Wynne Health Group

Memorandum

March 23, 2020

HOUSE DEMOCRATS INTRODUCE THE TAKE RESPONSIBILITY FOR WORKERS AND FAMILIES ACT

Today, House Democrats introduced the **Take Responsibility for Workers and Families Act** – a package of proposals intended to bolster the federal government's response to COVID-19, as well as provide economic relief to individuals and businesses (including hospitals).

The introduction of the House bill follows a breakdown in negotiations over the third coronavirus response bill. In remarks delivered earlier today, Speaker Pelosi urged Senate Republicans to "move closer to the values" in their bill.

Over the last 24 hours, the Senate has twice failed to clear a procedural threshold to move forward on H.R. 748, the legislative vehicle for Senate Republicans' Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Pelosi alternative is not expected to pass in its current form but is a marker of where Democrats are pushing Senate Republicans as negotiations among Majority Leader Mitch McConnell (R-KY) and Minority Leader Chuck Schumer (D-NY) continue to unfold.

Snapshot – House Democrats' package includes:

- Supplemental appropriations for several agencies within the Department of Health and Human Services (HHS), including grants to State, localities, and providers (Division A);
- Health care worker protections (Division D);
- Provisions to establish payroll tax credit for eligible hospitals that furnish COVID–19 charity care and incur COVID–19 hospital facility expenditures (Division T);
- Changes to premium tax credit for individuals enrolled in a qualified health plan (QHP) offered on the Affordable Care Act (ACA) exchange (Division T);
- Additional funding for the Supplemental Nutrition Assistance Program (SNAP) (Division K); and
- Provisions addressing Medicare, Medicaid, private health insurance, and public health extenders (Division G).

Highlights of the health-related provisions follow:

Division A – Supplemental Appropriations

Title VIII – Department of Health and Human Services (HHS)

- **Health Resources and Services Administration (HRSA)** – Provides $1.3 billion for health centers, $100 million for rural hospitals, and $330 million for development of a telephonic and virtual care platform, among other investments.

- **Centers for Disease Control and Prevention (CDC)** – An additional $5.5 billion to remain available through FY 2024 to support the agency-wide efforts to prevent, prepare for, and respond to COVID-19. This allocates $2 billion in grants for states, localities, territories, and tribal

organizations to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communication, and other preparedness response measures. Additionally, $1 billion is to be dedicated to global disease detection and emergency response, and $500 million is intended for public health data surveillance modernization.

- **National Institutes of Health (NIH) –** An additional $800 million for COVID-19 research, including vaccines and diagnostics.

- **Substance Abuse and Mental Health Services Administration (SAMHSA) –** An additional $435 million to be made available for the "Health Surveillance and Program Support" through FY 2021. $200 million is dedicated to grants for communities and community organizations who meet the criteria for Certified Community Behavioral Health Clinics (CCBHCs). $60 million should be made available for services to the homeless population and $10 million should be made available for the National Child Traumatic Stress Network.

- **Centers for Medicare and Medicaid Services** – An additional $550 million be made available for "Program Management" through FY 2022 for response efforts. $100 million should be made available for necessary expenses related to the survey and certification of the program and the prioritization of nursing home facilities in localities with community spread.

- **Administration for Children and Families**

    - Low Income Home Energy Assistance – An additional $1.4 billion to be made available through FY 2021 for making payments under the Low Income Home Energy Assistance Act.

    - Payments to States for the Child Care and Development of Block Grant – An additional $6 billion to be made available through FY 2021 for COVID-19 response efforts.

    - Children and Families Services Program – An additional $4.302 billion to be made available through FY 2021 for the following:

        - $1 billion for making payments under the Head Start Act;
        - $2.5 billion for activities to carry out the Community Services Block Grant Act;
        - $2 million for the National Domestic Violence Hotline;
        - $100 million for Family Violence Prevention and Services formula grants;
        - $100 million for carrying out activities under the Runaway and Homeless Youth Act;
        - $1.5 billion for necessary expenses for grants assisting low-income households in paying their water and wastewater utility costs.

