



Ways and Means Democrats' Priorities in the Coronavirus Aid, Relief, and Economic Security (CARES) Act

Committee secured key provisions and greatly improved Congress's third coronavirus response package

Relief for workers:

- **An additional \$600 per week** for the next four months for any worker affected by COVID-19 and eligible for state or federal unemployment compensation (UC) benefits.
- **Full, \$1,200 economic assistance payments for American adults, including for the lowest income taxpayers, and \$500 per child.**
- **Assistance for nonprofits, tribal governments, and state and local governments** that have “reimbursable arrangements” that require them to pay 100 percent of the cost of unemployment compensation (UC) benefits for their employees, rather than paying employer UC taxes. Under the House provision included in the Senate bill, the federal government would pay half of the cost of the benefits, and the entities would have a longer, more flexible time period to pay the rest.
- **13 weeks of additional UC benefits** for those who need them, in all states.
- **Expanded eligibility** to cover self-employed and “gig economy” workers, as well as individuals who couldn’t start work due to COVID-19
- **Full federal funding for Short-term Compensation Programs**, which allows struggling employers to enter into agreements with state UC programs to reduce employee hours and have them collect partial UC for the lost hours.
- **Early distribution and loan relief**, allowing individuals to use their retirement funds early, whether as a withdrawal or a loan, during this time of crisis without paying the 10 percent penalty on early withdrawals.
- **A temporary waiver of RMD rules**, which waives the required minimum distribution for 2020, allowing individuals to keep funds in their retirement plans. Under current law, generally at age 72, individuals must take an RMD from their retirement plans. Since the crisis has caused plan balances to sharply decrease, this provision lets those individuals preserve their retirement savings without violating any rules.

Relief for struggling businesses:

- **An Employee Retention Credit**, which incentivizes employers – including nonprofits – a to keep employees on the payroll, receiving uninterrupted pay and benefits.
- **The temporary reversal of a provision in the 2017 Republican tax law** to allow businesses to carry back losses to any of the last five years and raising the limit on deducting business interest expense from 30 percent to 50 percent.
- **A delay in payroll and self-employment taxes** that allows employers to delay paying social security payroll taxes and self-employed individuals to delay paying one half of social security self-employment taxes. Half the delayed taxes are due at the end of 2021, and the other half are due at the end of 2022.
- **A delay in the deadline for plan contributions** otherwise due during 2020 until January 1, 2021, allowing companies more time to meet their pension plan funding obligations.

Relief for hospitals and patients:

- **\$100 billion of additional funding** to support strained hospitals caring for coronavirus patients.
- **Free vaccines for individuals with insurance.** Although there is no COVID-19 vaccine yet, the legislation ensures that individuals with insurance will be able to access it at no charge when it does become available.
- **Telehealth flexibility.** Federally Qualified Health Centers and Rural Health Centers will be able to bill directly for telehealth services during the coronavirus crisis.
- **The legislation pauses the Medicare sequester** during the duration of the COVID-19 emergency, giving Medicare providers an immediate two percent increase in their Medicare payments.
- **Hospital Add-on Payments.** The CARES Act includes a 20 percent add-on payment for Medicare inpatient discharges for the treatment of patients diagnosed with COVID-19.
- **Ensuring Access to Prescription Drug Refills.** The legislation includes a provision that would require Medicare Part D prescription drug plans to fill 90-day refills of prescription drugs for beneficiaries who request the longer refill, allowing beneficiaries to stay at home and avoid the pharmacy during the COVID-19 crisis.
- **Medicare Extenders.** Several Medicare tax extenders that passed out of the Ways and Means Committee are now in the legislation, including the extension of the Medicare work geographic practice cost index (GPCI) 1.0 floor for physicians under the Medicare program; funding for quality measure endorsement, input, and selection; and funding for outreach and assistance for low-income programs, including money for State Health Insurance Programs (SHIPs). These programs will be extended through November 30, 2020.

- **Eligibility of Over-the-Counter Medications for Tax-Preferred Accounts.** The legislation repeals provisions of the Internal Revenue Code that limit payments for medications from HSAs, medical savings accounts, health flexible spending arrangements, and health reimbursement arrangements to only prescription drugs or insulin (allowing distributions from such accounts and arrangements for over-the-counter drugs). The bill also allows these tax-preferred accounts and arrangements to be used for menstrual care products. These provisions previously passed out of the Ways and Means Committee in 2019.