROFESSIONS EXTENSIONS AND IMPROVEMENTS

Supplemental Awards for Health Centers. Community Health Centers (CHCs) are provided an additional \$1.32 billion in funding to test and treat patients for COVID-19. (Section 3211)

United States Public Health Service Modernization. Establishes a Ready Reserve Corps to ensure that there are enough trained doctors and nurses to respond to COVID-19 and other public health emergencies. (Section 3214)

Reauthorization of Health Professions Workforce Programs. Reauthorizes the health professions training programs in Title VII of the Public Health Service Act (PHSA), including the training of practitioners in family medicine, general internal medicine, geriatrics, and pediatrics through the Section 747 Primary Care Training and Enhancement (PCTE) program. This section does lower the PCTE authorization from \$125 million previously to \$48.924 million, its current FY2020 enacted funding level. (Section 3401)

Health Workforce Coordination. Directs HHS to develop a plan for health workforce programs, which could include performance measures and the identification of gaps between the outcomes of such programs and relevant workforce projection needs. (Section 3402)

Extension of Funding for Quality Measure Endorsement and Selection. Provides funding for HHS to contract with a consensus-based entity, such as the National Quality Forum (NQF), to carry out functions related to quality measurement and performance improvement through November 30, 2020. (Section 3802)

Extension for Community Health Centers, the National Health Service Corps, and Teaching Health Centers that Operate GME Programs. Extends the mandatory funding that expires May 22, 2020, for Community Health Centers (CHCs), the National Health Service Corps (NHSC), and the Teaching Health Center Graduate Medical Education (THCGME) program at current funding levels through November 30, 2020. (Section 3831)

ADDITIONAL EMERGENCY FUNDNG

Centers for Disease Control and Prevention (CDC). Provides an additional \$4.3 billion available through FY2020 to support federal, state, and local public health agencies to prevent, prepare for, and respond to the Coronavirus. (Division B- Title VIII – Departments of Labor, Health and Human Services, Education and Related Agencies)

Veterans Affairs (VA). Provides an additional \$14.4 billion for Medical Services and an additional \$2.1 billion for Medical Community Care to manage increased demand for health care at VA facilities and also increases for care in the community, such as emergency and urgent care. (Division B- Title X – Veterans Affairs and Related Agencies)

OVERSIGHT

Special Inspector General for Pandemic Recovery. Creates the Office of the Special Inspector General for Pandemic Recovery within the Department of the Treasury. The Special Inspector General carries out and oversees the audits and investigations of the making, purchase, management, and sale of loans, loan guarantees, and other investments made by the Treasury Department. The position is appointed by the president. The Special Inspector General is required to report to Congress on a quarterly basis. (Section 4018)

Congressional Oversight Commission. Creates the Congressional Oversight Commission that oversees the implementation of Title V of the CARES Act, Economic Stabilization and Assistance to Severely Distressed Sectors of the United States Economy, by the Department of the Treasury and the Board of Governors of the Federal Reserve System, including efforts of the Department and the Board to provide economic stability as a result of Coronavirus. The Oversight Commission is required to report to Congress on a monthly basis. (Section 4020)

Pandemic Response Accountability Committee. The CARES Act provides \$80 million for this committee to coordinate transparency and oversight efforts over the funds appropriated in the bill. (Division B-Financial Services and General Government- Pandemic Response Accountability Committee)