- **Administration for Community Living (ACL) –** An additional $1.205 billion to be made available for the "Aging and Disability Services Program" through FY 2021 for COVID-19 response activities. This includes funding for activities under the Older Americans Act of 1965, specifically supportive services, nutrition services, family caregiver support services, and elder rights protection activities.

- **Office of the Secretary –** An additional $6.077 billion to be made available for the "Public Health and Social Services Emergency Fund" through FY 2024 for COVID-10 response activities, including the development of countermeasures, vaccines, and other delineated priorities.

An additional $100 billion is to be made available to providers, including public entities, not-for-profit entities, Medicare and Medicaid enrolled suppliers, and institutional providers, for the reimbursement of health care related expenses or lost revenue attributable to COVID-19. Stipulates that such grants should be awarded in coordination with CMS and reiterates that these funds are not to supplant expenses that would have otherwise been reimbursed from other sources.

$1 billion is to be dedicated to the development, translation, and demonstration at scale of innovation in manufacturing platforms to support a U.S. supply chain for vaccines, therapeutics, and small molecule active pharmaceutical ingredients (APIs). The HHS Secretary is also authorized to purchase developed vaccines to respond to the outbreak in quantities necessary to address the public health need. These products may be deposited in the Strategic National Stockpile (SNS).

No later than seven days upon enactment, the Secretary is required to report on the current inventory of personal protective equipment (PPE), including the number of face shields, gloves, goggles and glasses, gowns, head covers, masks, and respirators. Additionally, the HHS Secretary must report on the deployment of PPE during the previous week, as reported by states and jurisdictions.

Designates an additional $4.5 billion through FY 2022 for Veterans Affairs (VA)-related COVID-19 preparedness and response, including expenses incurred by the VA health care system to provide medical care to civilians.

Division D – COVID-19 Workforce Emergency Response Act of 2020

- **Sec. 40002. Emergency Temporary and Permanent Standards –** Requires the Department of Labor (DOL), in consultation with the Centers for Disease Control and Prevention (CDC), the National Institute for Occupational Safety and Health (NIOSH), and the Food and Drug Administration (FDA), to issue an "emergency temporary standard" (ETS) to protect the following groups of health care works from exposure to COVID-19:

    - Health care sector employees;
    - Paramedics and emergency medical service providers (including firefighters and other emergency responders); and
    - Employees in other sectors deemed in need of protection by the CDC or the Occupational Safety and Health Administration (OSHA).

  The ETS must be issued within seven days after the date of enactment. In addition, States with an approved State plan under section 18 of the Occupational Safety and Health Act of 1970 (to develop and enforce occupational safety and health standards to which a Federal standard has been promulgated) must promulgate an ETS that is at least as effective as the Federal ETS no later than 14 days after enactment.

- **Sec. 40003. Surveillance, Tracking and Investigation of Work-Related Cases of COVID-19 Among Health Care Workers –** Requires CDC and OSHA to:

    - Collect and analyze case reports and other data on COVID-19 to understand the impact of the outbreak on health care workers;
    - Investigate individual cases of COVID-19 among such workers;
    - Provide periodic reports on COVID-19 exposure among health care workers; and
    - Make recommendations for improvement based on these findings.

Division G – Health Provisions

Title I – Medicaid

- **Sec. 70101. Increasing Federal Support to State Medicaid Programs during Economic Downturns –** Creates a mechanism to automatically increase federal payments to state Medicaid programs if a state experiences an increase in the state unemployment rate exceeding a specified threshold. The available increase (known as the COVID-19 FMAP increase) is applied quarterly and is in addition to the FMAP increase specified under the Families First Coronavirus Response Act. Applies to quarters beginning on or after July 1, 2020.

- **Sec. 70102. Limitation on Additional Secretarial Action with Respect to MFAR Reporting Requirements –** Prevents HHS from finalizing the Medicaid Fiscal Accountability Regulation (MFAR) until two years after the end of the public health emergency.

