American Academy of Pediatrics

DEDICATED TO THE HEALTH OF ALL CHILDREN®

# AAP Summary of the Coronavirus Aid, Relief, and Economic Security (CARES) Act

On March 27, President Trump signed into law the third package of legislation that Congress has enacted to respond to the COVID-19 pandemic, the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*. Throughout the COVID-19 crisis, AAP has been advocating extensively for a comprehensive federal policy response. Our priorities include addressing the immediate need for increased supplies of personal protective equipment (PPE), financial relief for physicians and their practices, coverage of coronavirus testing and treatment for all children and families, and adequate payment by Medicaid and commercial payers of telehealth care at parity with in-person visits. AAP's priorities are outlined in this letter sent to congressional leadership.

The following chart outlines key provisions within the recently enacted CARES Act of interest to pediatricians. While the law addresses several AAP priorities, we are already looking ahead to future coronavirus packages to address provisions not contained in the CARES Act, including:

- Increasing the Medicaid match beyond the current emergency levels and establishing a permanent increase tied to recessions
- Reducing red tape barriers in Medicaid eligibility, enrollment, and retention
- Increasing Medicaid payment for primary care services
- Increasing the SNAP minimum and maximum benefits until the economy recovers and suspending all administrative rules that make it more difficult to access SNAP benefits
- Expanding paid leave to cover more families and more situations of need
- Ensuring states have the option to provide Medicaid to all children and families regardless of immigration status and ensuing families who file taxes with an Individual Taxpayer Identification Number (ITIN) receive cash benefits
- Allocating significant new resources to address the needs of families at risk of entering or current involved with the child welfare system
- Providing support for home visiting through the Maternal, Infant, and Early Childhood Home Visiting program
- Combating misinformation and disinformation about vaccines including a future vaccine for COVID-19
- Support for the global response to COVID-19 through additional funding to the WHO.

| | Summary | Analysis |
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| | **Health System Investments** | |
| Equipment and Infrastructure Grants | • Provides $100 billion for grants through the Public Health and Social Services Emergency fund to provide immediate financial relief by covering non-reimbursable expense attributable to COVID. Health care entities, including physician practices, that provide health care, diagnoses, or testing will be eligible for grants to pay for PPE, testing supplies, increased workforce training, emergency operation centers, and more. | Examples of expenses that qualify for funding 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. |

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| Medicare Payments | • Provides a 20% increase in Medicare payments for services provided to coronavirus patients. | |
| Strategic National Stockpile | • Includes money to replenish the Strategic National Stockpile (SNS) supplies of pharmaceuticals, personal protective equipment, and other medical supplies, which are distributed to state and local health agencies, hospitals and other healthcare entities facing shortages during emergencies.<br>• Requires the SNS to include PPE, ancillary medical supplies, and other supplies needed to administer drugs, vaccines and other biological products, medical devices and diagnostic tests. | |
| Food and Drug Administration | • Provides $80 million for FDA to respond to COVID-19, including funds for medical countermeasures, therapies, vaccines, and research. | FDA will play a crucial role in responding to COVID-19 by approving testing, therapeutics, and vaccines. |
| Indian Health Service | • Provides $1 billion in supplemental appropriations for the Indian Health Service (IHS) to address the impact of COVID-19, including for staffing support, supplies, and telehealth services. | Prior relief efforts have provided only limited funding for IHS and Tribes, despite concerns about the impact of the pandemic on that system. These funds increase total IHS funding by over 15 percent. |
| **Economic Supports** | | |
| Unemployment Insurance | • Allows part-time, self-employed, and gig economy workers to access unemployment benefits.<br>• Provides incentives to states that eliminate waiting weeks so money is transferred to workers more quickly.<br>• Extends benefits for an additional 13 weeks Increases payments by $600 per week. | The unemployment provisions in the previous Coronavirus legislation were limited. This bill adds a significant increase in weekly payments, lengthens benefits, and expands those who are eligible. |
| Small Business Grants | • Funds loan forgiveness grants to small businesses and non-profits to maintain existing workforce and pay for expenses like rent, mortgages, and utilities.<br>• Funds emergency grants of up to $10,000 for immediate relief for small business operating costs.<br>• Provides money for the Small Business Administration (SBA) to cover 6 months of payments for small businesses with existing SBA loans. | This provision is designed to provide financial assistance to businesses and non-profits with 500 or fewer employees. Eligible entities can access loans of up to $10 million to cover payroll, benefits, mortgage/lease, and utility expenses. Recipients can also receive forgiveness for part or all of the loan, depending on how many FTEs they maintain using the loan funds.<br><br>This website from the Small Business Administration contains more detailed information and resources. |

