



The Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Highlights of Provisions Most Relevant to Physicians and Medical Students

Financial Aid and Student Loan Information

Relief for Current Undergraduate and Graduate Students:

Students will be eligible for emergency financial aid grants from their institutions to meet unexpected and urgent needs relating to coronavirus, including expenses relating to food, housing, course materials, technology, healthcare and childcare.

Relief for Federal Student Loan Borrowers:

Borrowers do not need to make payments on student loans held by the federal government (Direct Loans and Federal Family Education Loans (FFEL) held by the U.S. Department of Education) through September 30th, 2020. Borrowers with commercially-held FFEL loans and Perkins Loans are not eligible, and private student loan borrowers are also not eligible. No interest will accrue on such loans for the same time period.

The suspension of payments on student loans only applies to all Direct Loans and FFEL loans held by the Department Education. It does not extend to federally-guaranteed, but commercially held loans. Information can be found [here](#).

Student borrowers will continue to receive credit toward Public Service Loan Forgiveness, Income-Driven Repayment forgiveness, and loan rehabilitation even though they will not be making payments. If borrowers want to continue making payments during this time to pay down principal and previously accrued interest (since no interest is accruing as of March 13th, 2020) they are free to do so.

Payments on federal student loans will resume after September 30th, 2020.

Financial Relief for Individuals

Anyone who filed a tax return this year or last year is eligible to receive a one-time cash payment. Individuals can receive up to \$1,200, married couple can receive up to \$2,400, and child dependents under age 17 receive \$500. Payments begin to phase out for individuals with adjusted gross incomes of \$75,000, \$112,500 for heads of household, and \$150,000 for joint

filers. These payments are not considered taxable income and will be distributed within the next several weeks.

Tax Filing Deadline Extended

The income tax filing deadline for individuals and businesses has been extended from April 15th to July 15th. Tax returns and any income taxes owed are not due on July 15th.

Financial Relief for Small Business and 501(c)(3) Organizations

The CARES Act includes a new \$350 billion loan program that will be administered by the Small Business Administration that 501(c)(3) organizations are eligible for, the Paycheck Protection Program. Small businesses and 501(c)(3) non-profit organizations, including hospitals, health systems, and health care providers, are eligible to apply for the SBA's Payroll Protection Program. The Small Business Administration is expected to issue guidance on this program including instructions on how to apply for a loan within the next 15 days, and funds are expected to be available on a first-come-first-serve basis. While information on the Paycheck Protection Program is not yet posted, information on other small business programs can be found on the Small Business Administration [website](#).

Small businesses or non-profit organizations can apply to an SBA-approved lender for a loan of up to 250% of their average monthly payroll costs to cover eight weeks of payroll as well as help with other expenses like rent, mortgage payments, and utilities.

This loan can be forgiven based on maintaining employee and salary levels. For any portion of the loan that is not forgiven, the terms include a maximum term of 10 years, a maximum interest rate of 4 percent. Small businesses and organizations will be able to apply if they were harmed by COVID-19 between February 15th, 2020 and June 30th, 2020. To be eligible, small businesses and 501(c)(3) non-profit organizations must have fewer than 500 employees, or more if SBA's size standards for the non-profit allows. This program is retroactive to February 15th, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Loans are available through June 30th, 2020.

Funding Provisions

Assistant Secretary for Preparedness and Response – \$127 billion for medical response efforts, including \$100 billion for a new program to provide grants to hospitals, public entities, not-for-profit entities, and Medicare and Medicaid enrolled suppliers and institutional providers to cover unreimbursed health care related expenses or lost revenues attributable to the public health emergency resulting from the coronavirus.

This \$100 billion fund is intended to be used to respond to immediate needs. The Department of Health and Human Services (HHS) has been instructed to review applications and make payments on a rolling basis in order to move money into the healthcare system as quickly as possible. HHS is expected to release guidance on the application process in the near future.