- **Sec. 70103. Authority to Award Medicaid HCBS Grants to Respond to the COVID-19 Public Health Emergency –** Authorizes the Secretary to award grants to states to support activities that strengthen their home- and community-based services (HCBS) benefit at a 15 percent increase over the state's annual expenditure rate for the most recent three fiscal years. Funding may be used to increase rates for home health and direct service worker agencies; to provide paid sick leave, paid family leave, and paid medical leave or hazard pay for home health workers and direct service workers; to provide services to eligible individuals on the wait list, and more.

- **Sec. 70104. Delay in Reduction of FMAP for Medicaid Personal Care Services Furnished without an Electronic Visit Verification System –** For the duration of the public health emergency, suspends reductions in the FMAP rate for states that are not in full compliance with the electronic visit verification (EVV) requirements.

- **Sec. 70105. Coverage at No Cost Sharing of COVID-19 Vaccine and Treatment –** Ensures that adult Medicaid beneficiaries receiving traditional Medicaid benefits have access to a future COVID-19 vaccine without any out-of-pocket costs. It also includes children enrolled in stand-alone CHIP programs to the vaccines for children program to ensure that they are able to receive COVID-19 vaccinations free of cost sharing for the vaccine and its administration.

- **Sec. 70106. Optional Coverage at No Cost Sharing of COVID-19 Treatment and Vaccines under Medicaid for Uninsured Individuals –** Ensures that uninsured individuals whom states opt to cover through the new Medicaid eligibility pathway will be able to receive in vitro diagnostic testing, treatment and immunizations for COVID-19 without cost-sharing.

- **Sec. 70107. Temporary Increase in Medicaid Federal Financial Participation for Telehealth Services –** This section, for the duration of the public health emergency, provides a 1 percent increase to the FMAP for telehealth services for state Medicaid programs that cover telehealth services to the same extent as they are required to be covered by Medicare. This provision would be effective through the last day of the calendar quarter in which the public health emergency ends.

- **Sec. 70108 – Extension of Full Federal Medical Assistance Percentage to Urban Indian Organizations.** Ensures that tribal providers, including urban Indian organizations, are able to receive 100 percent FMAP regardless of the facility where such services are furnished.

- **Sec. 70110. Increased FMAP for Medical Assistance to Newly Eligible Individuals –** Allows states that expanded Medicaid after 2014 to benefit from the enhanced 100 percent FMAP that was available to states that expanded in 2014 under the ACA.

- **Sec. 70111. Renewal of Application of Medicare Payment Rate Floor to Primary Care Services Furnished under Medicaid and Inclusion of Additional Providers** – Provides that, for the duration of the public health emergency, Medicaid providers be paid no less than Medicare providers.

- **Sec. 70112. Temporary Increase in Medicaid DSH Allotments** – Increases Medicaid DSH allotments by 2.5 percent for duration of public health emergency.

- **Sec. 70113. Temporary Allowance for Medical Assistance under Medicaid for Inmates during 30-Day Period Preceding Release** – Makes incarcerated individual eligible to enroll in Medicaid 30 days prior to their release, provided they meet eligibility parameters.

- **Sec. 70114. Extension of Existing Section 1115 Demonstration Projects** – Allows HHS to extend existing 1115 demos through 2021.

- **Sec. 70115. Preventing Medicaid DSH Cuts** – Averts Medicaid DSH cut for fiscal year (FY) 2020, reduces FY 2021 cut to $4 billion, and delays the FY 2021 cuts' application until Dec. 1, 2020.

- **Sec. 70116. Extension of Money Follows the Person Rebalancing Demonstration** – Fully funds the demonstration for FY 2020. Provides $75 million for the first two months of FY 2021.

- **Sec. 70117. Extension of Community Mental Health Services Demonstration** – Extends the demo through November 30, 2020.

Title II – Medicare

- **Sec. 70201. Coverage of the COVID-19 Vaccine Under the Medicare Program Without Cost-Sharing** – Covers COVID-19 vaccine without cost-sharing within Medicare. Deductibles do not apply. Provider payments for the vaccine will be the same as for the influenza, pneumococcal, and hepatitis B vaccines.

