

# Health and Economic Recovery Omnibus Emergency Solutions Act (H.R. 6800)

## DIVISION A – CORONAVIRUS SUPPLEMENTAL APPROPRIATIONS ACT

### State and Local Relief

\$500 billion in funding for state governments and \$375 billion for local governments to replace lost revenues stemming from the COVID-19 public health emergency.

### Small Business Relief

\$10 billion in additional funding for the Economic Injury Disaster Loan (EIDL) program which provides grants for businesses with less than 500 employees.

### Grants to Hospitals and Providers

\$100 billion in grants for hospitals and health care providers to be reimbursed for health care related expenses or lost revenue directly attributable to the public health emergency resulting from coronavirus. This would be in addition to the \$175 billion already provided by Congress for this purpose, of which \$50 billion has been distributed based on providers' net Medicare reimbursements.

### Testing

\$75 billion for testing, contact tracing, and other activities necessary to effectively monitor and suppress COVID-19.

## DIVISION B – REVENUE PROVISIONS

### Changes to CARES Act Economic Impact Payments

Makes all dependents eligible for the \$500 qualifying child amount in the stimulus payments provided under the CARES Act. The payment was previously only applicable to children under 17. The new eligibility is retroactive to the date of enactment of the CARES Act. The bill also prevents CARES Act stimulus payments from being garnished by any legal process.

### New Rebates to Individuals

Provides a new \$1,200 refundable tax credit for each family member to be paid out in advance payments. The credit phases out starting at \$75,000 of modified adjusted gross income (\$112,500 for head of household filers and \$150,000 for joint filers) at a rate of \$5 per \$100 of income.

### Tax Credits and Deductions for First Responders and COVID-19 Front-Line Employees

Provides a 30% refundable payroll tax credit for expenses reimbursed or paid for the benefit of an employee for reasonable and necessary personal, family, living, or funeral expenses incurred as a result of the presidentially declared disaster related to COVID-19. Also provides deductions for uniforms, supplies, training, and other unreimbursed expenses for front-line healthcare workers.

### Employee Retention Credit

Increases the applicable percentage of qualified wages reimbursed through the employee retention credit from 50% to 80%. Replaces the 100-employee delineation for determining the relevant qualified

wage base with a definition of large employer. A large employer is an employer with greater than 1,500 full time employees and gross receipts of greater than \$41,500,000 in 2019.

#### **Payroll Credit for Closed Businesses**

Provides a 50% refundable payroll tax credit for qualified fixed costs. Qualified fixed costs include covered rent obligations, covered mortgage obligations, and covered utility payments, with the same definitions as in the CARES Act. This credit is limited to employers with no more than 1,500 full-time equivalent employees or no more than \$41,500,000 in gross receipts in 2019. Additionally, employers must be subject to a full or partial suspension due to a COVID-19 government order or have a decline in gross receipts of at least 20% compared to the same calendar quarter of the preceding year.

#### **Paid Sick and Family Leave**

Extends the refundable payroll tax credits for paid sick and family leave, enacted in the Families First Coronavirus Response Act, through the end of 2021. Increases the amount of the refundable payroll tax credit employers can claim for leave granted to employees. Employers with more than 500 employees must continue to provide required paid sick leave and paid family and medical leave and are not eligible for payroll tax credits.

#### **Payroll Tax Deferral for PPP Recipients**

Allows businesses receiving Paycheck Protection Program loan forgiveness to defer payment of payroll taxes under Section 2302 of the CARES Act.

### **DIVISION C – HEALTH PROVISIONS**

#### **Medicaid**

Increases Federal Medical Assistance Percentage (FMAP) payments to state Medicaid programs by a total of 14 percentage points starting July 1, 2020 through June 30, 2021. Temporarily increases Medicaid disproportionate share hospital (DSH) allotments by 2.5 percent.

#### **Medicare IPPS Outlier Payment**

Provides an outlier payment for inpatient claims for any amount over the traditional Medicare payment to cover excess costs hospitals incur for more expensive COVID-19 patients until January 31, 2021.

#### **Medicare Accelerated and Advance Payment Program**

Lowers the interest rate for loans to Medicare providers made under the Accelerated and Advance Payment Program to 1%, reduces the per-claim recoupment percentage to 25%, and extends the period before repayment begins to one year and the final deadline for full repayment to 2 years from the date of the first payment. The program was suspended by CMS on April 26, but before suspension the interest rate was over 10% and the recoupment period was 120 days.

#### **Special Enrollment Period for Medicare**

Creates a new special enrollment period for Medicare Parts A & B eligible individuals during the COVID-19 public health emergency.

#### **Special Enrollment Period for Federal Exchanges**

Provides for a two-month open enrollment period to allow individuals who are uninsured, for whatever reason, to enroll in coverage. Currently, Americans can only enroll in an Affordable Care Act (ACA) plan during open enrollment period, or because of a qualifying life event if they were previously insured.

