CARES Act Two Update

The Senate majority has introduced their draft proposal for the fourth COVID package which they are calling “CARES Act Two.” For the most part, policies in this draft focus on supporting businesses and workers in getting “back to work” as quickly as possible. This draft legislation kicks off the negotiations process. The Senate minority will now review the proposed draft and suggest additions and changes.

We expect the Senate minority to seek to add numerous additional policies more directly related to public health. For instance, this draft does not include any new provider-specific support or any provisions related to the medical workforce.

Once a draft considering both parties priorities is “agreed upon”, the Senate will vote on the package then send it to the House for review. The House could make further additions and edits but is likely to let The HEROES Act stand as their attempt at a package and leave any package that passes the Senate alone to ensure timely passage and signage by the White House.

Votes on the final package were projected to take place before the August recess (August 3rd for the House and August 10th for the Senate) but considering the distance between the two parties on the draft package it is more likely to be voted on after that break (September 8th for both chambers).

Notable provisions in the draft bill from the Senate Majority include:

1. Extending flexibilities made for telehealth in Medicare during the public health emergency through the public health emergency or December 31, 2021, whichever is later;
2. expanded forgiveness and additional funds for PPP loans;
3. an additional $16 billion for COVID-19 testing, $20 billion for vaccine research and $6 billion for vaccine distribution;
4. $15.5 billion to NIH including $10.1 billion to reopen NIH-funded research laboratories and reconstitute lost research;
5. An additional $25 billion for the provider relief fund;
6. Extensions for repayment of advanced Medicare payments (to January 1, 2021);
7. Medical liability reform;
8. Simplified student loan forgiveness; and

(Senate Majority draft legislation dated July 27, 2020)