- **Sec. 70202. Holding Medicare Beneficiaries Harmless for Specified COVID-19 Treatment Services Furnished Under Part A or Part B of the Medicare Program** – Patients will not be responsible for any cost-sharing including deductibles, copayments, and coinsurance under Medicare Parts A and B for any COVID-19 treatment service. Supplemental plans are required to pay and the Secretary will create a process for such payments. $100 million will be transferred to CMS from the Federal Hospital Insurance Fund and the Federal Supplementary Trust Fund to pay for this section.

- **Sec. 70203. Medicare Sequester Delay** – From May 1, 2020 through the end of the emergency period, Medicare is exempt from reductions under sequestration.

- **Sec. 70204. Enhancing Medicare Telehealth Services for Federally Qualified Health Centers and Rural Health Clinics During the Emergency Period** – During the emergency period the Secretary will pay for telehealth services offered via a telecommunications system by an FQHC or a rural health clinic to an eligible telehealth individual as long as the FQHC or rural health center is not in the same place as the beneficiary. The Secretary will establish payment details based on payment rates for comparable telehealth services under the physician fee schedule.

- **Sec. 70205. Guaranteed Issue of Certain Medigap Policies** – Adds an additional one-time enrollment period for certain individuals. Includes details regarding guaranteed issue for Medicare Advantage enrollees. All apply to policies effective on or after January 1, 2024.

- **Sec. 70206. Ensuring Communications Accessibility for Residents of Skilled Nursing Facilities** – Guarantees that residents of skilled nursing facilities (SNFs) will have reasonable access t the use of a telephone, including TTY and TDD services. Within 15 days of enactment of the Act, HHS will issue guidance on steps SNFs must take to ensure residents have access to televisitation during the emergency period.

- **Sec. 70207. Medicare Hospital Inpatient Prospective Payment System Outlier Payments for COVID-19 Patients During Certain Emergency Period** – Provides for an outlier payment for IPPS claims for COVID-19 patients.

- **Sec. 70208. Coverage of Treatments for COVID-19 at No Cost Sharing Under the Medicare Advantage Program** – Guarantees no cost-sharing within Medicare Advantage. The amount that would have been collected in cost-sharing will instead be paid by the Secretary.

- **Sec. 70209. Establish a Risk Corridor Program for Medicare Advantage Plans During the COVID-19 Emergency** – Establishes and implements a risk corridor program for Medicare Advantage plans during the course of the emergency. Allocates to CMS whatever amount of funding necessary for the program.

- **Sec. 70210. Requiring Coverage Under Medicare PDPs and MA-PD Plans, Without the Imposition of Cost-Sharing or Utilization** – Guarantees no cost-sharing within Medicare Advantage. The amount that would have been collected in cost-sharing will instead be paid by the Secretary.

- **Sec. 70211. Requiring Medicare PDPs and MA-PD Plans to Allow During the COVID-19 Emergency Period for Fills and Refills of Covered Part D Drugs for Up to a 3-Month Supply** – Requires prescription drug plans to permit Part D eligible individuals to obtain single fill or refills the total day supply up to 90 days, with safety exceptions.

- **Sec. 70212. Extension of the Work Geographic Index Floor Under the Medicare Program** – Extends through December 1, 2020 instead of through May 23, 2020.

- **Sec. 70213. Extension of Funding for Quality Measure Endorsement, Input and Selection** – Increases funding and extends through November 30, 2020 instead of through May 23, 2020.

- **Sec. 70214. Extension of Funding Outreach and Assistance for Low Income Programs** – Increases and extends funding for Area Agencies on Aging as well as Aging and Disability Resource Centers. Also increases and extends funding for the National Center for Benefit

Outreach and Enrollment. Funding increased and extended through November 30, 2020 instead of May 23, 2020.

