

**H.R. 748, the “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act)  
American Academy of Otolaryngology Head and Neck Surgery (AAO-HNS) Highlights**

**1. Provisions that will benefit AAO-HNS physicians and physician practices.**

- ***Small business loans/Paycheck Protection Program.*** Small businesses, including physician practices, with no more than 500 employees (i.e., both full time and part time employees) are eligible to apply for the Small Business Administration’s (SBA) section 7(a) Payroll Protection Program. This allows a small business to apply to an SBA-approved lender for a loan of up to 250 percent of the business’ average monthly payroll costs to cover eight weeks of payroll as well as help with other expenses. These loans could be used to pay salaries, leave and health benefits, rent, and/or retirement obligations, among other uses. The maximum loan amount is \$10 million. Sole-proprietors, independent contractors, and other self- employed individuals are eligible. A loan can be forgiven based on maintaining employee and salary levels. For any portion of the loan that is not forgiven, the terms include a maximum term of 10 years, a maximum interest rate of four percent. Defines the covered loan period for small businesses and organizations to apply between February 15, 2020 and ending on June 30, 2020. (Division A)
- ***Financial support for hospitals, physicians, and others.*** Provides \$100 billion through the Public Health and Social Services Emergency Fund to provide immediate financial relief by covering health care-related expenses or lost revenues not otherwise reimbursed that are directly attributable to COVID-19. Examples include increased staffing or training, personal protective equipment, and lost revenue. Eligible providers are defined as public entities, Medicare- or Medicaid-enrolled suppliers and providers, and other for-profit and non-profit entities as specified by the Health and Human Services (HHS) Secretary. HHS is instructed to review applications and make payments on a rolling basis through “the most efficient payment systems practicable to provide emergency payment;” (Division B)
- ***Emergency loans.*** Authorizes \$10 billion for an “emergency” Economic Injury Disaster Loan (EIDL) to eligible entities with not more than 500 employees or any individual operating as a sole proprietor or an independent contractor during the covered period (January 31, 2020 to December 31, 2020). Private non-profits are also eligible for both grants and EIDLs. Allows an eligible entity that has applied for an EIDL loan to request an advance on that loan, of not more than \$10,000, which the SBA must distribute within 3 days. Outlines that advance payment may be used for providing paid sick leave to employees, maintaining payroll, meeting increased costs to obtain materials, making rent or mortgage payments, and repaying obligations that cannot be met due to revenue losses. If a small business receives a Payroll Protection Program loan that is forgiven (see above) any advance amount received under the emergency EIDL would be subtracted from the amount forgiven in the Payroll Protection Program loan. (Section 1110)
- ***United States Public Health Service Modernization.*** Establishes a Ready Reserve Corps to ensure we have enough trained doctors and nurses to respond to COVID-19 and other public health emergencies (Section 3214)
- ***Liability protections for volunteer health care professionals during COVID-19 emergency response.*** Includes critical liability limits for physicians and healthcare professionals who volunteer to provide healthcare services in response to the coronavirus pandemic. The Act makes clear that physicians who provide volunteer medical services during the COVID-19 outbreak have liability protections for the extent of the public health crisis. (Section 3215)
- ***Temporary Medicare Payment Update.*** Temporarily lifts the 2% sequestration on Medicare payments from May 1, 2020, until December 31, 2020. This provision will provide a 2% increase in Medicare physician payment. (Section 3709)

## 2. Financial Relief for Student Loans

- ***Defers student loan payments.*** Through September 30, 2020 student loans, principal, and interest will be deferred without penalty to the borrower for all federally owned loans. (Section 3513)

## 3. Telehealth Expansion Provisions

- ***High deductible telehealth service plans.*** This section would allow a high-deductible health plan (HDHP) with a health savings account (HSA) to cover telehealth services prior to a patient reaching the deductible, increasing access for patients who may have the COVID-19 virus and protecting other patients from potential exposure. (Section 3701)
- ***Medicare Telehealth Flexibilities During Emergency Period Increased.*** The Secretary has the ability to waive the telehealth requirements of the Social Security Act during the national emergency which would allow Medicare beneficiaries broader access to telehealth. (Section 3703)
- ***Enhanced Medicare telehealth services for Rural Health Clinics and Federally Qualified Health Centers.*** Enhanced use of telehealth in Medicare is allowed in federally qualified health centers and rural health clinics. Payments will be determined either by the Secretary or will be comparable to currently paid rates for telehealth rates. (Section 3704)
- ***Telehealth network and telehealth resource centers grant programs.*** Reauthorizes Health Resources and Services Administration (HRSA) grant programs that promote the use of telehealth technologies for health care delivery, education, and health information services. Telehealth offers flexibility for patients with, or at risk of contracting, COVID-19 to access screening or monitoring care while avoiding exposure to others. (Section 3212)

## 4. Additional Significant Provisions.

- ***Enhanced funding for Personal Protective Equipment.*** Includes \$16 billion for the Strategic National Stockpile for critical medical supplies, personal protective equipment (PPE), ventilators, and other medical supplies for federal and state response efforts. (Division B)
- ***Changes to the Strategic National Stockpile to Include Other Medical Supplies.*** Clarifies that the Strategic National Stockpile can stockpile medical supplies. Specifically, it will require the inclusion of personal protective equipment, ancillary medical supplies, supplies necessary for the administration of drugs, diagnostic tests, vaccines and other biologic products and medical devices. (Section 3102)
- ***Rural health care services outreach, rural health network development, and small health care provider quality improvement grant programs.*** Reauthorizes HRSA grant programs to strengthen rural community health by focusing on quality improvement, increasing health care access, coordination of care, and integration of services. The rationale is, rural residents are disproportionately older and more likely to have a chronic disease, which could increase their risk for more severe illness if they contract COVID-19. (Section 3212)
- ***Rural health care services outreach, rural health network development, and small health care provider quality improvement grant programs.*** Reauthorizes HRSA grant programs to strengthen rural community health by focusing on quality improvement, increasing health care access, coordination of care, and integration of services. (Section 3213)
- ***Confidentiality and disclosure of records relating to substance use disorder.*** Aligns 42 CFR Part 2 regulations, which govern the confidentiality and sharing of substance use disorder treatment records, with HIPAA, with initial patient consent. (Section 3221)
- ***Pricing of Diagnostic Testing.*** Ensures that providers of a diagnostic test receive the negotiated rate in effect prior to the COVID-19 health emergency from the plan or issuer. If there is no negotiated rate, then the plan or issuer pays the cash price as publicly listed by the provider. An insurer may negotiate a price less than the cash price. While the COVID-19

public health emergency is in effect, healthcare providers are required to post the cost of their coronavirus testing on a public website and may be fined up to \$300 per day by the Department of Health and Human Services (HHS) for failing to do so. (Section 3202).

- ***Extension of Community Health Centers, the National Health Service Corps. And Teaching Health Centers that Operate Graduate Medical Education Programs.*** Extends funding for Community Health Centers, the National Health Service Corps, and Teaching Health Centers that Operate Graduate Medical Education Program through November 30, 2020. (Section 3831).
- ***Extension of Physician Work Geographic Index (GPCI) Floor.*** Increases payments for the work component of physician fees in areas where labor costs are determined to be lower than the national average through December 1, 2020. (Section 3801)