



INFORMED ON REFORM ALERT

Alerting you on federal health care legislation and regulations

March 30, 2020

CARES Act, COVID-19 Relief Package, Signed into Law Strengthens Federal Government and Health Care System's Response

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief and Economic Security (CARES) Act into law. The \$2 trillion package provides economic relief to individuals, health care providers, small businesses, and heavily affected sectors of the economy, and is intended to strengthen the federal government and health care system's response to the COVID-19 pandemic. The bill passed the Senate unanimously on March 25 and passed the House on March 27 with an overwhelming voice vote.

Key economic provisions of the CARES Act include:

- **Individual Stimulus Payments:** Provides a one-time \$1,200 refundable tax credit for individuals (\$2,400 for joint taxpayers), plus \$500 per child under age 17. The payment phases out for those with adjusted gross incomes of \$75,000 or more (\$150,000 for joint taxpayers). The rebates would not be counted as taxable income for recipients.
- **\$349 billion in Small Business Interruption Loans:** Provides eight weeks of cash-flow assistance, from February 15, 2020 through June 30, 2020 for qualifying businesses (fewer than 500 employees, or the small business size standard associated with that industry, includes franchises, sole-proprietors, and self-employed), available through existing SBA-certified lenders. Details and instructions are expected to be released by the Small Business Administration in the next 15 days.
 - Allowable uses include costs related to group health care benefits and insurance premiums, and loans amounts are forgiven for amounts paid towards payroll costs, including payment of group health benefits.
- **\$500 billion in Treasury Loans to Severely Stressed Sectors of the Economy:** Provides the Treasury Secretary \$500 billion to make loans, loan guarantees, and other investments to support heavily affected industries, States, and municipalities for direct or indirect losses as a

result of the coronavirus. Details and instructions are expected to be released by the Treasury in the next 10 days.

- Cigna is planning an Informed on Reform web meeting to help our clients and broker partners understand how to access both the Treasury loans and Small Business Interruption Loans. More details will be shared soon.
- **Unemployment Insurance and Grants:** Creates a temporary Pandemic Unemployment Assistance program through December 31, 2020 to provide payment to those not traditionally eligible for unemployment benefits. Provides up to \$600/week to each recipient of unemployment insurance or Pandemic Unemployment Assistance for up to four months.
- **Short-Term Compensation Programs:** Provides \$100 million in federal grant funding to support short-term compensation arrangements, where employers can reduce employee hours instead of laying off workers and impacted employees will receive a pro-rated unemployment benefit.
- **Payroll Tax Credit:** For qualifying employers whose operations were fully or partially suspended, or whose gross receipts declines by more than 50%, provides a fully refundable payroll tax credit for 50% of wages paid up to \$10,000 during the public health emergency.

Health care-related provisions include:

- **Aid to Health Care Institutions:** \$100 billion available to eligible health care providers and hospitals for health care related expenses and lost revenues directly attributable to COVID-19. Eligible entities include public entities, Medicare or Medicaid suppliers and providers, and for-profit and non-for-profit entities as specified by the Secretary of Health and Human Services (HHS) that provide diagnoses, testing, and care for individuals with possible or confirmed cases of COVID-19.
- **COVID-19 Vaccine Coverage:** Requires commercial insurers to cover any qualifying coronavirus preventive service (i.e., vaccines) defined by the U.S. Preventive Services Task Force. Requires Medicare and Medicare Advantage organizations to cover any COVID-19 vaccines with no cost-sharing.
- **COVID-19 Testing Coverage:** Clarifies existing law requiring all COVID-19 testing to be covered by group health plans and individual market issuers without cost-sharing, including those tests without an emergency use authorization by the Food and Drug Administration (FDA).
 - In early March, Cigna voluntarily announced it would waive cost-sharing for COVID-19 testing and office visits related to testing for our members through May 31.
- **Payment of COVID Tests:** Requires commercial insurers to pay either: (1) the rate specified in a contract between the provider and the insurer in effect before the public health emergency was declared, throughout the duration of the public health emergency; or (2) if there is no contract,

a cash price posted on a public website by the provider, or the plan may negotiate a rate lower than the cash price. Imposes civil monetary penalties on providers that do not post the price on a public website.

- **90-Day Fills and Refills:** Requires Medicare Part D and Medicare Advantage plans to allow fills and refills of covered Part D drugs for up to 90-days during the public health emergency.
- **Telehealth Expansions:** Provides \$200 million to the Federal Communications Commission (FCC) to support the efforts of health care providers to provide telecommunication services, information services, and devices to enable telehealth services.
- **Telehealth and High-Deductible Health Plans (HDHPs):** Establishes a safe harbor for HDHPs that provide benefits for telehealth and other remote care services before patients satisfy the applicable minimum deductible.
- **Over-the-Counter Medical Products and HDHPs:** Allows patients to use health savings account (HSA) and flexible spending account (FSA) funds for over-the-counter medical products, including those needed for quarantine or social distancing, without a prescription from a physician.
- **Confidentiality and Disclosure of Records Covered by 42 CFR Part 2:** Allows for additional care coordination by aligning 42 CFR Part 2 regulations, which govern the confidentiality of substance use disorder treatment records, with existing Health Insurance Portability and Accountability Act (HIPAA) privacy requirements, with initial patient consent.
- **Temporary Moratorium of Medicare Sequestration:** Temporarily lifts the 2% Medicare sequester from May 1 through December 31, 2020.

The bill can be read in full [here](#).

To learn more about the actions Cigna is taking related to COVID-19, visit the [Coronavirus \(COVID-19\) Resource Center](#) on Cigna.com.

We encourage you to bookmark [Informed on Reform](#), where we continuously update information on legislation and regulatory changes impacting health plans.

Together, all the way.®

Don't want to receive Health Care Reform alerts and updates from Cigna? [Click here](#) to be removed from our distribution list. You will still be able to receive emails from Cigna not focused on Health Care Reform.

This document is for general informational purposes only. While we have attempted to provide current, accurate and clearly expressed information, this information is provided "as is" and Cigna

makes no representations or warranties regarding its accuracy or completeness. The information provided should not be construed as legal or tax advice or as a recommendation of any kind. External users should seek professional advice from their own attorneys and tax and benefit plan advisers with respect to their individual circumstances and needs.

[Legal Disclaimer](#) | [Privacy](#)

All Cigna products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Connecticut General Life Insurance Company, Cigna Behavioral Health, Inc., and HMO or service company subsidiaries of Cigna Health Corporation. The Cigna name, logo, and other Cigna marks are owned by Cigna Intellectual Property, Inc.

© 2020 Cigna. All rights reserved

This is an email from Cigna | 900 Cottage Grove Road, Bloomfield, CT 06002