Title III – Private Insurance

- **Sec. 70301. Special Enrollment Period (SEP) through Exchanges; Federal Exchange Outreach and Educational Activities** – Establishes a two-month SEP during a declared public health emergency beginning one week after enactment for Healthcare.gov states. Coverage would be effective on April 1, 2020, or the first day of the month following the day an individual selects a plan. Does not apply to State-based Exchanges that provided for such SEPs prior to enactment. Also appropriates $25 million for outreach and education activities under Healthcare.gov.

- **Sec. 70302. Short-Term Limited Duration Insurance Rule Prohibition** – Bars the tri-agencies from implementing or enforcing the short-term plan final rule or promulgating a substantially similar rule.

- **Sec. 70303. Rapid Coverage of Preventive Services and Vaccines for COVID-19** – Requires first-dollar coverage by individual and group plans (including grandfathered plans) of qualifying COVID-19 preventive services, which is defined as an item, service, or immunization intended to prevent or mitigate COVID-19 and has an "A" or "B" rating from USPSTF or ACIP. Applies 15 business days after the rating or recommendation is made.

- **Sec. 70304. Coverage of COVID-19-Related Treatment at No Cost-Sharing** – Requires treatment be covered by group or individual plans (including grandfathered plans) without any cost-sharing for the duration of the emergency period. This includes medically necessary in-person and telehealth visits for individuals diagnosed with COVID-19 to treat or mitigate such effects as well as such services for those presumed to have the condition under certain circumstances.

- **Sec. 70304. Coverage of COVID-19-Related Treatment at No Cost-Sharing; Reimbursement of Plans** – Requires treatment be covered by group and individual plans (including grandfathered plans) without any cost-sharing for the duration of the emergency period. This includes medically necessary in-person and telehealth visits for individuals diagnosed with COVID-19 to treat or mitigate such effects as well as such services for those presumed to have the condition under certain circumstances. Tri-agencies to define items and services relevant to treatment and mitigation of COVID-19, even if not "ordinarily covered."

  Provides that individual group and individual plans (including grandfathered plans) that do not impose cost-sharing be **reimbursed by the federal government** for the total dollar amount of cost-sharing that would have been required under the plans for COVID-19-related items and services during the emergency period. Such plans would notify HHS, Labor, and Treasury of the total cost-sharing that would have applied and payment shall be made by May 1, 2021, for cost-sharing waivers for 2020. Authorizes appropriations for this purpose.

- **Sec. 70305. Requiring Prescription Drug Refill Notifications during Emergencies** – Stipulates that individual and groups plans provide a notification within five days of an emergency declaration (or enactment) of whether the plan will waive restrictions on authorized refills for drugs, enabling refills in advance under CDC guidelines. If so, requires that information be provided on how to obtain such refills.

- **Sec. 70306. Improvement of Certain Notifications Provided to Qualified Beneficiaries by Group Plans in Case of Qualifying Events** – Requires that ERISA plans notify each qualifying beneficiary of options under an Exchange, including a clear explanation of Qualified Health plan options and implications that an election of continuation coverage may have for the special enrollment period as well as the availability of financial assistance, among other information. Provides for updates to the model COBRA notices to incorporate ACA-related information.

- **Sec. 70307. Preserving Health Benefits for Workers** – Provides premium assistance for COBRA-eligible beneficiaries and reimburses for such premium assistance through the payroll tax system. Provides for tri-agency process to apply premium assistance to furloughed workers. Stipulates that premium assistance be recaptured for higher-income taxpayers. Applies to taxable years ending after the date of enactment.

- **Sec. 70308. Risk Corridor Program** – Calls for HHS to administer a risk corridor program for plan years 2020 and 2021. Applies to the individual and small group market and appropriates such sums as necessary.

- **Sec. 70309. Coverage of In Vitro Diagnostic Products** – Adds qualified in vitro diagnostic products to those that would be covered under the Families First Coronavirus Response Act.

- **Sec. 70310. Sense of Congress Regarding Surprise Billing** – Provides a non-binding sense of Congress regarding surprise billing and the need for a long-term solution. Indicates that COVID-19 will necessitate emergency services and may result in limited in-network option. Calls on providers to refrain from balance billing for out-of-network care and insurance companies to "do their utmost" to secure access to in-network care. Expresses that cost-sharing should be limited to what it would be if providers were in network.

