

IMPORTANT COVID-19 UPDATE

HOUSE DEMOCRATS RELEASE NEW CORONAVIRUS RELIEF BILL

Details Include Full COBRA Coverage Subsidy and Expanded Leave for Large Employers

On Tuesday, May 12th Democratic lawmakers in the U.S. House of Representatives released the [Health and Economic Recovery Omnibus Emergency Solutions \(HEROES\) Act \(H.R. 6800\)](#), the starting point for the next phase of coronavirus relief legislation they plan to advance in the House. House Speaker Nancy Pelosi (D-CA) announced her intention to have the House vote on the measure on Friday, May 15th. Since H.R. 6800 was developed without the input of the White House or congressional Republicans, an extended period of negotiation and significant changes by the Senate are likely before the next package will be enacted. The bill is valued at an additional \$3 trillion dollars. A brief summary of the bill's key health benefit provisions is as follows:

Subsidies for Continued Employer Coverage

H.R. 6800 would provide a 100% subsidy of health plan premiums for terminated workers enrolled in COBRA, as well as furloughed workers remaining on employer plans, from March 2020 through January 2021.

Paid Leave

H.R. 6800 would expand the emergency paid sick leave and paid family and medical leave requirements in the FFCRA to employers with 500 or more employees. The FFCRA created expanded paid leave but only for employers with fewer than 500 employees.

Increased Flexibility for Cafeteria plans, Health FSAs and Dependent Care FSAs

- Optionally permitting cafeteria plans and health flexible spending arrangements to allow participants to carry over up to \$2,750 in unused benefits or contributions from 2020 to 2021.
- Optionally permitting plans and dependent care flexible spending arrangements to allow participants to carry over up to the annual maximum amount of unused dependent care assistance benefits or contributions from 2020 to 2021.
- Optionally permitting cafeteria plans to allow participants to carry over unused paid time off from 2020 to 2021.
- Optionally permitting cafeteria plans and health flexible spending arrangements to allow participants to make one-time increases or decreases in the contribution amount to a health FSA or to the amount of paid time off.
- Optionally permitting cafeteria plans, health flexible spending arrangements, and dependent care flexible spending arrangements to provide an extension of the grace period during which unused funds from the 2020 plan year can be used from a maximum of two and a half months after the end of the 2020 plan year to 12 months after the end of the 2020 plan year.

New Group Health Plan Requirements

- Coverage for items and services related to the treatment of COVID-19 without cost-sharing requirements during the COVID-19 public health emergency.
- Notification about prescription drug refills during an emergency period. Specifically, group health plans must notify each participant and beneficiary whether the plan will waive any time restrictions on authorized refills.
- Enhanced notification to qualified beneficiaries about the availability of coverage in the Affordable Care Act marketplace.
- Retroactive coverage for testing of COVID-19 before enactment of the Families First Coronavirus Response Act (FFCRA).

The bill is likely to be met with some resistance from House Republicans although the Democrats have the majority in the House and are expected to pass the bill this Friday. The measure then goes to the Senate where Republican leaders are expected to propose various changes to the bill. It is unclear when a final consensus package will reach the President. As further details emerge we will provide updates accordingly.

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