



Congressional Response to Novel Coronavirus (COVID-19) Outbreak¹ **HEALTH CARE SYSTEM, TREATMENTS & VACCINES**

Congress has responded in a significant way to the novel Coronavirus (COVID-19) outbreak to aid the nation's health care system and advance the development of COVID-19 treatments and vaccines.

Coronavirus Preparedness and Response Supplemental Appropriations Act (Phase 1): On March 6, 2020, President Trump signed into law an \$8.3 billion in emergency funding to combat COVID-19. The package provides critical funding to the Centers for Disease Control (CDC) in response to COVID-19, as well as funding to: help develop vaccines and treatments for COVID-19, enable the Strategic National Stockpile (SNS) to procure personal protective equipment (PPE), ventilators, and other medical supplies; and give states the boost in the resources needed to combat the virus.

Coronavirus Aid, Relief, and Economic Security (CARES) Act (Phase 3): On March 27, 2020, President Trump signed into law additional legislation to support health care workers and combat COVID-19, known as the *CARES Act*. This \$2 trillion package provides relief for hospitals, health care facilities, providers, and patients in order to protect the health and well-being of all Americans.

Coronavirus Aid, Relief, and Economic Security (CARES) Act Supplement (Phase 3.5): On April 23, 2020, Congress passed a supplemental relief bill to bolster funding for hospitals and health care providers by an additional \$75 billion. The funds are intended to provide added support for hospitals and health care providers treating COVID-19 patients and those experiencing lost revenue as a result of the outbreak. This relief bill also included \$25 billion in funding intended to scale-up COVID-19 testing efforts, including funding specifically for individual states to develop, purchase, administer, and analyze COVID-19 tests. The above COVID-19 legislation, taken together, strengthens our health care system and advances the fight against COVID-19 in the following ways:

PATIENTS—

- **Ensures that all patient costs for COVID-19 testing and vaccines are covered.** Under *CARES*, all COVID-19 patients—commercially insured, covered by Medicare or Medicaid, or uninsured—have all expenses covered for COVID-19 diagnostic testing and vaccines.
- **Increases telehealth flexibility during the COVID-19 outbreak.** Includes provisions to expand telehealth flexibility—under commercial health plans, Medicare, and Medicaid—to ensure that patients can access telehealth from the safety of their home, and from a broad range of providers.
- **Allows patients to purchase medical products they need during the COVID-19 outbreak with Health Savings Accounts (HSA)** by removing existing restrictions for Health Savings and Medical Savings Accounts. Also allows Medicare beneficiaries to fill a three (3) month supply of prescriptions (currently, beneficiaries can only fill a prescription for up to 30 days).

¹ [H.R.6074](#), the *Coronavirus Preparedness and Response Supplemental Appropriations Act* was passed in the Senate by a vote of 96-1 on March 5, 2020; [H.R.748](#), the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* (Public Law No. 116-136) was approved unanimously by the Senate on March 25, 2020, then by the House of Representatives on March 27, 2020, and signed into law by President Trump on March 27, 2020.



- **Allows state Medicaid programs to pay for direct support professionals/caregivers** to assist the disabled in their homes (instead of hospitals), freeing up hospital beds for COVID-19 patients.
- **Reauthorizes Medicaid programs serving the most vulnerable**, including programs intended to help patients transition from the nursing home to the home setting and aid spouses of an individual who is in a nursing home—including those diagnosed with COVID-19.
- **Provides coverage for uninsured COVID-19 patients**, as the Department of Health and Human Service (HHS), will use funding allocated by Congress to specifically pay providers to treat uninsured COVID-19 patients. As a condition for receiving this funding, providers will be forbidden from balance billing the uninsured for the cost of their care.

