



## **Coronavirus Aid, Relief, and Economic Security (CARES) Act**

*March 28, 2020, Update*

The COVID relief act, known as the CARES Act, provides \$100 billion in relief to providers. The funds are limited to eligible professionals who deliver diagnoses, testing or care for individuals with possible or actual cases of COVID-19. The Act requires that prescription drug plans or Medicare Part D allow enrollees to obtain a 90-day supply of drugs and provides \$562 million in funds for the Small Business Administration's Disaster Loans Program. The law also provides \$349 billion for a paycheck protection program and provides additional unemployment and tax benefits. More details on provisions relevant to healthcare providers are summarized below.

- **\$100 billion to ensure healthcare providers continue to receive the support they need for COVID-19 related expenses and lost revenue. Bill stipulates:**

- 'eligible health care providers 'means public entities, Medicare or Medicaid enrolled suppliers and providers, and such for-profit entities and not-for-profit entities not otherwise described in this proviso as the Secretary may specify, within the United States (including territories), that provide diagnoses, testing, or care for individuals with possible or actual cases of COVID-19.
- funds appropriated under this paragraph in this Act shall be available for building or construction of temporary structures, leasing of properties, medical supplies and equipment including personal protective equipment and testing supplies, increased workforce and trainings, emergency operation centers, retrofitting facilities, and surge capacity.

- **Sequestration**

- 2% Medicare sequestration suspended. Duration of sequestration extended to 2030 (rather than 2029).

- **Telehealth Revisions**

- Amends the Internal Revenue Code to create a safe harbor for high-deductible plans with HSAs for telehealth and other remote care services. Essentially allows high-deductible plans to waive cost sharing for telehealth and remote care services and not lose status as a high-deductible plan. (pg. 363)
- Makes a technical correction to the Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 (Public Law 116-123) by eliminating the requirement that limits Medicare telehealth expansion authority during the COVID-19 emergency period to situations where the physician or other professional has treated the patient in the past three years. This correction will enable beneficiaries to access telehealth, including in their home, from a broader range of providers.

- **Medicare Part D Drug Refills**

- A prescription drug plan or Medicare Advantage Part D plan is required to permit a Part D enrollee to obtain a single fill or refill of up to a 90-day supply for a covered Part D drug, notwithstanding any cost and utilization management, medication therapy management, or other such programs. (pg. 387)

- **Liability Protections**

- A health care professional shall not be liable under Federal or State law for any harm caused by an act or omission of the professional in the provision of health care services [*defined as: the diagnosis, prevention, or treatment of COVID-19; or the assessment or care of the health of a human being related to an actual or suspected case of COVID-19*] during the public health emergency with respect to COVID-19. Protections are afforded to those providing health care services in response to such public health emergency, as a volunteer [*i.e., does not receive compensation or any other thing of value in lieu of compensation*]; and in the course of providing health care services are operating within the scope of the license, registration, or certification as defined by the State of licensure, and do not exceed the scope of license, registration, or certification of a substantially similar health professional in the State. This would pre-empt any similar state laws unless the state law is stronger.

- **\$562 million for the Small Business Administration's Disaster Loans Program**

- **Paycheck Protection Program**

- Creates the Paycheck Protection Program, a \$349 billion program to provide eight weeks of cash-flow assistance to small businesses through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. Section-by-section summary of Paycheck Protection Program and related provisions [here](#).
- If employers maintain their payroll, the loans would be forgiven.
- Allows the Paycheck Protection Program to cover payroll costs, paid sick leave, supply chain disruptions, employee salaries, health insurance premiums, mortgage payments, rent, utilities and other debt obligations to provide immediate access to capital for small businesses who have been impacted by COVID-19.
- Covered period is February 15, 2020 and ending on June 30, 2020.
- Defines eligibility for loans as: a small business; 501(c)(3) nonprofit; a 501(c)(19) veteran's organization; or Tribal business concern described in section 31(b)(2)(C) of the Small Business Act with not more than 500 employees, or the applicable size standard for the industry as provided by SBA, if higher.
- Applies current SBA affiliation rules to eligible nonprofits.
- Includes sole-proprietors, independent contractors, and other self-employed individuals as eligible for loans.

— Important: Bill text includes a “Sense of the Senate” [which does not hold the force of law] that the "Administrator should issue guidance to lenders and agents to ensure that the processing and disbursement of covered loans prioritizes small business concerns and entities in underserved and rural markets, including veterans and members of the military community, small business concerns owned and controlled by socially and economically disadvantaged individuals (as defined in section 8(d)(3)(C)), women, and businesses in operation for less than 2 years.”

- **Unemployment and Tax Relief**

- [Summary of Unemployment and Tax Provisions.](#)