Additionally, there is more than \$27 billion for the Biomedical Advanced Research and Development Authority (BARDA) to support research and development of vaccines, therapeutics, and diagnostics to prevent or treat the effects of coronavirus, including:

- \$16 billion for the Strategic National Stockpile for critical medical supplies, personal protective equipment, and life-saving medicine;
- At least \$3.5 billion to advance construction, manufacturing, and purchase of vaccines and therapeutics to the American people. This is in addition to the major investments provided for these activities in the first supplemental.
- At least \$250 million for the Hospital Preparedness Program, including the National Ebola and Special Pathogens Training and Education Center (NETEC), regional, State and local special pathogens treatment centers, and hospital preparedness cooperative agreements;
- 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;
- Enhancements to the U.S. Commissioned Corps;
- Funding to support research related to antibiotic resistant secondary infections associated with coronavirus; and
- Workforce modernization and increased telehealth access and infrastructure to increase access to digital healthcare delivery.

Centers for Disease Control and Prevention – \$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, locals, territories, and tribes in their efforts to conduct public health activities, including:
 - 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; and
 - Other public health preparedness and response activities.

- \$1.5 billion in flexible funding to support the Centers for Disease Control (CDC) continuing efforts to contain and combat the virus, including repatriation and quarantine efforts, purchase and distribution of diagnostic test kits (including for state and local public health agencies) and support for laboratory testing, workforce training programs, combating antimicrobial resistance and antibiotic resistant bacteria as a result of secondary infections related to COVID-19, and communicating with and informing public, state, local, and tribal governments and healthcare institutions.
- \$500 million for global disease detection and emergency response;
- \$500 million for public health data surveillance and analytics infrastructure modernization; and
- \$300 million for the Infectious Diseases Rapid Response Reserve Fund, which supports immediate response activities during outbreaks.

Health Resources and Services Administration (HRSA) – The bill includes \$275 million for HRSA, including \$90 million for Ryan White HIV/AIDS programs and \$185 million to support rural critical access hospitals, rural tribal health and telehealth programs, and poison control centers.

Department of Veterans Affairs (VA) – The CARES Act includes \$19.57 billion to help ensure the VA has the equipment, tests, and support services necessary to provide veterans with the additional care they need at facilities nationwide.

Provisions Impacting Physician Payment and Patient Access to Care

Health Savings Accounts for Telehealth Services: A high-deductible health plan (HDHP) with a health savings account (HSA) can cover telehealth services prior to a patient reaching the deductible, increasing access for patients who may have the COVID-19 virus and protecting other patients from potential exposure.

Over-the-Counter Medical Products without Prescription: Patients can use funds in HSAs and Flexible Spending Accounts (FSAs) to purchase of over-the-counter medical products, including those needed in quarantine and social distancing, without a prescription from a physician.

Medicare and Medicare Advantage Vaccine Coverage: The CARES Act enables beneficiaries to receive a COVID-19 vaccine under Medicare Part B. and Medicare Advantage with cost-sharing.

Good Samaritan Protection: The CARES Act provides a limitation on liability for volunteer healthcare professionals participating in COVID-19 emergency response efforts.

Expanding Medicare Telehealth Flexibilities: The CARES Act eliminates the requirement in Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 (Public Law 116-123) that limits the 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 would enable beneficiaries to access telehealth, including in their home, from a broader range of providers, reducing COVID-19 exposure.

Allowing Federally Qualified Health Centers and Rural Health Clinics to Furnish Telehealth in Medicare: The CARES Act allows, during the COVID-19 emergency period, Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (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. This section would allow FQHCs and RHCs to furnish telehealth services to beneficiaries in their home. Medicare will reimburse for these telehealth services based on payment rates similar to the national average payment rates for comparable telehealth services under the Medicare Physician Fee Schedule. It will also exclude the costs associated with these services from both the FQHC prospective payment system and the RHC all-inclusive rate calculation.

Increasing Provider Funding through Immediate Medicare Sequester Relief: The CARES Act temporarily lifts the Medicare sequester, which reduces payments to providers by 2 percent, from May 1st through December 31st, 2020, boosting payments for hospital, physician, nursing home, home health, and other care. The Medicare sequester would be extended by one-year beyond current law to provide immediate relief without worsening Medicare's long-term financial outlook.

Medicare Add-on for Inpatient Hospital COVID-19 Patients: The CARES Act increases the payment that would otherwise be made to a hospital for treating a patient admitted with COVID-19 by 20 percent. It builds on the CDC decision to expedite use of a COVID-19 diagnosis to enable better surveillance as well as trigger appropriate payment for these complex patients. This add on payment would be available through the duration of the COVID-19 emergency period.