HEALTH CARE SYSTEM—

- **Includes \$100 billion in emergency funding specifically for the health care system** to help with the cash flow problems resulting from the COVID-19 outbreak. This stabilization fund, to be distributed by HHS, ensures health care facilities and providers keep their doors open during the outbreak and that those on the front lines have the necessary resources. *CARES* also provides **\$1.32 billion in supplemental awards for federally qualified health centers and hospitals**.
- **Adjusts how the federal government supports hospitals and providers during this time:**
 - **Temporarily suspends planned cuts to Medicare reimbursement rates under the Medicare sequester** (reduces Medicare payments to providers by 2 percent per the most recent Budget and Deficit Control Act).
 - **Delays planned reimbursement rate cuts under Medicare** for certain medical equipment and clinical laboratories performing COVID-19 diagnostic testing.
 - **Delays planned reductions to Medicaid disproportionate share hospital payments** (which the federal government pays to supplement hospitals treating Medicaid patients).
 - **Allows hospitals to receive advanced payments from the federal government** (up to six months via lump sums or periodic payments) to provide even more relief from some of the cash flow problems caused by the outbreak.
 - **Creates a premium add-on payment for hospital in-patients being treated for COVID-19**. This provision ensures that hospitals are paid a **premium of 20 percent**, on top of normal reimbursement rates, for treating a COVID-19 patient.
 - **Temporarily increases the federal matching rate for Medicaid** during the COVID-19 outbreak to give state Medicaid programs the ability adequately respond to the outbreak and cover the costs associated with COVID-19 testing and vaccine delivery.
- **Ramps-up COVID-19 testing efforts by allocating \$25 billion** specifically intended to help with expenses associated with research, development, validation, manufacturing, purchasing, and administering of COVID-19 tests—greatly expanding testing capacity nationwide.
- **Boosts the Strategic National Stockpile (SNS)**, which serves as one of the main federal distribution points of essential emergency medical equipment, such as PPE, reserved for states and local governments during times of severe health emergencies. Under *CARES*, the SNS



received \$16 billion to procure PPE, ventilators, and other medical supplies for federal and state response efforts. CARES also includes provisions to require the SNS to stock up on certain supplies and countermeasures needed during the COVID-19 outbreak, including diagnostic tests and ventilators. **When combined with the first supplemental (Phase I), Congress has provided approximately \$17 billion for the SNS.**

- **Strengthens and modernizes our hospital and public health workforce** by establishing a Ready Reserve Corp to respond to the COVID-19 outbreak and enabling the National Disaster Medical Service to increase from 3,500 health care professionals to 6,000. Ensures hospitals and clinics have the workforce needed by reauthorizing important health profession workforce programs administered by Health Resources & Services Administration (HRSA) and Medicare.
- **Provides \$4.3 billion to the Centers for Disease Control (CDC) and Prevention for public health preparedness and response**—including funding to state and local public health responders. This includes \$1.5 billion in State and Local Preparedness Grants, which, when combined with the first supplemental (Phase I), provides a total of \$2.5 billion to support state and local needs. Additionally, \$1 billion in funding to CDC was included for surveillance, contract tracing, and public health data surveillance.

TREATMENTS & VACCINES—

- **Includes \$300 million to give HHS flexibility to respond to pandemic threats.** When combined with the first supplemental, Congress has provided \$600 million to this fund.
- **Includes an additional \$1.8 billion provided to the National Institutes of Health (NIH)** to develop, validate, improve, and implement testing for COVID-19.
- **Includes \$945.5 million for vaccine, therapeutic, and diagnostic research to increase our understanding of COVID-19,** including underlying risks to cardiovascular and pulmonary conditions. When combined with the first supplemental, **Congress has provided \$1.78 billion in total for NIH research on COVID-19 treatments and vaccines.**
- **Ensures that FDA prioritizes drug and device approvals** for products especially needed to respond to public health emergencies and shortages.
- **Allows the federal government to more easily partner with private sector on research and development for COVID-19 treatments and vaccines** by removing the cap on transaction authority for Biomedical Advanced Research and Development Authority (BARDA) and provides \$1 billion in funding for advanced research, development, and production of COVID-19 diagnostic and serologic tests.
- **Incentivizes innovation for new animal drugs intended to prevent future outbreaks.** CARES provides breakthrough designations for animal drugs that can prevent human diseases i.e. speed up the development of drugs to treat animals to help prevent animal to human transmission, like what occurred with COVID-19.

This document was prepared as an informational resource and should not be considered legal or business counsel. Please reach out to CoronavirusHelp@braun.senate.gov for questions, concerns, or additional assistance. Last updated March 29, 2020.