



HYLANT WEBINAR

# The Coronavirus Bill: *Health Plan & Paid Leave Provisions*

MARCH 24, 2020

**Please note:**

**This slide deck has been updated to provide answers to the Q&A from the webinar and update from guidance that was issued late on 3/24/20. The Fact Sheet & FAQs that were issued can be found here:**

<https://hylantcoronavirusinfo.com/legislative/>

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# HOUSEKEEPING



***45 Minutes*** – Coronavirus Bill Information



***15 Minutes*** – Questions and Answers

Type your questions in the question box located in the GoToWebinar control panel. All questions will be addressed at the end of today's webinar.



# INTRODUCING TODAY'S SPEAKERS



***James Slotnick, JD***

AVP, Government Relations

*Sun Life Financial*



***Holly Wahl***

VP, Employee Benefits Compliance Leader

*Hylant*



# AGENDA

1. *Legislative Response to Coronavirus*
2. *Health Plan Coverage for COVID-19*
3. *Federal Paid Leave*
4. *What's Next*
5. *Questions*



# LEGISLATIVE RESPONSE TO CORONAVIRUS



# LEGISLATIVE RESPONSE TO CORONAVIRUS

## March 6: Coronavirus Package #1

8.3 Billion Spending Package

## March 18: Coronavirus Package #2

U500 Paid Sick Leave & Emergency Paid FMLA

## TBD: Coronavirus Package #3

Individual and Industry Economic Support





# HEALTH PLAN COVERAGE FOR COVID-19



# HEALTH PLAN COVERAGE

- **All health plans must cover COVID-19 testing at 100%** (no cost share)
  - Includes associated office visit (including telehealth), urgent care visit or emergency room visit
  - Likely includes network and non-network services
- **IRS issued relief for HDHP plans**
  - Allows plans to cover testing and treatment without jeopardizing HDHP status / individual's ability to contribute to an HSA
- **No current requirement to cover treatment costs**; will be based on each plan's coverage terms







# TELEHEALTH

- Generally first dollar coverage is not considered permissible under HDHPs
- Push to expand telehealth
- Senate bill would allow HDHPs to cover telehealth and “other remote care services” prior to meeting the deductible – through 2021





# FEDERAL PAID LEAVE



# FEDERALLY MANDATED PAID SICK LEAVE



## **Applies to:**

- Private employers under 500 lives
  - potential exemption for under 50
- All public employers

## **Effective:**

- April 1, 2020 for all leaves taken between 4/01/20 and 12/31/20

## **Provides:**

- 80 hours of paid sick leave for full-time employees
- Average number of hours worked for part-time employees during a 2 week period



# FEDERALLY MANDATED PAID SICK LEAVE

**Can be used if an employee is unable to work or telework and the employee:**

## **Payable at regular rate of pay up to \$511/day**

- Is subject to federal, state or local quarantine or isolation order related to COVID-19
- Has been advised by a health care provider (HCP) to self-quarantine due to COVID-19
- Is experiencing symptoms of COVID-19 and is seeking a medical diagnosis

## **Payable at 2/3 rate of pay up to \$200/day**

- Is caring for an individual who is subject to federal, state or local quarantine or isolation order related to COVID-19 or has been advised by HCP to self-quarantine
- Is caring for a son or daughter of employee if school or place of care is closed or is unavailable due to COVID-19 precautions



# FEDERALLY MANDATED PAID SICK LEAVE

## Pays employee:

- Self care: up to \$511 per day / \$5,110 in aggregate
- Care of others: 2/3 rate of pay up to \$200 per day / \$2,000 in aggregate

## Employer tax credits:

- Employer receives a corresponding payroll tax credit for 100% of the amount described above
- Tax credit availability
  - Expect guidance forthcoming on the details of the mechanics of how this will work





# FEDERALLY MANDATED PAID SICK LEAVE

## Under 50 exemption:

- Must abide by all of these requirements EXCEPT
  - Can apply for a waiver from having to comply with providing paid sick time for an employee caring for a son or daughter of employee if school or place of care is closed or is unavailable due to COVID-precautions
- Exemption requires demonstration that *“imposition of such requirements would jeopardize the viability of the business”*



# EMERGENCY PAID FMLA



## Applies to:

- Private employers under 500 lives
  - potential exemption for under 50

## Provides:

- 10 weeks of paid FMLA
  - As part of total 12 weeks of existing FMLA (not additional)
  - Initial 10 days for which an employee takes leave may be unpaid, then employee may elect to substitute any accrued vacation, personal, medical or sick leave for unpaid leave

## Can be used **ONLY** for:

- Employee is unable to work (or telework) to care for son or daughter under 18 years of age because school closed or child care provider unavailable



# EMERGENCY PAID FMLA

Pays  
employee

- 2/3 avg rate of pay not to exceed \$200 per day/\$10,000 in aggregate

Employer  
tax credits

- Employer receives a corresponding payroll tax credit for 100% of the amount described above

Under 50  
exemption

- Exemption requires demonstration that *“imposition of such requirements would jeopardize the viability of business”*





# SUMMARY

Private employers  
over 500  
employees

- No new requirements

Any employer  
under 500  
employees

- Emergency paid FMLA

Private employers  
under 500 and  
public employers of  
all sizes

- Paid sick time





# WHAT'S NEXT



# POTENTIAL NEXT STEPS FOR PAID LEAVE

## Increase size of employer that must comply with paid FMLA

- Should larger employers be exempted?

## Expand situations where paid FMLA can be accessed

- Should self-care qualify?

## Expand general access to Paid Family & Medical Leave





# CARES ACT



## Recovery Payments

\$1,200 per taxpayer / \$2,400 for married filing jointly

\$500 per child

These amounts begin to phase out at \$75,000 for single and \$150,000 for married couples

They completely phase out for individuals making more than \$98,000 and \$198,000 for married couples



# CARES ACT

## **U500 Businesses**

- \$350 Billion in loans to pay (up to \$10MM per business)
- Must maintain current employee numbers
  - Have until April 1, 2020 to re-hire employees

## **Larger Businesses**

- \$500 Billion in available relief

## **All Businesses**

- Employer Social Security payroll taxes do not need to be sent to government until 12/31/2021



# ISSUES TO WATCH

## Members' Availability to Vote

- Senator Gardner (R-CO) – quarantined
- Senator Scott (R-FL) – quarantined
- Senator Paul (R-KY) – COVID-19 positive
- Senator Romney (R-UT) – quarantined
- Senator Lee (R-UT) – quarantined





# ISSUES TO WATCH

## Next Step for House

- House is currently on “stand-by” but in their districts
- House needs to pass same bill as Senate
- If there are amendments, it needs to go back to the Senate





# QUESTIONS