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| Direct Payments | • Provides Americans making up to $75,000 (individual) and $150,000 (married) with a $1,200 cash payment. An additional $500 cash payment is available per child. | This provision will offer direct and nonconditional financial relief to all eligible Americans. This provision offers a one-time cash payment to individuals and families, based on their 2018 income. Immigrant families that file taxes with an ITIN instead of an SSN are not eligible for these payments. It is possible Congress may pursue further cash assistance based on the duration of the pandemic. |
| **Patient Protections** | | |
| HSAs and FSAs | • Allows patients to use funds in Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs) for the purchase of over-the-counter medical products, including those needed in quarantine and social distancing, without a prescription from a physician. | The Affordable Care Act required patients to get a prescription from a doctor for OTC medicines if they wanted to pay for them using an HSA or FSA. This provision reverses that policy, effective back to January 2020. Physicians no longer have to write prescriptions for OTC HSA/FSA eligibility. |
| **Vaccine Coverage** | | |
| Rapid Coverage of Preventive Services and Vaccines for Coronavirus | • Directs the Secretaries of Health and Human Services, Labor and Treasury to require group health plans and health insurance issuers offering or individual health insurance to cover, without cost-sharing, any qualifying coronavirus preventive service<br>• The term “qualifying coronavirus preventive service” means an item, service, or immunization that is intended to prevent or mitigate coronavirus disease 2019 and that has in effect a rating of "A" or "B" in the current recommendations of the United States Preventive Services Task Force or a recommendation from the Advisory Committee on Immunization Practices (ACIP). | This provision ensures that a vaccine for COVID-19 will be covered by insurers without cost sharing, similar to coverage for immunizations required under the Affordable Care Act. |
| Coverage of the COVID-19 Vaccine Under Medicare Part B Without Cost Sharing | • Provides coverage for COVID-19 vaccine and its administration under Medicare Part B with no cost sharing to beneficiaries. | This provision is designed to ensure Medicare coverage for a COVID-19 vaccine once one becomes available. |
| **Research and Development** | | |
| National Institutes of Health | • Provides $945 million in additional funding for the NIH, including $706 million for the National Institute of Allergy and Infectious Diseases (NIAID) to prevent, prepare for, and respond to coronavirus, domestically or internationally. | This funding for NIH will allow the institutes to respond to COVID-19 research needs without requiring siphoning research dollars from other important research. |

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| HHS Public Health and Social Services Emergency Fund | • Provides $27.01 billion, until Sep 30, 2024, to prevent, prepare for, and respond to coronavirus, domestically or internationally, including the development of necessary countermeasures and vaccines, prioritizing platform-based technologies with U.S.-based manufacturing capabilities, the purchase of vaccines, therapeutics, diagnostics, necessary medical supplies, as well as medical surge capacity, addressing blood supply chain, workforce modernization, telehealth access and infrastructure, initial advanced manufacturing, novel dispensing, enhancements to the U.S. Commissioned Corps, and other preparedness and response activities.<br>• Directs the HHS Secretary to purchase vaccines developed using funds made available under this fund to respond to an outbreak or pandemic related to coronavirus in quantities determined by the Secretary to be adequate to address the public health need.<br>• Further states that products purchased by the Federal government with this fund, including vaccines, therapeutics, and diagnostics, will be purchased in accordance with Federal Acquisition Regulation guidance on fair and reasonable pricing and will be affordable in the commercial market.<br>• Provides $3.5 billion of these funds to BARDA for necessary expenses of manufacturing, production, and purchase, at the discretion of the Secretary, of vaccines, therapeutics, diagnostics, and small molecule active pharmaceutical ingredients, including the development, translation, and demonstration at scale of innovations in manufacturing platforms. | In recognition of the need for a vaccine to combat COVID-19, part of the Public Health and Social Services Emergency Fund can be used for the development and purchase of vaccines. These provisions also provide guidelines on pricing and affordability in the commercial market. |
| **Testing** | | |
| Coverage of Testing Products | • Clarifies that uninsured individuals can receive a COVID-19 test and related service with no cost-sharing in any state Medicaid program that elects to offer such enrollment option.<br>• Clarifies that beneficiaries can receive all tests for COVID-19 in Medicare Part B with no cost-sharing. | These provisions amend the Families First Coronavirus Response Act to ensure that Medicaid and Medicare beneficiaries can receive testing with no cost sharing. |
| Research | • Provides $6 million to National Institute of Standards and Technology at the Department of Commerce to prevent, prepare for, and respond to coronavirus, domestically or internationally, by supporting continuity of operations, including measurement science to support viral testing and biomanufacturing. | This funding can be utilized to enhance testing accuracy for COVID-19. |

