

Senate Republicans Introduce “Phase 4” Coronavirus Response Bill

Negotiations with Democrats likely to be difficult and protracted

On Monday evening, Senate Majority Leader Mitch McConnell (R-KY) announced introduction of the *Health, Economic Assistance, Liability Protection and Schools (HEALS) Act*, a roughly \$1 trillion package responding to the ongoing COVID-19 pandemic. Introduction of the bill came after difficult negotiations between Senate Republicans and the White House, which delayed introduction by roughly one week. In May, the House passed the competing \$3 trillion *Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act* along party lines. Now the two sides will begin what are expected to be tough and protracted negotiations to reach a final agreement.

Disappointingly for employers and health care purchasers, the HEALS Act contains few of the provisions employer organizations recommended be included. The following charts compare the bills on both major hot button issues and on health care purchasers’ priorities.

PBGH and its allies will continue to advocate for employers and purchasers as negotiations continue over the next several weeks. For more information, please contact Shawn Gremminger, Director of Health Policy at sgremminger@pbgh.org.

<u>Major Issues of Disagreement</u>		
Policy Issue	HEROES Act (Democrats)	HEALS Act (Republicans)
Overall Spending	\$3 trillion	\$1 trillion
Unemployment Insurance	Extends additional \$600 / week support until Jan. 2021	Reduces support to \$200 / week. Beginning in October, states are directed to provide 70% of worker’s previous income, up to \$500 / week
Stimulus Checks	\$1,200 stimulus checks to taxpayers and up to three dependents, phased out for higher income individuals	\$1,200 stimulus checks to taxpayers, plus \$500 for dependents, phased out for higher income individuals

Fiscal aid to states and localities	Roughly \$750 billion	Provides \$105 billion to an Education Stabilization, much of which will be provided to states and local school districts.
COVID - liability protections for businesses	No provision	Broad liability protections for employers, schools, and others
Hazard pay for frontline workers	\$200 billion for essential and frontline workers	No provision

PBGH / Employer and Purchaser Priorities

Priority Item	HEROES Act (Democrats)	HEALS Act (Republicans)	Employer / Purchaser Impact
Ban on COVID-19 Price Gouging	Broad ban on price gouging, enforceable by the Federal Trade Commission and state attorneys general	No provision	This provision would provide a disincentive for unscrupulous businesses and providers from overcharging employers and self-funded plans for COVID-19 health care items and services. This is particularly important given the current mandate for employers to pay for the full cost of COVID-19 testing.
Limitations on cost of COVID testing and treatment	Mandates full coverage with no patient cost-sharing for all COVID-19 treatment. Does not limit costs of COVID-	No provision	The HEROES Act provision would require all health plans to cover all COVID-19 related health care products and services, without limiting how much plans could be charged for out-of-

	19 testing or treatment.		network care. If enacted, this requirement could be very costly to self-insured employers and lead to price gouging.
Ban on surprise bills for all patients	Codifies current administration policy banning surprise bills for COVID-19 patients	No provision	PBGH, purchaser allies, and consumer groups have been pushing for a comprehensive ban on surprise billing for ALL patients for several years. A comprehensive ban on surprise billing would protect employees and their families from being balance billed for out-of-network care received without their consent. Employers' preferred solution would both ban surprise bills and reduce costs for self-insured employers by establishing a market-based benchmark payment rate for out-of-network care.
Financial support for primary care providers	Adds \$100 billion to provider relief fund and codifies how funds are to be distributed. Additional funding is not specifically directed to primary care providers.	Adds \$25 billion to provider relief fund. Additional funding is not directed to primary care providers.	Independent primary care practices have been seen significant reductions in patient volume and revenue during the pandemic. Without direct financial support, many practices will go out of business or be purchased by larger health systems, reducing access to care for employees and

			driving up costs for purchasers. Relief provided thus far has not been targeted to primary care providers, and has largely benefitted hospitals.
COBRA Subsidies	Provides laid-off or furloughed employees with subsidy to cover 100% of COBRA premiums through January 2021	No provision	COBRA subsidies would enable laid-off and furloughed employees to stay on their current health coverage. Without subsidies, most employees will either go uninsured, or will be forced to purchase health coverage on the individual market – likely facing a large deductible.
Federal funding for testing	\$75 billion for testing and contract tracing. Funding is not earmarked for employers.	<p>\$17 billion for testing and contact tracing. Funding is not earmarked for employers.</p> <p>Refundable tax credit to employers of up to 50% of cost of “qualified employee protection expenses,” to include testing, contact tracing, protective personal equipment, and reconfiguring office space. Tax credit capped at \$1000 for first 500 employees, \$750 for each employee between 500-</p>	Fully reopening the US economy, and reopening places of work, depends on the widespread availability of accurate, timely diagnostic testing and the ability of employers to ensure their workforce and customers are safe.

		1000, and \$500 for each employee exceeding 1000.	
Improved access to telehealth for employees	No provision	Allows employers to offer telehealth as an excepted benefit to employees who are not full-time or do not qualify for their employer's coverage.	Telehealth has become a primary source of access to care to employees during the pandemic. This provision allows employers to offer telehealth services to those not otherwise enrolled in their employers' comprehensive health coverage plan.