



American Rescue Act: Executive Summary of Moving Provisions

February 15, 2021

The changes outlined in this summary would likely have a meaningful impact on your business and many employees. Congress is working to complete action on this bill by mid-March.

Overview and Perspective

House Committees have voted on all the following provisions of the America Rescue Act, the next COVID-19 relief package, that is now nearly finalized for a final House vote. Below are health-care related provisions.

Please note: there are still no new funds for hospitals or other providers, i.e. Provider Relief Fund or Medicare loan conversion to grants.

The following provisions are presently included in the House reconciliation package and are likely to remain in some form, though they could be modified by the Senate at some point.

Oversight and Reform Committee:

Click [here](#) for the text, [here](#) for the Committee memorandum, and [here](#) for the mark-up proceedings.

Sec. 5001 – \$350 billion for state, local, tribal and territorial support; 60% to states, 40% to localities to be awarded directly from Treasury within 60 days of enactment

Education and Labor Committee:

Click [here](#) for the text, [here](#) for the section-by-section, [here](#) for the fact sheet prepared by the Committee, and [here](#) to watch the mark-up.

Sec. 2101 - Increases the federal minimum wage for employees from \$7.25 per hour to \$15 per hour by 2025.

Sec. 2102 – Provides funding for DOL to implement COVID-19 worker protection activities; funding for OSHA to enforce in high-risk sectors (includes health care).

Sec. 2202 – Provides funding to support older Americans, including funds for home and community-based support services, vaccination outreach and coordination, health promotion and disease prevention.

Sec. 2410 – Continues COBRA coverage through September 30, 2021 with a premium reduction of 85%.

Ways and Means Committee:

Click [here](#) for the text and section-by-sections (scroll down for links to each section of the bill), and [here](#) to watch the mark-up.

Key Provisions:

Subtitle A – Crisis Support for Unemployed Workers

Secs. 9011-9032 extends CARES Act employment provisions through August 29, 2021.

Subtitle E – Support to Skilled Nursing Facilities in Response to COVID-19

Sec. 9401 – Provides \$200 million to HHS for infection control support related to COVID-19 in skilled nursing facilities through quality improvement organizations.

Sec. 9402 – Provides \$250 million to HHS to allocate to the states, District of Columbia, and U.S. territories to establish strike teams to respond to COVID-19 outbreaks in skilled nursing facilities.

Subtitle F. Budget Reconciliation Legislative Recommendations Relating to Continuation of Job-Based Coverage

Sec. 9501 – Allows for premium assistance of 85 percent for COBRA continuation coverage for eligible individuals and families from the first of the month after enactment through September 31, 2021. This section also provides an extension of the COBRA election period and specifies the date for commencement of coverage; provides for an expedited review process relating to denials for premium assistance; and requires notices to individuals including information about extended election periods and the expiration of premium assistance. This section provides a refundable payroll tax credit to reimburse employers and plans who paid the subsidized portion of the premium to COBRA assistance eligible individuals; specifies penalties associated with failure to notify employees and plans of cessation of eligibility for premium assistance; and excludes premium assistance from income.

Subtitle G – Promoting Economic Security

Sec. 9601 – Provides a \$1,400 refundable tax credit for each family member that shall be paid out in advance payments. The credit is \$1,400 for a single taxpayer (\$2,800 for joint filers), in addition to \$1,400 per dependent. The credit phases out between \$75,000 and \$100,00 of adjusted gross income (\$112,500 and \$150,000 for head of household filers and \$150,000 and \$200,000 for joint filers) proportional to the taxpayer's income in excess of the phaseout threshold over \$25,000 (\$37,500 for head of household filers and \$50,000 for joint filers). Thus, under this phaseout structure, the credit is reduced to zero for all taxpayers at the \$100,000, \$150,000 and \$200,000 AGI levels (depending on filing status).

Sec. 9611 – Makes the child tax credit ("CTC") fully refundable for 2021 and increases the amount to \$3,000 per child (\$3,600 for a child under age 6). The provision also increases the age of qualifying

children by one year for 2021, such that 17-year-olds qualify for the credit. For 2021, the excess of the child tax credit (i.e., the additional \$1,000 or \$1,600 per-child in excess of the present-law \$2,000 per-child credit) is reduced by \$50 for every \$1000 in modified adjusted gross income in excess of \$150,000 for joint filers (\$112,500 for head of household filers and \$75,000 for other filers). Once the excess credit amount is so reduced, the credit plateaus at \$2,000, and then phases out at the present law levels established in the TCJA (\$400,000 for joint filers, \$200,00 for other filers).

Secs. 9641-9647 – Extends the Families First Coronavirus Response Act paid sick time and paid family leave credits from March 31, 2021 through September 30, 2021, increases the amount of wages for which an employer may claim the paid family credit in a year from \$10,000 to \$12,000 per employee and the number of days for which self-employed individuals can claim the credit from 50 to 60, expands the credit to allow employers to claim the credit for leave provided for the reasons included under the previous employer mandate for paid sick time (e.g. if the employee has contracted COVID-19 or is caring for someone with COVID-19), expands the credits to include leave taken to obtain a COVID-19 vaccine or to recover from an injury, disability, illness, or condition related to a COVID-19 immunization, and finally beginning after March 31, 2021, the credits for paid family and medical leave will be structured as a refundable payroll tax credit against the hospital insurance tax.

Sec. 9651 – Extends the employee retention tax credit, as added by the CARES Act and expanded and extended in P.L. 116-260, through December 31, 2021. Modifies the credit such that, beginning after June 30, 2021, the credit will be structured as a refundable payroll tax credit against the hospital insurance tax.