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| Reimbursement Rates | • Requires a group health plan or health insurance issuer providing coverage of COVID-19 diagnostic testing items and services to reimburse the diagnostic testing provider at the negotiated rate in effect before the public health declaration. If a health plan/issuer and a provider do not have a negotiated rate, they must reimburse the provider at the publicly listed cash price for the service or a negotiated rate for less.<br>• States that during the emergency declaration, providers must make pricing of COVID-19 diagnostic testing publicly available (i.e.: on a website). If a provider is not compliant and has not completed a corrective action plan, the HHS Secretary may impose a civil monetary penalty of up to $300 per day that the violation is ongoing. | For COVID-19 testing covered with no cost to patients, these provisions require an insurer to pay either the rate specified in a contract between the provider and the insurer, or, if there is no contract, a cash price posted by the provider. Further provisions are designed to ensure transparency of pricing during the declared emergency. |
| States, local governments, territories and tribes | • Provides CDC $1.5 billion to support States, locals, territories, and tribes in their efforts to conduct public health activities, which may include lab testing to detect positive cases and contact tracing to identify additional cases. | This funding will allow state, local, tribal and other health agencies, in addition to lab testing, to carry out surveillance, epidemiology, infection control, mitigation, communications and other preparedness and response. |
| **Health Care Workforce** | | |
| Pediatric Subspecialty Loan Repayment Program | • Reauthorizes the Pediatric Subspecialty Loan Repayment Program (PSLRP) for five years, allowing appropriators to spend "such sums as may be necessary" rather than including a specific dollar amount.<br>• Makes no policy changes to the original program. | PSLRP was originally authorized in the Affordable Care Act but was never funded before it expired. The reauthorization will allow the pediatric community to advocate for initial funding for this crucial program to reduce shortages of pediatric subspecialists. |
| National Health Service Corps | • Allows National Health Service Corps participants to serve at other sites during the current public health emergency while still meeting their obligations under the program.<br>• Such reassignments would occur at the direction of the Secretary with the voluntary agreement of the Corps member. | Currently, providers in the NHSC must practice in eligible sites such as federally qualified health centers. HHS will now be able to exercise flexibility with this requirement during the current crisis. |
| Improving Home Health Care | • Allows non-physicians such as nurse practitioners and clinical nurse specialist to certify for Medicare home health services. | These changes also apply to Medicaid. |
| Liability Protections for Voluntary Health Care Workforce | • Provides protections for voluntary health care professionals under for any harm caused by an act or omission of the professional in the provision of health care services during the public health emergency with respect to COVID-19. | This provision preempts existing state laws and protects voluntary health care workers only. The AAP continues to advocate for strong liability protections for physicians practicing across state lines and via telehealth. |

