



H.R. 748, the “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act) Health Care Highlights

1. Provisions that will benefit physicians and physician practices.

- ***Small business loans.*** Small businesses, including physician practices, with no more than 500 employees are eligible to apply for the Small Business Administration’s (SBA) section 7(a) Payroll Protection Program. This allows a small business to apply to an SBA-approved lender for a loan of up to 250 percent of the business’ average monthly payroll costs to cover eight weeks of payroll as well as help with other expenses like rent, mortgage payments, and utilities. The maximum loan amount is \$10 million. Sole-proprietors, independent contractors, and other self-employed individuals are eligible. Small businesses with more than one physical location are eligible for each location as long as it has no more than 500 employees per physical location. A 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 four percent. Small businesses and organizations will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program is retroactive to February 15, 2020 and are available through June 30, 2020. (Division A)
- ***Financial support for hospitals, physicians, and others.*** Provides \$100 billion through the Public Health and Social Services Emergency Fund to provide immediate financial relief by covering non-reimbursable expenses attributable to COVID-19. Health care entities, including physician practices, that provide health care, diagnoses, or testing are eligible. Non-reimbursable expenses attributable to COVID-19 qualify for funding. Examples include increased staffing or training, personal protective equipment, and lost revenue. HHS is instructed to review applications and make payments on a rolling basis to get money into the health system as quickly as possible. HHS is given significant flexibility in determining how the funds are allocated and is expected to release guidance on the application process shortly. (Division B)
- ***Emergency loans.*** Authorizes \$10 billion for an “emergency” Economic Injury Disaster Loan (EIDL) to eligible entities with not more than 500 employees. Allows an eligible entity that has applied for an EIDL loan to request an ***advance*** on that loan, of not more than \$10,000, which the SBA must distribute within 3 days. Advance payments may be used for providing paid sick leave to employees, maintaining payroll, meeting increased costs to obtain materials, making rent or mortgage payments, and repaying obligations that cannot be met due to revenue losses. If a small business receives a Payroll Protection Program loan that is forgiven (see above) any advance amount received under the emergency EIDL would be subtracted from the amount forgiven in the Payroll Protection Program loan. (Section 1110)
- ***United States Public Health Service Modernization.*** A Ready Reserve Corps is established to ensure that we have enough trained doctors and nurses to respond to (COVID-19 and other) public health or national emergencies. (Section 3214)
- ***Limitation on liability for volunteer health care professionals during COVID-19 emergency response.*** For health care professionals who answer the call to serve, the language makes clear that physicians who provide volunteer medical services during the public health emergency related to COVID-19 have liability protections. These new protections are in addition to those provided by the Volunteer Protection Act of 1997. Volunteers are defined as those who are not paid for their services. (Section 3215)

- **Temporary Waiver of Requirement for Face-To-Face Visits Between Home Dialysis Patients and Physicians.** For the section of the End Stage Renal Disease (ESRD) program which allows a patient to receive monthly ESRD clinical assessments via telehealth, waives the requirements for face-to-face clinical assessment during the first 3 months of dialysis and at least every 3 months in the case of a national emergency. This will allow physicians to continue to serve their patients in a manner consistent with maintaining safe distances. (Section 3706)
- **Adjustment of Sequestration.** Increases provider funding through immediate Medicare sequester relief. During May 1, 2020 – December 31, 2020, Medicare programs are exempt from reduction under any sequestration order issued. (Section 3709)
- **Requiring Medicare Prescription Drug Plans and MA-PD Plans to Allow During the COVID-19 Emergency Period for Fills and Refills of Covered Part D Drugs for up to a 3-Month Supply.** This will free up the practice resources by allowing prescriptions to be written and filled for a longer period of time. (Section 3714)
- **Confidentiality and disclosure of records relating to substance use disorders.** Nothing in the bill requires a patient to consent to share his or her records for treatment, payment, or health care operations (TPO); rather, this section is intended to ease the administrative burden associated with sharing the records of willing individuals who want better care coordination. Additionally, 42 CFR Part 2 programs will not be required to share information for TPO purposes if a patient does not sign a consent form permitting such exchange. In other words, the language in this bill accomplishes the AMA’s goals of easing some of the administrative burden associated with exchanging 42 CFR Part 2 records while still giving patients the critically important option to seek confidential care at a Part 2 program knowing their information will not be shared without their explicit written consent. (Section 3221)
- **Notification mechanisms for substance use disorders.** This bill creates breach notification mechanisms and penalties for violations. (Section 3221)

