

COVID-19: The Federal and California Responses

April 23, 2020

In this time of great uncertainty, the federal government has passed four COVID-19 relief bills, with the goal of providing relief to Americans struggling with the health and economic impacts of this coronavirus:

- The Coronavirus Preparedness and Response Supplemental Appropriations Act, enacted March 6, 2020, included \$8.3 billion in financial relief.
- The Families First Coronavirus Response Act, enacted March 18, 2020, was a \$104 billion package.
- By far the largest was the third package, the CARES (Coronavirus Aid, Relief, and Economic Security) Act, enacted March 27, 2020, and worth over \$2 trillion.
- The Paycheck Protection Program and Health Care Enhancement Act (CARES 2), passed on April 23, 2020, is worth \$484 billion.

At the state level, Governor Gavin Newsom has taken a number of additional actions to protect Californians. The Department of Health Care Services (DHCS), Covered California, the Department of Managed Health Care (DMHC), and the California Department of Insurance have also acted administratively and issued guidance to help Californians obtain and access health care during this public health emergency.

COVID-19 Testing

Private Insurance: The Families First Act requires that health plans and insurers cover testing for COVID-19 so that all cost-sharing for testing be eliminated. The California Department of Managed Health Care and the California Department of Insurance released similar guidance earlier in March. This same protection applies to Californians in a self-funded/ERISA health plans.

Medi-Cal/Medicaid: The requirements for coverage of COVID-19 testing in the Families First Act also apply to Medicaid, including California's Medi-Cal program. All Medi-Cal enrollees have access to COVID-19 testing with no cost-sharing.

Uninsured: The Families First Act allows states to extend Medicaid enrollment to the uninsured for the purposes of COVID-19 testing, to ensure those without insurance also have access to testing free of any cost-sharing. California has taken steps to make sure that all individuals, regardless of insurance status or immigration status have access to free COVID-19 testing.

All together NO Californian should be on the hook for any costs related to the testing of COVID-19.

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COVID-19 Treatment

Private Insurance: Patients need to pay their share of cost as part of their current health plan and meet their deductibles for treatment of COVID-19. While some insurers have voluntarily agreed to waive cost sharing and deductibles for treatment, and some Congressional proposals have proposed to make this national policy, it has not yet been included in any of the relief packages.

Medi-Cal/Medicaid: Californians with Medi-Cal coverage are largely exempt from cost-sharing, and recent actions by DHCS expanded that no-cost coverage to other populations as well, including those with “restricted scope” coverage.

Uninsured/Underinsured: DHCS has released guidance that all emergency treatment for COVID-19, in all medical settings, will be covered by Medi-Cal for those that are uninsured, regardless of immigration status. For those who still may face a bill for care, hospitals have charity care and financial assistance programs that can reduce the cost of treatment, and California law requires hospitals to provide care at a discounted price for low and moderate income uninsured and underinsured Californians.

COVID-19 Vaccine

In anticipation of a COVID-19 vaccine or preventive treatment, the federal government has taken proactive steps to reduce barriers to access, in order to improve public health.

Private Insurance: The CARES Act states there should be free coverage with no cost-sharing for a vaccine or other preventive treatment of COVID-19 recommended by the U.S. Preventive Services Task Force.

Medi-Cal/Medicaid: Medi-Cal enrollees will also receive any future COVID-19 vaccinations and preventive treatments free of cost.

Getting Health Coverage During the COVID-19 Pandemic

Private Insurance: Covered California is currently in a special enrollment period until June 30th, so anyone can shop and compare health plans to find affordable coverage. If you’ve recently lost your employer-sponsored coverage, your income has changed, or you did not know there was a state mandate to get coverage go to: www.coveredca.com.

Medi-Cal/Medicaid: For those who meet the income eligibility requirements, enrollment in Medi-Cal is open year-round. California has now eased some requirements for application documentation, and temporarily suspended renewal requirements through June 15, 2020.

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Stimulus Money's Effect on Eligibility for CA Health Programs

The CARES Act included a one-time cash payment of \$1,200 to all eligible Americans as well as an additional \$600 per week in unemployment assistance, for those who apply. This additional help does have an impact on eligibility for some health programs in California.

If you are on Medi-Cal/Medicaid: Only the regular unemployment insurance payments will affect your income eligibility for the program. This means that you will not need to calculate any of the additional \$600 per week in unemployment benefits or the \$1,200 cash payment coming from the IRS as part of your income when estimating if you are able to enroll in Medi-Cal.

If you purchase coverage through Covered California (or the individual market): Your estimated income is what is used to determine your eligibility for federal and state subsidies to help bring down the cost of your coverage.

- The \$1,200 cash payment you receive from the federal government will not be counted as income. This means it will not be seen as an income increase that would change your eligibility for subsidies to help pay for coverage.
- If you receive a federal unemployment benefit extension, or if you receive the additional weekly \$600 amount in unemployment benefits, you will need to count these payments as part of your overall income. This means that these supplemental payments may increase your income and affect the amount of subsidy you are awarded for health coverage assistance.

Type of Federal Relief	Type of Health Coverage	
	Will the federal help be counted towards your income?	
	Medi-Cal/Medicaid	Covered California/Individual insurance market
One-time \$1200/individual cash payment	No	No
Extended unemployment benefits	Yes	Yes
Additional \$600/week in unemployment benefits	No	Yes

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Other Medi-Cal Provisions

- The Families First Act increased the federal share of Medicaid matching funds (FMAP) by over 6 percent between January 1, 2020 and the end of the quarter when the federal public health emergency ends. This means more money to Medi-Cal just as demand is increasing.
- The federal government has approved multiple Medicaid waivers that give California more flexibility to enroll Medi-Cal providers, allow them to deliver care in non-traditional settings, remove supply limits on prescription drugs, and significantly expand telehealth capabilities.

Increased State Aid from Federal Government

The CARES Act included \$150 billion to be sent directly to states for state, local, and county governments to address the pandemic. California will receive approximately \$14 billion in additional federal aid from this fund. This money will likely be used to backfill existing budgets, due to the ongoing economic distress, as well as funding different programs at the local and county level.

What Else Do Californians Need?

While there has been significant action by the federal government in just over a month's time to respond to the coronavirus crisis, there are additional steps that should be taken to specifically help Californians, including:

- Preventing state budget cuts by significantly increasing federal aid to states, increasing the federal share of Medicaid through not just the public health emergency but the economic emergency which threatens to devastate state revenues.
- Waiving all cost-sharing and deductibles for COVID-19 treatment regardless of insurance.
- Ending surprise medical bills, which would protect individuals seeking treatment for COVID-19 or another disease that mimics the symptoms (i.e. pneumonia).
- Addressing affordability of Covered California plans, further subsidizing the cost of premiums and other out-of-pocket costs, that remain a significant barrier to coverage and care, and will become more urgent as a result of the COVID-19 crisis.
- Ensuring that immigrants, including those who are undocumented, have access to comprehensive health coverage and care, to help contain this COVID-19 crisis.

The COVID-19 pandemic has even further exposed the holes in our existing health care and social safety net programs. We all rely on these programs to keep California healthy and to ensure our most vulnerable residents aren't left behind. As the full economic and social costs of the crisis begin to weigh upon our state and the nation, it will become more important than ever to ensure access to coverage and treatment, and to protect consumers from excessive medical bills in order to emerge from this public health emergency.