| States and Localities | | |
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| Funding | • Allocates $45 billion for the immediate needs of state, local, tribal, and territorial governments to respond to COVID-19. | Reimbursable activities may include medical response, personal protective equipment, National Guard deployment, coordination of logistics, safety measures, and community services nationwide. |
| **Education** | | |
| Elementary and Secondary Education | • Provides $13.5 billion for grants to local educational agencies to use for coronavirus-response activities, such as planning for and coordinating during long-term school closures; providing mental health services; purchasing educational technology to support online learning. | |
| Child Care | • Includes $3.5 billion for the Child Care Development Block Grant to allow childcare programs to maintain critical operations, including meeting emergency staffing needs and ensuring first responders and health care workers can access childcare while they respond to the pandemic. | AAP and the broader advocacy community have supported an increase of $50 billion for this critical program. This is an important initial investment, but increased funding is needed for this program. |
| Head Start | • Includes $750 million for Head Start to meet emergency staffing needs. | These funds will help prolong maintenance of essential Head Start services, including as providers of nutrition services to vulnerable families. |
| Federal Students Loans | • Temporarily suspends student loan payments and accrual of interest for 6 months.<br>• Suspended payments will be considered paid for the purposes of Public Service Loan Forgiveness and similar programs.<br>• Allows students who withdraw from school as a result of COVID-19 to not return Pell grants, other grant assistance, or loans. | The Public Service Loan Forgiveness Program has been plagued by administrative problems. This provision will ensure that individuals in this program won't be penalized by the 6-month suspension of student loan payments. |
| Employer Student Loan Repayment Tax Exclusion | • Creates a new income tax exclusion allowing employers to repay up to $5,250 of an employee's student loan payments each year on a tax-free basis. | |
| **Nutrition** | | |
| Additional funding | • Includes $8.8 billion in additional funding for Child Nutrition Programs including school meals and WIC.<br>• Provides $15.5 billion in additional funding for SNAP. | The bill does not increase SNAP benefits as AAP and other organizations requested. |

| **Global Health** | | |
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| CDC Division of Global Health protection | • Provides $500 million for CDC global disease detection and response. | This is in addition to $300 million to CDC global disease detection and response provided in the first supplemental bill. |
| CDC Infectious Disease Rapid Response Fund (IDRRF) | • Includes $300 million for the Infectious Disease Rapid Response Fund, which can be used for both domestic and global preparedness, detection, and response. | The IDRRF received $300 million in the first supplemental, bringing the total to $600 million. |
| United States Agency for International Development | • Provides $95 million for operating expenses. This includes support for evacuations and ordered departures of overseas staff, surge support, increased technical support for remote functions, and other needs.<br>• Includes an additional $258 million for International Disaster Assistance which supports the Disaster Assistance Response Teams through the Office of Foreign Disaster Assistance. | International Disaster Assistance received $300 million in the first supplemental, making the total funding for IDA now $538 million.<br><br>This funding does not include resources for USAID's global health security program, which received $235 million in the first supplemental. However, the consensus in the global health community is that more resources are needed and may be included in another supplemental package. |
| **Medicaid and Other Health Care Program Extenders** | | |
| DSH Cuts | • Cuts delayed until December 1, 2020. | At the end of 2019, Congress passed legislation temporarily extending several important Medicaid programs, including a delay in cuts to the Medicaid Disproportionate Share Hospital (DSH) payment program, which are critical to children's hospitals ability to provide health care to all children. These programs are now extended through the end of November 2020. |
| Money Follows the Person | • Extends funding through November 30, 2020. | |
| Spousal Impoverishment Protections | • Extends protections through November 20, 2020. | |
| Community Mental Health Demonstration | • Extends funding through November 30, 2020.<br>• Expands number of states eligible for the grants. | |
| Healthy Start | • Authorized $125.5 million for each of fiscal years 2021-2025 to be appropriated for the Healthy Start Initiative.<br>• Broadened the scope of considerations considered by the Secretary of HHS in making grants to applicants to include "poor birth outcomes (such as low birthweight and preterm birth) and social determinants of health" and communities with "high rates of infant mortality or poor perinatal outcomes in specific subpopulations within the community." | The reauthorization of the Healthy Start Program has long been a priority of the Academy. The services offered through Healthy Start are important to lower maternal mortality rates and improve birth outcomes. |