2. Provisions that will benefit medical students.

- **Defers student loan payments and interest.** Defers student loan payments, principals, and interests through September 30, 2020. Additionally, during this time, involuntary collection related to student loans will be suspended. (Section 3513)
- **Federal Student Loan Flexibility.** Allows students who withdraw from school as a result of COVID-19 to not return Pell grants, other grant assistance, or loans. Additionally, for students who withdraw from school as a result of COVID -19, the current academic term would be excluded from counting toward lifetime subsidized loan or Pell grant eligibility. (Sections 3506, 3507, and 3508)
- **Use of Supplemental Educational Opportunity Grants for Emergency Aid.** Schools are allowed to use Supplemental Educational Opportunity Grants as emergency financial aid grants to assist graduate students with unexpected expenses and unmet financial needs that arise as the result of COVID-19. (Section 3504)
- **Federal Work-Study Flexibility During a Qualifying Emergency.** Institutions are allowed to transfer unused work-study funds to be used for supplemental grants. Additionally, it would give institutions the ability to issue work-study payments to student who are unable to work due to work-place closures, as a result of COVID-19, as a lump sum or in payments similar to paychecks. (Sections 3503 and 3505)
- **Continuing Education at Affected Foreign Institutions.** Supports foreign education institutions, including graduate medical programs, as they offer distance learning to U.S. students receiving Title IV funds for the duration of the COVID-19 pandemic. (Section 3510)

3. Provisions that expand telehealth.

- **Telehealth network and telehealth resource centers grant programs.** Health Resources and Services Administration (HRSA) grant programs that promote the use of telehealth technologies for health care delivery, education, and health information services are included with a specific emphasis on rural health centers. The use of telehealth in rural or medically underserved communities offers providers more flexibility to screen, monitor care, or treat their patients with, or at risk of contracting, COVID-19 while avoiding exposure to others. (Section 3212)
- **Exemption for telehealth services.** A high deductible health plan may include telehealth services for free and continue to be characterized as a high deductible health plan. (Section 3701)
- **Increasing Medicare Telehealth Flexibilities During Emergency Period.** The HHS Secretary has the authority to waive requirements during a national emergency and has allowed for increased Medicare telehealth flexibility and uses during COVID-19 pandemic. (Section 3703)
- **Enhancing Medicare Telehealth Services for Federally Qualified Health Centers and Rural Health Clinics during Emergency Period.** The Secretary allows for enhanced use of telehealth in Medicare for federally qualified health centers (FQHCs) and rural health clinics during the emergency period. Payment for these services can be determined by the Secretary or can be comparable to the telehealth rates currently paid for similar services. (Section 3704)
- **Temporary Telehealth Provisions.** There is also a temporary waiver of the requirement for face-to-face visits between home dialysis patients and physicians. (Section 3705) Telehealth may be used to conduct face-to-face encounters prior to recertification of eligibility for hospice care. (Section 3706) Remote patient monitoring for home health services will also be considered. (Section 3707)

