



LEGAL UPDATE

CARES ACT EXPANDS HEALTH COVERAGE RULES

On **March 27, 2020**, the U.S. Congress passed the Coronavirus Aid, Relief and Economic Security Act ([CARES Act](#)) to provide \$2.2 trillion in federal funding to address the COVID-19 crisis. The President signed the CARES Act into law the same day.

Following and building upon two other federal laws that were recently enacted to address the pandemic—the [Families First Coronavirus Response Act](#) (FFCRA) and an [emergency funding bill](#)—the CARES Act makes a variety of changes affecting health plans.

STATE INSURANCE PROTECTIONS

The CARES Act includes provisions to:

- + Expand the types of coronavirus testing that all comprehensive private health insurance plans must cover without cost-sharing or barriers under the FFCRA;
- + Accelerate the process that would make permanent the requirement for health plans to cover preventive services and vaccines related to COVID-19;
- + Allow telehealth and other remote care services to be covered under a high deductible health plan (HDHP) before the deductible is met, without affecting the HDHP's compatibility with Health Savings Accounts (HSAs) (applicable for HDHP plan years beginning on or before Dec. 31, 2021); and
- + Treat additional over-the-counter medications, along with menstrual care products, as qualified medical expenses that may be paid for using HSAs or other tax-advantaged arrangements.

HIGHLIGHTS

- + The White House has signed the CARES Act into law.
- + The new law will allocate more than \$2 trillion in economic relief efforts.
- + Relief includes provisions for individuals, small businesses, independent contractors and gig economy workers, big corporations, hospitals and public health organizations, state and local governments and the education sector.

*The CARES Act
expands several FFCRA
coverage provisions
and broadens tax-
advantaged coverage
options*