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| National Health Service Corps | • Extends funding through November 30, 2020. | These short-term extensions will need to be revisited by Congress when they expire after the election in the fall. |
| Community Health Centers | • Extends funding through November 30, 2020. | |
| Teaching Health Centers | • Extends funding through November 30, 2020. | |
| TANF | • Extends funding through November 30, 2020. | |
| Personal Responsibility Education Program | • Extends funding through November 30, 2020. | |
| Special Diabetes Program | • Extends funding through November 30, 2020. | |
| | **Telehealth** | |
| Medicare Telehealth Services in FQHCs and Rural Health Clinics | • Establishes a mechanism for the Secretary to pay for telehealth services that are furnished by a Federally Qualified Health Center (FQHC) or a rural health clinic.<br>• Payment methods will be based on payment rates that are similar to the national average for comparable telehealth services under the physician fee schedule. | The legislation made a number of changes to allow broader use of telehealth in the Medicare program. In addition to the CARES Act, CMS has changed its policies to similarly increase access to and payment for telehealth services in Medicare (eg, covering telehealth from the patient's home, paying for audio-only telephone calls). While this provision applies to Medicare, states can loosen restrictions in Medicaid and commercial insurance. AAP is advocating for more covered telehealth visits, payment parity, and more accepted sites of care. |
| Face-to-Face Visits Between Home Dialysis Patients and Physicians | • Allows the Secretary to temporarily waive face-to-face requirements for dialysis patients during the emergency period. | These changes aim to mitigate face-to-face barriers in telehealth care for dialysis patients and those in hospice care. For more information on AAP policy to alleviate barriers to telehealth care, see AAP Guidance**:** Telehealth Payer Policy in Response to COVID-19 |
| Telehealth for Hospice Care | • Allows a hospice physician or nurse practitioner to conduct face-to-face encounters via telehealth, as determined appropriate by the Secretary. | |
| Use of Telehealth for Home Health Services | • Directs the Secretary to consider ways to encourage the use of telecommunications systems, including for remote patient monitoring, by clarifying guidance and conducting outreach. | |
| | **Child Welfare** | |
| Child Welfare Services | • Provides $45 million for grants to states to support the child welfare needs of families during this crisis. | This funding supports efforts to keep families together through preventative intervention, foster care maintenance payments, adoption assistance, and day care related to employment or training for employment. This increased funding |

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| | | level is a good start but insufficient to meet current need, and AAP will continue to pursue additional provisions to increase funding. |
| Community Services Assistance | • Provides $1 billion in direct funding to local community-based organizations to provide a wide-range of social services that reduce poverty and ensure needed emergency assistance. | Community Service Block Grant funds can be utilized to help low-income families secure and retain employment opportunities; attain an education and housing; obtain emergency assistance, including health and nutrition services; and supports many more essential resources that are critical during this global health emergency. |
| Runaway and Homeless Youth | • Provides $25 million for additional immediate assistance to current programs providing critical services and housing for runaway youth or youth experiencing homelessness. | This program supports activities to assist older youth by providing funding for street outreach, emergency shelters, longer-term transitional living arrangements, and maternity group home programs. AAP supports this funding but acknowledges significant additional funding is necessary to support the needs of older youth during this pandemic. |
| **Other AAP Priorities** | | |
| Over-the-counter drug reform | • Includes long-awaited changes to modernize the over the counter drug approval process.<br>• The legislation also strengthens FDA's ability to require conditions for packaging based specifically on preventing harm to children. | This has been an AAP priority for several years. AAP Committee on Drugs Chair Dr Bridgette Jones testified before the House Energy and Commerce Committee to urge Congress to move forward with these changes in 2017. |
| Changes to privacy protections for individuals with substance use disorder | • Aligns privacy protections for individuals experiencing substance use disorder with those afforded under HIPAA, allowing for substance use-related information to be stored in a patient's electronic health record alongside all other health information rather than in a separate record accessible only to substance use treatment providers . | Federal regulations have to date required more stringent privacy standards for substance use treatment records than for other health records. Providers have argued that these restrictions have impeded information sharing and coordination of care for individuals with substance use disorder. This provision aligns substance use records with HIPAA protections. |