4. Other noteworthy provisions.

- **Supplemental awards for health centers.** Grants up to \$1.32 billion will be awarded to supplement funds to health centers specifically for the detection, treatment, prevention and diagnosis of COVID-19. (Section 3211)
- **Rural health care services outreach, rural health network development, and small health care provider quality improvement grant programs.** Reauthorizes HRSA grant programs to strengthen rural community health by focusing on quality improvement, increasing health care access, coordination of care, and integration of services. The rationale is, rural residents are disproportionately older and more likely to have a chronic disease, which could increase their risk for more severe illness if they contract COVID-19. (Section 3212)
- **Increasing Access to Post-Acute Care During Emergency Period.** Waives the inpatient rehabilitation facility (IRF) 3-hour rule which requires that patients at an IRF receive at least 3 hours of therapy a day. Exceptions to the long-term care hospital payment rules are also included. (Section 3711)
- **Anti-discrimination relating to substance use disorders (SUD).** Includes stronger anti-discrimination protections than previous 42 CFR Part 2 alignment bills. Specifically, the bill includes anti-discrimination protections related to health care, employment, housing, access to courts, and social services for individuals whose SUD information is disclosed pursuant to inadvertent or intentional disclosure of such records. (Section 3221)
- **Prosecution protection relating to substance use disorders.** Includes stronger protections than previous 42 CFR Part 2 alignment bills. The bill prohibits a SUD record or any testimony relaying the information it contains from being used in civil, criminal, administrative, or legislative proceedings conducted by any Federal, State, or local authority absent patient consent or an appropriately authorized court order. (Section 3221)
- **Confidentiality and disclosure of records relating to substance use disorder.** Modifies the statute underlying 42 CFR Part 2 by permitting sharing of SUD records for purposes of TPO as

allowed by HIPAA following a patient's initial written consent. A 42 CFR Part 2 program may rely on this one-time initial consent to share Part 2 records for TPO purposes as permitted by HIPAA until a patient revokes his or her consent in writing. Other covered entities, including physicians, may use and disclose the records for TPO purposes as permitted by HIPAA without the need for a new written patient consent each time. (Section 3221)

- ***Patient notices for those with substance use disorders.*** Provides positive incentives to 42 CFR Part 2 programs that discuss with their patients the potential benefits of sharing SUD records and requires HHS to develop easily understandable notices of privacy practices, in consultation with legal, clinical, privacy, and civil rights experts. (Section 3221)
- ***Further Expanded Access to Lab Testing without Cost-Sharing.*** Patients can gain free access to COVID-19 laboratory developed tests (LDTs) irrespective of FDA approval, clearance, or authorization. COVID-19 LDTs developed and authorized by a state that has notified the Secretary of Health and Human Services of its intention to review tests intended to diagnose COVID-19, as well as any other test that the Secretary determines appropriate in guidance, are now able to be provided to patients for free (Section 3201)
- ***Pricing of Diagnostic Testing.*** Group health plans or a health insurance issuers required to reimburse the provider of a diagnostic test either at the negotiated rate in effect before the COVID-19 public health emergency was in effect or, if there is no negotiated rate, the cash price as publicly listed by the physician. An insurer may negotiate a price less than the cash price. This section ensures that physicians providing the COVID-19 receive accurate reimbursement. (Section 3202).
- ***Enhanced funding for Personal Protective Equipment.*** Includes \$16 billion for the Strategic National Stockpile for critical medical supplies, personal protective equipment, and life-saving machines. (Division B)
- ***Changes to the Strategic National Stockpile to Include Other Medical Supplies.*** Clarifies that the Strategic National Stockpile can stockpile medical supplies, including swabs necessary for diagnostic testing for COVID-19. (Section 3102)
- ***Extension of Community Health Centers, the National Health Service Corps. And Teaching Health Centers that Operate Graduate Medical Education Programs.*** Provides an extension of funding for Community Health Centers, the National Health Service Corps, and Teaching Health Centers that Operate Graduate Medical Education Programs through November 30, 2020. (Section 3831).
- ***Extension of the Special Diabetes Program and the Special Diabetes Program for Indians.*** The Special Diabetes Program is committed to advancing research for Type 1 Diabetes, while the Special Diabetes program funds treatment, education and prevention programs for American Indian and Alaska Native populations disproportionately affected by Type 2 Diabetes. (Section 3832).
- ***Extension of the Work Geographic Index (GPCI) Floor Under the Medicare Program.*** Increases payment for the work GPCI in areas where labor costs are determined to be lower than the national average through December 1, 2020. (Section 3801)