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HEALTHCARE: Health Provisions/Medicare & Medicare Extenders/OTC Drugs

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The CARES Act adopts several measures to help stabilize the healthcare system, address health care issues directly and indirectly related to the current pandemic and ensure future preparedness. It also allocates $100 billion of direct funding to help hospitals keep their doors open. Many of the provisions are only tangentially related to the current pandemic, such as re-appropriations for a variety of health programs.

Subtitle A – Health Provisions

The CARES Act requires health plans and health insurance issuers to cover qualifying coronavirus preventative services and diagnostic tests. The Act requires the Department of Health and Human Services (HHS) and private sector manufacturers to reduce the possibility of future supply shortages for drugs, ingredients, and certain devices critical to public health during a public health emergency. Under a similar objective, the Act amends and loosens certain restrictions on telehealth services, and establishes and reauthorizes certain programs to address current and future concerns.

To address immediate needs, the Act appropriates approximately $140 billion in funding to the HHS, with $100 billion of that total amount specifically designated to “eligible health care providers” for health care expenses in their efforts to prevent, prepare for, and respond to the coronavirus, and lost revenue directly attributable to the coronavirus.

Subtitle E – Health and Human Services Extenders

The Medicare and Medicaid programs have been amended to increase the timing and funding of certain activities, including funding for state health insurance programs, aging services, benefits and outreach enrollment programs, spousal impoverishment protections programs, community mental health services demonstration programs, sexual risk avoidance education programs, and personal responsibility education programs.

Subtitle F – Over-The-Counter Drugs

The Act amends the FD&C Act to include regulation of certain nonprescription drugs that are marketed without an approved drug application. Amendments under this section provide the FDA flexibility through administrative means to make quick and efficient changes in lieu of the normal notice and comment rulemaking processes. The Act also provides certain market-share incentives to pharmaceutical companies that

research and manufacture innovative drugs.

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