### **Coverage of COVID-19 Related Treatment and Testing**

Requires coverage of items and services related to the treatment of COVID-19 in group and individual market health plans and waives cost-sharing requirements for consumers during the COVID-19 public health emergency. Makes the requirement for free coverage of COVID-19 testing retroactive to the beginning of the COVID-19 public health emergency.

### **Medical Supplies Response Coordinator**

Requires the President to appoint a Medical Supplies Response Coordinator who would serve as the point of contact for the health care system, supply chain officials, and states on medical supplies, including personal protective equipment (PPE), medical devices, drugs, and vaccines.

### **COVID-19 Testing Strategy**

Requires the Secretary of HHS to update the COVID-19 strategic testing plan required under the Paycheck Protection Program and Health Care Enhancement Act no later than June 15, 2020. The updated plan shall identify the types and levels of testing necessary to monitor and contribute to the control of COVID-19 and inform any reduction in social distancing.

### **COVID-19 Reporting Portal**

Requires the Secretary of HHS, within 15 days, to establish and maintain an online portal for health entities to track and transmit data regarding their inventory and capacity related to COVID-19. This portal will enable hospitals and long-term care facilities to report their inventory related to PPE, medical supplies (like available ventilators and beds), and facility capacity (like number of needed doctors, nurses, and lab personnel). Facilities should be required to report these figures on a biweekly basis.

### **Health Care Provider Relief Fund**

Codifies the CARES Act health care provider relief fund for the purposes of reimbursing eligible health care providers for expenses related to preventing, preparing for, and responding to COVID-19, as well as lost revenues that have resulted from the COVID-19 pandemic.

### **Public Health Workforce Loan Repayment Program**

Establishes a loan repayment program to enhance recruitment and retention of state, local, tribal, and territorial public health department workforce.

### **Expanding Capacity for Health Outcomes**

Authorizes grants to expand the use of technology-enabled collaborative learning and capacity building models to respond to COVID-19.

### **Grants for Schools of Medicine in Diverse and Underserved Areas**

Authorizes grants to schools of medicine in rural, underserved, or Minority-Serving Institutions. Grants can be used to build new schools of medicine and expand, enhance, modernize, support existing schools of medicine.

### **Mental Health Impact of COVID-19**

Directs the NIH's National Institute of Mental Health to support research on the mental health consequences of COVID-19, including the impact on health care providers.

## **DIVISION E – CONTINUED ASSISTANCE TO UNEMPLOYED WORKERS**

### **Extension of Unemployment Compensation**

Extends the \$600 per week Federal Pandemic Unemployment Compensation (FPUC) supplement to state and federal unemployment benefits through January 31, 2021. Extends Pandemic Unemployment Assistance benefits (PUA) provided to workers who do not qualify for regular unemployment compensation through January 31, 2021. Extends Pandemic Extended Unemployment Compensation (PEUC), which provides 13 additional weeks of unemployment benefits to individuals who have exhausted other benefits, through January 31, 2021.

## **DIVISION H – VETERAN AND SERVICEMEMBER PROVISIONS**

### **Payment of Emergency Care Claims to Community Providers**

Grants prior authorization for any emergency care sought by veterans at non-VA hospitals, including COVID-19-related diagnosis and treatment, and ambulance transportation.

## **DIVISION I – SMALL BUSINESS PROVISIONS**

### **Amendments to the Paycheck Protection Program (PPP)**

- Extends the covered period from June 30 to December 31;
- Makes a technical clarification to ensure hospitals in bankruptcy still qualify for PPP loans due to the essential nature of their operations;
- Extends eligibility to all nonprofits of all sizes and clarifies the eligibility of housing cooperatives;
- Clarifies that loan terms extend through the end of the covered period;
- Establishes a minimum maturity on PPP loans of 5 years to enable borrowers to amortize loans over a longer period of time, which lowers monthly payments;
- Clarifies that PPP loans cannot be calculated on a compound basis, saving borrowers money over the long-term;
- Creates modifications to PPP Funds, including:
  - A carve out of 25% of the existing funds on the date of enactment to be used specifically for small businesses with 10 or fewer employees to guarantee they are fully able to access PPP assistance;
  - A carve out of 25% of the existing funds on the date of enactment solely for the use of all nonprofits, no matter their size or type but requiring that at least half this amount go to small nonprofits under the 500-employee threshold;
  - Establishes an additional set aside of existing funds of the lesser of 25% or \$10 billion specifically for community financial institutions, such as Community Development Financial Institutions (CDFIs), Minority Development Institutions (MDIs), SBA microlenders, and SBA Certified Development Companies (CDCs); and
  - Mandates that any returned amounts due to the cancellation of a covered loan shall be redistributed through loans to small businesses with 10 or fewer employees.

### **Commitments for Paycheck Protection Program**

Bifurcates the SBA's traditional lending authority in the 7(a) program from that of the PPP authority to certify the 7(a) lending program continues operation after PPP appropriations run out.