Title V – Public Health Policies

Select policies include:

- **Sec. 70501. Reimbursement for Additional Health Services for Coronavirus** – Permits the National Disaster Medical System to also reimburse for COVID-19 treatment.

- **Sec. 70502. Public Health Data System Transformation** – Requires expansion and assessment of CDC data systems for the collection and analysis of public health information, including through grants to State, local, Tribal, or territorial public health departments. Authorizes $100 million over five years.

- **Sec. 70506. Reporting of COVID-19 Testing and Results** – Requires real-time reporting of positive and negative results by state and local governments as well as labs and health systems.

- **Sec. 70531. Shortages of Essential Devices** – Requires reporting by manufacturers of essential devices that are determined by HHS to be critical to preventing, screening, diagnosing, treating, or mitigating the spread of a disease. Such manufacturers must report permanent discontinuances, interruptions in manufacturing, or other situations or circumstances that are likely to lead to a shortage or meaningful disruption.

- **Sec. 70534. Reporting Requirement for Drug Manufacturers** – Requires quarterly reporting by drug and active pharmaceutical ingredient manufacturers on the volume of drugs they manufacture, prepare, propagate, compound, or process for commercial distribution prior to being imported or offered for import into the United States.

The legislation also includes **several public health extenders**, namely extending funding for Community Health Centers, the National Health Service Corps, and Teaching Health Centers Graduate Medical Education through November 30, 2020. The bill also extends funding for the Special Diabetes program through the same date. It also establishes a **health care provider loan program** for which Medicare and Medicaid-participating hospitals, critical access hospitals, skilled nursing facilities, physician practices, home health providers, community health centers, ambulatory surgical care center, or hospices are eligible.

Division K – Agriculture Provisions: Title II – Supplemental Nutrition Assistance Program

- **Sec. 110202. SNAP Allotments**
  - Increases SNAP allotments by 15% beginning on May 1, 2020
  - Establishes a minimum benefit level of no less than $30 for a household of two.
  - Creates implementation requirements for the Agriculture Secretary that are essential for state and county governments. This includes requiring the Secretary to notify households of the increase in benefits, preventing the Secretary from including any errors associated with implementing this provision in the payment error rate calculation, requiring the Secretary to disregard the amount households receive when determining over-issuances, and directing the Secretary to set the tolerance level for excluding small errors at $50 through September 30, 2021.
  - Allocates $150 million in FY 2020 and an additional $150 million in FY 2021 for state administrative expenses associated with this section.
    - FY 2020 allocations will be made available to states in the form of grants within 60 days of the law's enactment.
      - 75% of the available amounts for each year will be allocated to states based on the share of each state of households that participate in SNAP as reported to the Department of Agriculture for the most recent 12-month period for which data are available.
      - 25% of the amount will be allocated to states based on the increase in the number of households that participate in SNAP.

The legislation also prevents the USDA from finalizing rules that would reduce SNAP access.

Division T – Revenue Provisions

Title I – Health-Related Tax Relief

- **Sec. 101. Payroll credit for COVID–19 charity care provided by hospitals** – Establishes a payroll credit for eligible hospitals (defined as Medicare eligible hospitals and critical access hospitals) that provide COVID-related charity care (defined as items and services furnished for the treatment of COVID-19 or a related condition). The refundable payroll credit would be available on a quarterly basis at an amount equal to 90 percent of the COVID-related charity care furnished by the eligible hospital during that quarter in 2020. However, the payroll credit would not be allowed to exceed the payroll tax on the wages paid by the hospital that quarter.

The payroll credit applies to COVID-19-related charity furnished during the period beginning on February 1, 2020 and ending on December 31, 2020. Any COVID-19-related charity care that is furnished after January 31, 2020 and before the calendar quarter, which includes the date of enactment of this bill, would be treated as having been furnished during that calendar quarter.

