



NATIONAL CONFERENCE OF STATE LEGISLATURES

Summary of HR 6201–Families First Coronavirus Response Act

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On March 18, the president signed the “Families First Coronavirus Response Act.” Below is a summary of the key provisions.

Public Health Provisions

- Provides \$64 million to the Indian Health Service for items and services related to COVID-19.
- Allows the Department of Health and Human Services (HHS) to provide liability protection for certain emergency response products, including masks.

Food and Nutritional Funding

- \$250 million was appropriated for HHS programs for elderly Americans. State matching requirements do not apply to these funds. Funding included:
 - \$160 million for home-delivered nutrition services.
 - \$80 million for congregate nutrition services that provide food in group settings, such as adult day care centers and meal sites.
 - \$10 million for nutrition services for Native Americans.
- Provides funding to support children and families, including:
 - \$500 million in emergency funding for the Women’s Infants and Children program.
 - \$400 million for the Commodity Assistance Program for The Emergency Food Assistance.

Food and Nutritional Waivers for Programs like the Supplemental Nutritional Assistance Program

The legislation provides additional Supplemental Nutritional Assistance Program aid to children and families when a child’s school is closed for at least five days due to COVID-19 public health emergency.

Health Coverage and Services

As more tests become available for COVID-19 a growing concern for some patients have been the costs. HR 6201 addresses some of this by providing \$1.2 billion to cover testing costs. The bill also requires all commercial insurance to cover testing and diagnosis for COVID-19 with no cost-sharing to the patient. Appropriates \$1 billion to the National Disaster Medical System allowing them to reimburse costs for testing uninsured individuals.

Medicaid and Medicare

- States are eligible for a 6.2% increase in their federal medical assistance percentages (FMAP). This applies to regular FMAP and not for expanded Medicaid rates under the Affordable Care Act.
- No cost-sharing for Medicaid and Children’s Health Insurance Plan enrollees and a 100% FMAP to cover the costs.
- Increased Medicaid funding to U.S. territories for all medical services for the next two fiscal years.
- Any cost-sharing for seniors enrolled under Medicare Part B and Medicare Advantage plans and makes new technical improvements to Medicare telehealth authority.

Paid Sick Leave

Specifically, the measure would require most employers (more details below) to provide emergency sick leave to employees and in return the employers, excluding government entities, would be eligible for a refundable tax credit to offset costs of providing the leave.

The bill makes a paid sick leave program mandatory for businesses, government entities and state legislatures with employees between 50 and 500. Furthermore, the secretary of the Department of Labor is permitted to issue regulations exempting businesses with fewer than 50 employees from the paid leave requirement if it “would jeopardize the viability of the business as a going concern.” This mandate is optional for businesses with over 500 employees.

Private sector employers with 500 or fewer workers and government entities would now have to provide 12 weeks of job-protected leave (the first two weeks being unpaid) under the Family and Medical Leave Act for employers who to have to:

1. Comply with a requirement or recommendation to quarantine because of exposure to or symptoms of the virus.
2. Provide care to a family member who’s complying with such a requirement/recommendation.
3. Provide care for a child younger than 18 years old whose school or day care has closed because of the virus.

Full-time employees would now receive 80 hours of sick leave under the new emergency leave program and part-time workers would be granted time off that is equivalent to their scheduled or normal work hours. Subsequently, employer with similar existing paid sick leave policies could not require a worker to use any other available paid leave before using the sick time. Employers are prohibited from the following:

1. Requiring a worker to find replacement coverage for their hours during their time off.
2. Discharging or discriminating against workers for requesting such paid sick leave.

Employer Tax Credit for Sick Leave

The measure provides a refundable tax credit to employers who cover wages that are paid to employees while they are taking time off under the bill's sick leave and family leave programs. The credits would be against an employers' payroll and retirement tax payments. The sick leave credit for each employee would be for wages of as much as \$511 per day while the employee is in quarantine. Furthermore, employees would be given \$200 if they are caring for someone else who has been quarantined or their child's school has been closed due to coronavirus.

The family leave credit for each employee would be for as much as \$200 per day while also receiving paid leave, or an aggregate of \$10,000.

Government entities, inclusive of state and local governments, cannot receive the credit as it only applies to private employers.

Unemployment Insurance

The emergency bill would provide as much as \$1 billion for emergency transfers to states to pay for unemployment benefits. Each state would receive a proportional amount based on the share of federal unemployment insurance taxes paid by its employers. States would receive half of their allocation within 60 days of the bill's enactment if they certify that they meet certain requirements, such as ensuring that workers can apply for benefits online or by phone. Of the \$1 billion, \$500 million would be used to provide immediate funding to all states for staffing, technology, systems and other administrative costs, so long as they meet basic requirements concerning access to earned benefits.

States would receive the remaining \$500 million in funds if their unemployment claims increased by at least 10% over the same quarter in the previous year. They would have to waive certain eligibility rules for claimants and charges for employers affected by COVID-19.

States could modify certain unemployment policies, including rules related to job searches and initial payment waiting periods, on an emergency temporary basis to address the effects of COVID-19.

Extended Benefits

Eligible laid-off workers can receive regular unemployment benefits for as long as 26 weeks in most states.

After exhausting those benefits, individuals in states with rising unemployment can qualify for an additional 13 weeks of benefits—or 20 weeks in some states—through the Extended Benefits (EB) program.

The bill would waive a state matching requirement and provide full federal funding for the EB program for the rest of 2020. To qualify, states would need to experience a 10% spike in unemployment claims over the past year and qualify for a full emergency funding transfer under the measure. Furthermore, the bill would waive interest payments that states owe for the remainder of 2020 on federal advances to their unemployment accounts.