

FEDERAL COVID-19 LEGISLATIVE SUMMARY

MARCH 1, 2021

On February 27, the US House of Representatives passed a [modified](#) version of the American Rescue Plan Act of 2021 ([H.R. 1319](#)), a \$1.9 trillion COVID-19 relief package that focuses on vaccines, testing and public health, while also providing assistance to individuals and families, among other provisions. A summary of key healthcare provisions is below. The Senate will consider the bill this week and is expected to further modify the legislation.

Vaccines (\$20B). Directs over \$20B to establish a national COVID-19 vaccination program and improve the administration and distribution of vaccinations, including:

- \$7.5B to the Centers for Disease Control and Prevention (CDC) to prepare, promote, distribute, monitor, and track COVID-19 vaccines;
- \$7.5B for the Federal Emergency Management Agency (FEMA) to establish vaccination sites across the country; and
- \$5B to the Biomedical Advanced Research and Development Authority (BARDA) to support advanced research, development, manufacturing, production, and purchase of vaccines, therapeutics, and ancillary medical products.

Testing, Tracing and Mitigation. Among other related funding, the bill provides \$47B billion for testing, contact tracing, and mitigation activities, as well as the manufacturing, procurement, distribution, and administration of tests (including personal protective equipment (PPE) and supplies necessary for administration of the tests). These funds may also be used to help mitigate the virus in congregate settings by improving infection control and providing needed supplies.

Coverage. The bill includes several provisions to expand access to and lower the cost of coverage for individuals and families, including:

- **Expanding and Increasing Subsidies in the ACA Marketplaces for two years.** The bill provides subsidies for families with income above 400% of federal poverty level (FPL); caps premiums for all individuals at no more than 8.5% of income for a silver plan; and provides that individuals making between 100% and 150% of FPL pay no premiums. Additionally, the bill allows any individuals receiving unemployment during 2021 to be treated as if their income were 133% of FPL for the purposes of the ACA marketplace subsidy, thereby allowing access to an ACA silver plan with no premium.
- **Providing COBRA Subsidies of 85% of an individual's premium** through September 30 for those who lose their job and choose to use COBRA to continue their existing employer-sponsored health coverage.

- **Expanding Postpartum Medicaid Coverage** by allowing states the option to extend Medicaid and Children’s Health Insurance Program (CHIP) eligibility from the current 60 days to a full 12-month period postpartum.
- **Requiring Medicaid and CHIP coverage of COVID-19 vaccines and treatment without beneficiary cost sharing. Vaccines are matched at a 100% FMAP until one year after the end of the PHE.** States also have the option to provide coverage to the uninsured for COVID-19 vaccines and treatment without cost sharing at 100% FMAP.
- **Providing Temporary Increase in Medicaid Disproportionate Share Hospital (DSH) Financing** by providing a technical correction to address an unintended consequence of the temporary increase in the FMAP for state DSH contributions. The bill requires recalculation of the annual DSH allotments for any year the temporary COVID-19-related FMAP increase applies to ensure that the total DSH payments a state would make (including federal and state shares) is equal to the DSH payment amount the state would have made in the absence of the temporary FMAP increase. This DSH allotment recalculation is retroactive to coincide with the temporary FMAP increase enacted in 2020, and expires at the beginning of the fiscal year after the fiscal year in which the public health emergency (PHE) ends.

Public Health Workforce.

- Provides the US Department of Health and Human Services (HHS) with over \$9B for public health workforce-related support, including \$7.6B for establishing, expanding and sustaining the public health workforce;
- Allocates \$800M for the National Health Service Corp; \$330M for Teaching Health Centers; \$240M to support the Nurse Corps Loan Repayment Program; and \$100M for the Medical Reserve Corps.

State and Local Funding (\$350B). The bill provides an additional \$350B for state and local governments to help mitigate the fiscal effects from the pandemic. Of these funds, it is expected that the State of Illinois would receive \$7.5B, and an additional \$5.6B would be directed to local governments.

Rural Health Grants. Provides \$500M to the US Department of Agriculture to establish a pilot program to award grants to eligible entities, including certain rural hospitals. Grants could be used to cover COVID-19-related expenses and lost revenue to maintain capacity, including increasing capacity for vaccine distribution or telehealth capabilities.

Paycheck Protection Program (PPP). The bill provides \$7.25B in new PPP funding and clarifies that the affiliation rules will not apply to 501(c)3 organizations that employ 500 or fewer employees per physical location of the organization.

Behavioral and Mental Health Services (\$4B). Among other provisions, the bill allocates \$3.5B for the Substance Abuse and Mental Health Services Agency (SAMHSA) to be split between the Substance Abuse Prevention and Treatment and the Community Mental Health block grant programs. Additional funds are provided for programs that support mental and behavioral health and prevent burnout among health care providers and public safety officers.

Other Provisions

- **Skilled Nursing Facilities.** Provides \$500M to deploy strike teams to help nursing home facilities manage outbreaks of COVID-19 when they occur, and \$200M to the Secretary of HHS for the purpose of carrying out COVID-19 infection control through quality improvement organizations.
- **Occupational Safety and Health Administration (OSHA).** The bill provides at least \$75M, of which \$10M is directed to Susan Harwood training grants and not less than \$5M is allocated for enforcement activities related to COVID-19 at high-risk workplaces, including healthcare.
- **Child Care.** The bill includes several provisions to support access to child care, including \$15 billion through September 2021 for the Child Care and Development Block Grant, which may be used to assist front-line workers (including those working in health care), regardless of income.

For questions, please [contact IHA](#).