To prevent hospitals from receiving a "double benefit" from this new payroll credit and another allowable tax deduction, the bill stipulates that any deduction for COVID-related charity care would be reduced by the amount of the payroll credit.

In addition, the bill would require the HHS Secretary to exclude the amount of the payroll credit for COVID-19 charity care from the calculation of "factor three" when determining the Medicare disproportionate share hospital (DSH) payment.

Eligible hospitals may opt out from receiving this payroll credit. The Department of Treasury would be required to issue regulations and other guidance regarding the specific items and services furnished for the treatment of COVID-19 or a related condition that would be counted towards "COVID-19 related charity care"; compliance and record-keeping burdens; among other matters.

- **Sec. 102. Payroll credit for COVID–19 hospital facility expenditures –** Establishes a payroll credit for "COVID-19 hospital facility expenditures" paid or incurred by eligible hospitals. These expenditures are defined as: (1) the purchase or construction of temporary structure in the U.S.; (2) the lease of any structure in the U.S. (if the lease does not exceed 2 years); (3) the retrofitting of any existing permanent structure; and (4) any property used for COVID-related purposes and is subject to the allowance for depreciation under section 167 of the Internal Revenue Code of 1986. These expenditures must be made for the purpose of diagnosing, preventing, or treating COVID-19 or a related condition. The bill would require that COVID-19 hospital facility expenditures to be reduced by any Federal, State, or local government grants.

  The refundable payroll credit would be available on a quarterly basis at an amount equal to 90 percent of the COVID-19 hospital facility expenditures paid or incurred by the eligible hospital during that quarter. However, the payroll credit would not be allowed to exceed the payroll tax on the wages paid by the hospital that quarter.

  The payroll credit applies to COVID-19 hospital facility expenditures furnished during the period beginning on February 1, 2020 and ending on December 31, 2020. Any COVID-19 hospital facility expenditures paid or incurred by the hospital after January 31, 2020 and before the calendar quarter, which includes the date of enactment of this bill, would be treated as having been furnished during that calendar quarter.

  To prevent hospitals from receiving a "double benefit" from this new payroll credit and another allowable tax deduction, the bill stipulates that any deduction for COVID-19 hospital facility expenditures would be reduced by the amount of the payroll credit.

  Eligible hospitals may opt out from receiving this payroll credit. The Department of Treasury would be required to issue regulations and other guidance regarding the specific items and services that would be counted as meeting the purpose of diagnosing, preventing, or treating COVID-19 or a related condition. furnished for the treatment of COVID-19 or a related condition; compliance and record-keeping burdens; among other matters.

- **Sec. 103. Restoration of Limitations on Reconciliation of Tax Credits for Coverage under a Qualified Health Plan with Advance Payments of Such Credit –** Restores limits on the amount of APTCs that must be recaptured if an individual or family inaccurately estimates their income during the year.

- **Sec. 104. Improving Affordability by Reducing Premium Costs for Consumers –** Restructures the sliding scale for premium assistance for individuals enrolled in a QHP offered on the ACA exchange. Specifically, the bill would create a new income tiers, including a new tier for individuals with a household income of 400 percent and higher (see table below). These changes would apply to taxable years beginning after December 31, 2020.

Current Law			**Take Responsibility for Workers and Families Act**		
In the case of household income (expressed as a percent of poverty line) within the following income tier:	The initial premium percentage is—	The final premium percentage is—	In the case of household income (expressed as a percent of poverty line) within the following income tier:	The initial premium percentage is—	The final premium percentage is—
Up to 133%	2.0%	2.0%	Over 100.0 percent up to 150%	0.0%	0.0%
133% up to 150%	3.0%	4.0%	150% up to 200%	0.0%	3.0%
150% up to 200%	4.0%	6.3%	200% up to 250%	3.0%	4.0%
200% up to 250%	6.3%	8.05%	250% up to 300%	4.0%	6.0%
250% up to 300%	8.05%	9.5%	300% up to 400%	6.0%	8.5%
300% up to 400%	9.5%	9.5%	400% and higher	8.5%	8.5%

We hope this information is helpful. Please let us know if you have any questions.

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