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Coronavirus: Key Aspects of \$8.3 Billion Spending Package

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The Coronavirus Preparedness and Response Supplemental Appropriations Act was signed by the President on March 6 and provides \$8.3 billion in multi-year funds to combat the growing public health threat. The Act funds a comprehensive response to COVID-19, which includes funding for federal, international, and local preparedness and response capabilities.

Federal Response

Health and Human Services (HHS) will receive an allocation of \$6.5 billion of the supplemental appropriations. HHS will be responsible for procurement of medical supplies to supplement the National Strategic Stockpile in addition to supporting federal and state response efforts. More than \$3 billion will be allocated through HHS for research and development of vaccines, therapeutics, and diagnostics.

The Centers for Disease Control and Prevention (CDC) has also established a cost-sharing agreement with Medicare to waive fees for beneficiaries on any lab tests for COVID-19 as well as medically necessary hospitalizations. At this time there is no vaccine for COVID-19; however, if one is developed, it would be covered under Medicare Part D.

International Response

While 85 percent of the Act's total funding is allocated for domestic spending, \$1.25 billion is allocated for international spending through the United States Agency for International Development (USAID) and the CDC. These funds are intended to support humanitarian efforts in areas that have been heavily affected and to assist foreign health systems in containing the coronavirus and limiting its spread.

Local Response

The Act permits the government to use part of the \$2.2 billion CDC allocation for the construction, alteration, or renovation of non-federally owned facilities to improve preparedness and response capability at the state and local level. The supplemental also includes a general provision to allow funds to be used to reimburse state or local costs incurred for coronavirus preparedness and response activities between January 20 and the date of enactment of this emergency supplemental.

Emergency Telehealth Provisions

The Secretary of HHS is able to waive certain Medicare telehealth restrictions in areas affected by public health emergencies. The coronavirus was declared a national emergency as of January 31, so this effect applies across the country. The waivers allow Medicare providers to furnish telehealth services to Medicare beneficiaries regardless of whether the beneficiary is in a rural community and allows beneficiaries to receive care in their homes.

Stimulus for Affected Business

The initial emergency supplemental included \$1 billion in loan subsidies for small businesses, small agricultural cooperatives, small agricultural producers, and non-profit organizations that have incurred financial loss as a result of the coronavirus outbreak. In addition, the President is currently working with top economic officials to follow this with a fiscal stimulus package. The centerpiece of the package is a temporary tax cut, with infrastructure spending and paid leave in the mix. It is important to note the Administration has not requested the social security and/or payroll tax cut.

The Hill will react to an economic stimulus by focusing assistance to workers dislocated by business closings. Also look for free testing, expanded food stamp assistance, paid sick leave, and extended unemployment insurance to name a few issues on the table.

Timetable

It is hard to predict the makeup of the follow-on package because the full impact of COVID-19 has not yet been felt. It is very much a day-to-day issue at this point. The President's payroll tax cuts have not been well received by Capitol Hill. To that end, it is possible that the House will vote as early as March 19 on the House Democrats' package. But the high probability is that a second stimulus will be finalized when Congress resumes the week of March 23.

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