



# COVID-19 Federal Stimulus Summary

Updated March 27, 2020

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

On Wednesday, March 25, 2020, the U.S. Senate unanimously passed, **H.R. 748**, “**The Coronavirus Aid, Relief, and Economic Security Act**” (**CARES ACT**). It is a \$2 trillion bipartisan agreement to address the needs of the American people and health care providers confronting the coronavirus pandemic. The House passed the stimulus bill on Friday, March 27, 2020.

## This package will 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
  - ▶ Funding for social services including nutrition programs, more child care, affordable housing and programs that assist the homeless
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## Health Care Related Provisions of Interest to Naturopathic 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). **AANP lobbyists are seeking clarification on how/if this will apply to NDs. Stay tuned for more info!**
- ▶ **\$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**.
- ▶ **Home health** services.



## Health Care Related Provisions of Interest to Naturopathic Physicians

### 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.
    - No personal guarantees are required
    - Also available for self-employed individuals
    - Loan forgiveness is not taxable.
  - **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.



## Health Care Related Provisions of Interest to Naturopathic Physicians

### Tax Relief and Credits:

- ▶ 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.
- ▶ **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.
- ▶ **Delay of payment – Employer Payroll Tax:** Applies to employers and self-employed individuals. Effective for payments as of the date of enactment of the legislation. Date of enactment is when the President signs the bill. Defer the payment of the 6.2% employer portion of Social Security Tax for two years. Half will be due December 31, 2021 and half December 31, 2022.

### Other Provisions Relevant to NDs:

- ▶ 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.**

### 2020 Recovery Rebates for Individuals

- ▶ **All US residents with AGI up to \$75,000 (\$150,000 married filing joint)** are eligible for a full stimulus payment of \$1,200 (\$2,400 for joint filers).
- ▶ **Cannot be a dependent of another taxpayer** or a non-resident alien.
- ▶ Qualified taxpayers will receive **an additional \$500 per child**
- ▶ There is a **phase-out to AGI of \$198,000 for joint returns.**
- ▶ **Will be based on 2019 return or, if not filed, 2018.** Non-filers such as certain Social Security or Disability recipients are also eligible.
- ▶ **Taxpayers do not need to do anything. They will receive a rebate check.**



## Relevant Provisions For Your Information

### 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 the 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.

### Other Benefits and Provisions:

- ▶ There are a variety of payment enhancements and additional provisions for Medicare that do not apply to naturopathic physicians specifically:
  - **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.**
  - **Expanded Sick and Medical Leave.**
- ▶ Temporary waiver of required minimum distribution rules for certain defined benefit plans and IRAs for the calendar year 2020.
  - The required **minimum distribution rules for certain defined benefit plans and IRAs are waived for the calendar year 2020.**
  - **Applies to taxpayers who are required to take a distribution from their accounts** during the economic slowdown caused by COVID-19.



## Relevant Provisions For Your Information

### Public Health and Scientific Research:

- ▶ Drug and Device manufacturers are mandated to report shortages.
- ▶ Ryan White HIV/AIDS Program: \$90 million
- ▶ 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;
- ▶ \$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 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. **The AANP is working with the IHPC to advocate for a portion of these funds to go to NCCIH for non-pharmaceutical treatment options.**



## Relevant Provisions For Your Information

### Public Health and Scientific Research (continued):

- ▶ **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.

### Acknowledgements and Bill Language

The AANP would like to acknowledge the [California Medical Association \(CMA\)](#) and [Smith, Gambrell, & Russell, LLP](#) law firm for their legislative analysis of the COVID-19 stimulus bill that contributed to the content of this document.

[H.R 748 \(CARES ACT\) Final Text](#)

[H.R 748 \(CARES ACT\) Final Text - Appropriations](#)