

# Policy At A Glance:

## The Families First Coronavirus Response Act (H.R. 6201)

*H.R. 6201 provides paid sick leave, tax credits, free COVID-19 testing, food assistance, unemployment benefits and other provisions to alleviate the economic toll of the COVID-19 pandemic.*

COVID-19 is a disease caused by a new strain of coronavirus called SARS-CoV-2. The disease was first identified in December of 2019 in Wuhan, China, then spread rapidly throughout the world, transmitting from person to person. As of May 6, 2020, there are almost 3.8 million confirmed cases of COVID-19 worldwide and over 260,000 deaths.<sup>1</sup>

COVID-19 has touched every aspect of our lives – schools have closed, events have been postponed, and many business meetings are now being conducted online. Our nation's efforts to slow the transmission of the disease and stave off a potential collapse of the health care system led businesses to shut down, especially in six sectors – restaurants and bars; travel and transportation; entertainment (theaters and amusement parks); personal services (daycare providers, dentists, and barbers); retail (department stores and car dealers); and manufacturing (aircraft and car manufacturing).<sup>2</sup> According to the Gallup, almost one in three Americans experienced a temporary layoff, permanent job loss, reduction in hours, or reduction in income due to COVID-19.<sup>3</sup>

With almost \$3.5 billion in total available funding, the *Families First Coronavirus Response Act* (FFCRA) is the second major

### Timeline

12/31/2020	New coronavirus first reported to the World Health Organization (WHO) country office in China
2/11/2020	WHO names the disease COVID-19
3/11/2020	WHO declares COVID-19 outbreak a global pandemic
3/13/2020	US declares COVID-19 outbreak a National Emergency
3/14/2020	House passes H.R. 6201
3/18/2020	Senate passes H.R. 6201
3/18/2020	President Trump signs H.R. 6201 into law

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legislative initiative to address the financial impacts of the COVID-19 outbreak (the first is the *Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020*).<sup>4,5</sup> This emergency economic relief package includes six main provisions:

**1. Paid Sick Leave.** The FFCRA establishes two new federal emergency paid-leave programs (“*The Emergency Paid Sick Leave Act*” and “*The Emergency Family and Medical Leave Expansion Act*”) set to expire on December 31, 2020.<sup>6</sup>

The *Emergency Paid Sick Leave Act* allows employees to take up to two weeks of fully paid sick leave. Employers with fewer than 500 employees must provide paid sick leave if employees are unable to work because they’re subject to quarantine or isolation order; are experiencing symptoms of COVID-19 and seeking a medical diagnosis; are caring for someone who is in quarantine or isolation; have children in schools that have closed; or are faced with unavailability of childcare provider due to COVID-19.

The *Emergency Family and Medical Leave Expansion Act* permits employees to take up to twelve weeks of expanded family and medical leave under the Family and Medical Leave Act (FMLA), ten of which are paid. Under this law, employers must provide expanded family and medical leave when an employee is unable to work to care for a child whose school or place of care has closed due to COVID-19 related reasons.

Small employers with less than 50 employees

may qualify for an exemption from the requirement to provide paid leave to care for a child if leave payments jeopardize business viability.

**2. Tax Credit.** Employers will receive reimbursement through refundable tax credits to offset the costs of providing paid leave for reasons related to COVID-19 from April 1, 2020, through December 31, 2020.<sup>7</sup> Only employers with fewer than 500 employees are entitled to claim the refundable tax credits.

**3. Free COVID-19 Testing.** The FFCRA provides free COVID-19 testing to all individuals. Under the FFCRA, private health plans (including employment-based plans, church plans, self-insured health plans, and student health plans) must offer free COVID-19 testing without cost sharing (copayment or coinsurance), requirement to meet deductible, or prior authorization for all tests furnished on or after March 18, 2020.<sup>8</sup>

The FFCRA requires the same for government programs, including traditional Medicare, Medicare Advantage Plans, Medicaid, the Children’s Health Insurance Program (CHIP), Veterans Affairs, Federal Employees Health Benefits (FEHB) and TRICARE. For uninsured individuals, the FFCRA provides a 100 percent federal match during the emergency period.

The *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, a third COVID-19 relief package, was enacted on March 27, 2020. The CARES Act amends the FFCRA to include a broader range of diagnostic items and services for COVID-19.<sup>9</sup>



The FFCRA also creates the *COVID-19 Child Nutrition Response Act*. This legislation allows school officials to distribute food, parents to pick up meals and snacks for their children during school closures, and schools to have flexibility in nutrition requirements if food supply is disrupted.<sup>10,11</sup> It also allows WIC participants to get certified or recertified without being physically present at a WIC clinic.<sup>4</sup>

**5. Unemployment Benefits.** The FFCRA creates the *Emergency Unemployment Insurance Stabilization and Access Act of 2020* and allots \$1 billion for states to process and provide unemployment insurance benefits to those who have been laid off, furloughed, or exhausted of their paid leave.<sup>4</sup> States must use half of the funding they receive to cover administrative costs for 1) employers to notify employees about the availability of unemployment compensation at the time of separation, 2) states to ensure applications are available in-person, by phone, or online, and 3) states to provide assistance with processing applications. States will receive the other half of the funding if the number of unemployment claims in the state increased by at least 10 percent and states are increasing access to unemployment compensation by waiving requirements to search for work or removing the one-week waiting period to receive benefits.<sup>4</sup>

Through December 31, 2020, the federal government will also stop collecting interest on payments made to states to assist with the payment of unemployment benefits.

**4. Food Assistance.** The FFCRA gives new food and nutrition program funding to provide meals for those without food security as a result of COVID-19. Through September 30, 2021, the FFCRA will provide \$500 million to low-income mothers and children through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), \$400 million to local food banks through the Emergency Food Assistance Program (TEFAP), and \$250 million to home-bound, low-income seniors through the Aging and Disability Services Program.<sup>5</sup> Another \$100 million will be set aside for nutrition assistance grants for Puerto Rico, American Samoa, and Northern Mariana Islands.<sup>5</sup>

The FFCRA also authorizes states more flexibility in providing the emergency Supplemental Nutrition Assistance Program (SNAP, more widely known as food stamps). Households are eligible for emergency SNAP if the child receives free or reduced-price school meals and the child's school has been closed for at least five consecutive days due to COVID-19. The legislation further expands SNAP eligibility by suspending the program's work requirements.<sup>4</sup>

**6. Medicaid Funding.** Federal and state governments jointly fund Medicaid. The federal government's share of Medicaid costs is called the Federal Medical Assistance Percentage (FMAP). By law, FMAP rates can be as low as 50 percent and as high as 83 percent.<sup>12</sup> For fiscal year 2019, the FMAP for California was 50 percent.<sup>12</sup>

The FFCRA temporarily increases the Medicaid FMAP for all states by 6.2 percent until the COVID-19 public health emergency declared by the Secretary of Health and Human Services is terminated.<sup>13</sup>

Although no funding has been allocated, the FFCRA also waives liability for manufacturers, distributors, prescribers, and users of approved respiratory protective devices effective January 27, 2020, until October 1, 2024.<sup>4</sup>

#### References

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## Did you know?

COVID-19 related closures of schools and childcare centers resulted in children missing out on at least \$30 worth of food services each week.<sup>13</sup>



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#### Questions?

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