Energy and Commerce Committee:

Click [here](#) to view the legislative drafts as well as the Committee memo summarizing their proposals, and [here](#) for the mark-up proceedings.

Key Provisions:

Subtitle A – Public Health Provisions

Secs. 3001, 3002, 3003, and 3004 – Provides \$7.5 billion in funding for the CDC to prepare, promote, administer, monitor, and track COVID-19 vaccines. These activities can include distribution and administration of vaccines and ancillary supplies, support for state, local, tribal, and territorial public health departments, community vaccination centers and mobile vaccination units, information technology and data enhancements, facility enhancements, and public communications regarding when, where, and how to get a vaccine.

Secs. 3011, 3012, 3013, and 3014 – Provides \$46 billion to HHS to detect, diagnose, trace, and monitor COVID-19 infections, and for other activities necessary to mitigate the spread of COVID-19 and implementing a national strategy for testing, contact tracing, surveillance, and mitigation of COVID-19 including working with state and local public health departments.

Secs. 3021 and 3022 – Provides \$7.6 billion to HHS to establish, expand, and sustain a public health workforce, and to make awards to State, local, and territorial public health departments. These

workforce positions would include contact tracers, social support specialists, community health workers, public health nurses, epidemiologists, lab personnel, disease intervention specialists, and communications personnel.

Secs. 3031, 3032, 3033, 3034, 3035, 3036, 3037, and 3038 – Includes \$7.6 billion in Community Health Centers (CHCs), including at least \$20 million for Native Hawaiian Health Centers. CHCs would be allowed to use these funds to carry out COVID-19 vaccine-related activities; conduct COVID-19 testing, contact tracing, surveillance, mitigation, and treatment; purchase COVID-19 equipment and supplies; support health care workforce; expand health care services and infrastructure; and conduct COVID-19 community outreach and education activities. \$331 million would be used to expand the number of Teaching Health Centers (THC) Graduate Medical Education (GME) sites nationwide and increase the per resident allocation. Includes \$1.8 billion to HHS to support the purchase, procurement, or distribution of COVID-19 tests and testing supplies, PPE, and vaccines for staff and individuals in congregate settings.

Secs. 3051, 3052, 3053, 3054, 3055, 3056, 3057, 3058, 3059, 3059A, and 3059B – Provides \$3.5 billion for the Substance Abuse Prevention and Treatment and Community Mental Health block grant programs administered by SAMHSA. Also provides \$80 million for mental and behavioral health training for health care professionals, para-professionals, and public safety officers; \$20 million for a national evidence-based education and awareness campaign targeting health care professionals and first responders; and \$40 million for grants for health care providers to promote mental and behavioral health among their health professional workforce.

Sec. 3061 – Provides \$20 million for State-Based Marketplaces to modernize information technology systems.

Subtitle B – Medicaid Provisions

Sec. 3101 – Requires Medicaid coverage of COVID-19 vaccines and treatment without beneficiary cost sharing with vaccines matched at a 100 percent FMAP through one year after the end of the public health emergency and gives states the option to provide coverage to the uninsured for COVID-19 vaccines and treatment without cost sharing at 100 percent FMAP.

Sec. 3102 and 3103 – Extends Medicaid eligibility to women for 12 months postpartum for five years, and extends Medicaid eligibility to incarcerated individuals 30 days prior to their release for five years.

Sec. 3104 – Provides an enhanced FMAP to incentivize state Medicaid programs to cover mobile crisis intervention services for individuals experiencing a mental health or substance use disorder crisis.

Sec. 3105 – Provides an incentive for states to expand Medicaid by temporarily increasing the state's base FMAP by five percentage points for two years for states that newly expand Medicaid.

Sec. 3107 – Eliminates the cap on Medicaid drug rebates, starting in calendar year 2023.

Sec. 3108 – Provides a temporary FMAP increase of 7.35 percentage points for states to make improvements to Medicaid home- and community-based services (HCBS) for one year.

Sec. 3109 – Provides \$250 million to HHS to help states create nursing home strike teams for facilities to manage COVID-19 outbreaks when they occur.

Subtitle C – CHIP Provisions

Secs. 3201 and 3202 – Requires CHIP coverage of COVID-19 vaccines and treatment without cost sharing to the beneficiary with vaccines matched at 100 percent FMAP until one year after the end of the PHE and allows states the option to extend CHIP eligibility for women to 12 months postpartum for five years.

Agriculture Committee:

Click [here](#) for the text, and [here](#) to watch the mark-up proceedings.

Sec. 1002 – \$500,000,000 in emergency grants for rural health care – includes reimbursement for lost revenue and COVID-19 related expenses and lost revenue.

Small Business Committee:

Click [here](#) for the text, [here](#) for the section-by-section and [here](#) for the mark-up proceedings.

Sec. 6001 – Expands the Paycheck Protection Program (PPP) to additional nonprofit organizations, Lifts the “affiliation rules” for 501(c)(3) and 501(c)(6) organizations which means an organization’s headcount would be considered “per physical location” rather than in-total and across all locations. Appropriates an additional \$7.25 billion for PPP.

Financial Services Committee:

Click [here](#) for the text, [here](#) for the Committee memorandum, and [here](#) for the mark-up proceedings.

Sec. 4101 – \$10 billion to boost domestic production through the Defense Production Act of critical personal protective equipment, to secure supply chain and increase capacity for vital vaccine production and help onshore production of rapid COVID19 tests.