### **Amendments to PPP Loan Forgiveness**

- Adds flexibility in the covered period for borrowers by extending the 8-week period to 24 weeks and extends the covered period from June 30 to December 31;
- Harmonizes the use of proceeds with forgiveness;
- Mandates forgiveness data collection and reporting;
- Creates a safe harbor for borrowers who cannot rehire in the prescribed timeframe;
- Eliminates the 75/25 rule on use of loan proceeds; and
- Clarifies the hold harmless provision for lenders.

### **DIVISION J – SUPPORT FOR ESSENTIAL WORKERS, AT-RISK INDIVIDUALS, FAMILIES AND COMMUNITIES**

#### **Family Care for Essential Workers**

Increases the overall authorization level for the Social Services Block Grant (SSBG) to \$12.15 billion in 2020 and directly appropriates \$850 million to SSBG to fund child and family care for essential workers. This section defines “essential worker” to include health care sector workers among others.

### **DIVISION K – COVID HERO ACT**

#### **Providing Medical Equipment for First Responders and Essential Workers**

Expands the use and oversight of Defense Production Act (DPA) authorities to: increase the production and supply of critical medical supplies and equipment, such as diagnostic tests and personal protection equipment; focus efforts on supply chain mobilization; and decreases the disruption of critical deliveries to state and local governments.

#### **Private Student Loan Debt Relief**

Extends existing CARES Act student loan payment and consumer protections, such as debt collection prohibitions, to private loan borrowers, who are currently not covered by the CARES Act, and provides up to \$10,000 in debt relief to be applied to a private student loan.

### **DIVISION L – FAMILIES, WORKERS, AND COMMUNITY SUPPORT PROVISIONS**

#### **Employee Eligibility and Employer Clarification**

Temporarily suspends, until December 31, 2022, the current 1,250 hour eligibility requirement and reduces the tenure eligibility requirement from 12 months to 90 days under non-emergency Family and Medical Leave Act (FMLA).

#### **Emergency Leave Extension**

Extends the availability of Emergency Family and Medical Leave benefits from December 31, 2020 to December 31, 2021.

#### **Emergency Leave Definitions**

Provides private sector and public sector employees who have been on the job for at least 30 calendar days with the right take up to 12 weeks of job-protected paid leave under the Family and Medical Leave Act, regardless of the size of their employers.

### **Paid Leave**

Ensures that workers are provided with a full 12 weeks of paid emergency FMLA leave and such leave does not count towards an employee's 12 weeks of non-emergency unpaid FMLA leave.

### **Wage Rate**

Ensures employees will receive a benefit from their employers that will be no less than two-thirds of the employee's usual pay, up to \$200 a day, but no less than the applicable minimum wage in their area.

## **DIVISION M – CONSUMER PROTECTIONS**

### **Prevention of Price Gouging**

Prohibits the sale of consumer goods and services at unconscionably excessive prices including personal protective equipment, drugs, hand sanitizers, and healthcare services, among others.

### **Expansion of Rural Health Care Program of FCC**

Authorizes \$2 billion for a temporary expansion of the FCC's Rural Health Care Program (RHCP) to partially subsidize their health care providers' broadband service. Authorized subsidies would flow to all nonprofit and public hospitals, not just rural ones. Increases the broadband subsidy rate from 65 percent to 85 percent. Also uses authorized funds to expand eligibility of the RHCP to ensure mobile and temporary health care delivery sites are eligible and temporarily modifies administrative processes to ensure funding is delivered expediently.

## **DIVISION O – EDUCATION PROVISIONS**

### **Expanding Loan Relief to all Federal Student Loan Borrowers**

Amends the CARES Act to define the term "Federal student loan" to include Direct Loans, Department- and commercially-held Federal Family Education Loans (FFEL), Department- and institutionally-held Perkins loans, and Health and Human Services (HHS) student loans under subpart II of part A of Title VII and part E of Title VIII of the Public Health Service Act that are eligible for consolidation with Direct Loans under the HEA.

### **No Interest Accrual**

Amends the CARES Act to extend no interest accrual on Federal student loans (regardless of repayment status) until September 30, 2021 or until the economy shows initial signs of recovery (as defined in the Act), whichever is longer.

### **Writing Down Balances for Federal Student Loan Borrowers**

The CARES Act to provide \$10,000 of up-front debt relief for all Department of Education loan borrowers. Borrowers owing less than \$10,000 will receive up to the amount owed on their balance.

## **DIVISION Q – COVID HEROS FUND ACT**

### **Pandemic Premium Pay for Essential Workers**

Provides that employers that apply for and receive grants will pay essential workers \$13 per hour premium pay on top of regular wages. Essential workers are eligible for up to \$10,000 ("highly compensated" essential workers earning above \$200,000, up to \$5,000) for work performed from January 27, 2020 until 60 days after the last day of the COVID-19 Public Health Emergency. If an

essential worker develops symptoms of COVID-19 and dies, the worker's next of kin receives the remainder of the premium pay as a lump sum.