COVID-19

AND ITS AFFECTS ON
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According to research from the **US Small Business Administration,** our country has 28.8 million small businesses that employ 56.8 million employees. Altogether, small business owners account for 99.7% of all employers nationwide.

Amid the COVID-19 outbreak, small business owners and self-employed individuals across the country are wondering how the pandemic will affect their healthcare.

Fortunately, assistance and access to an abundance of resources are on the way. In this post, you'll find out everything you need to know about employee and self-employed healthcare changes during these uncertain times.

Steps for Small Business Owners

Companies that have already initiated quarantine measures may be wondering what steps to take next. Others are still operating, but want to keep their workforce healthy. Many business owners are already experiencing the effects of COVID-19, including decreased cash flow and future financial impacts.

However, federal and state governments are rolling out several relief programs to provide emergency funds during this time. First, small business owners need to ensure employee health and safety. Next, locate the appropriate resources and establish a strategy for the worst-case scenario. Stay informed on current legislation updates that could assist small business owners and their employees.

Step 1: Establish Employee Safety Protocol

Prevention is the best way to cure a disease. In response, many businesses have initiated work-from-home programs to help prevent the spread of disease. However, if your company is still operating at its physical location, there are steps you can take to ensure employee safety.

- Encourage sick employees to stay home
- Emphasize regular hand washing and disinfection
- Follow **mitigation strategies**
- Practice social distancing
- Conduct **emergency planning exercises**
- Work with state and local health departments

You can learn more about preparing your workplace for a COVID-19 outbreak from the **Center for Disease Control**.

Step 2: Find Small Business Disaster Assistance Programs

Small business owners can look to the following assistance and relief programs to help navigate the challenges presented by the Coronavirus.

- **Small Business Administration Resource Page** — The organization helps small businesses access federal assistance and working capital loans. Also, employers will find an abundance of resources and strategies for overcoming

potential issues. You may qualify for **Disaster Loan Assistance**.

- **IRS and Treasury Department** — Federal tax deadlines will have a three-month extension in 2020 for owed payments up to $1 million. Business owners must still file their taxes by April 15th. However, payments will be delayed, without penalties, until July 15th.
- **National Governor's Association** — Small businesses may be eligible for state and city-specific relief programs, such as interest-free loans.

These resources can help your small business stay afloat during the pandemic and pay out-of-pocket costs resulting from paid family or medical leave mandates.

Step 3: Stay Up-to-Date on Healthcare Legislation

Legislative measures are protecting small business employees affected by the Coronavirus. The following legislation will take effect starting April 2nd, 2020. These temporary changes will be active until December 31st, 2020.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

The CARES Act includes provisions for the following relief efforts.

- Forgivable payroll loans for small businesses
- Direct cash payments for Americans
- Waiver of unemployment benefits waiting period
- Expansion of unemployment insurance
- Relief for hard-hit segments

The legislation is providing $2 trillion of aid for those affected.

Family First Coronavirus Response Act

The act establishes emergency paid sick and family leave, free Coronavirus testing, increased unemployment benefits, and expanded food assistance programs.

- Private companies with up to 500 employees must provide workers with 2–12 weeks of sick pay. The first two weeks of leave pay are equal to the employee's regular salary. For subsequent weeks, employees will be paid two-thirds of their original salary. The federal government will reimburse business owners within three months through tax credits.
- Private employers with less than 500 employees must provide paid leave for workers who must care for their children who cannot attend school because of the pandemic.
- The first ten days of leave may be unpaid, and employers cannot force workers to take other types of paid leave during this time.
- Employers with less than 50 employees may request an exemption if they can provide sufficient cause.
- Companies with under 25 employees are NOT required to return employees to their jobs after the pandemic, if, as a result, the position no longer exists.

These requirements only apply to employees who have been working at a company for at least 30 days.

Emergency Paid Sick Leave Act

As part of the Family First Coronavirus Response Act, private employers with less than 500 employees must offer two weeks of paid sick leave to workers under the following circumstances.

- The employee is in quarantine under COVID-19 orders
- The employee is showing symptoms and is waiting for a diagnosis
- The employee is following instructions from their health care provider to stay home.
- The employee is providing childcare because of school closures
- The employee is caring for someone in quarantine.

In contrast to Emergency FMLA, there is no minimum employment period to receive benefits. However, small business owners with under 50 employees may request an exemption. The limit for all types of paid sick leave is $511 per day, or a maximum of $5,110 at full pay.

Small Business Health Insurance

If a small business employee becomes infected with Coronavirus, the Essential Health Benefits under Small Business Health Insurance will cover expenses such as the following.

- Testing and medical necessities
- Doctor visits
- Lab work
- Hospitalizations
- Support services

Deductibles, copays, coinsurance, and other out-of-pocket costs vary by insurer. Many small business owners and their employees will have to pay these expenses before **reimbursement**.

Guidelines for the Self-Employed

The new legislation also includes stipulations for self-employed individuals, freelancers, and contract workers. Those who are self-employed and unable to work due to COVID-19 may be eligible for up to 10 days of full paid leave in tax credits.

Tax Credits and COVID-19

Self-employed individuals qualify for tax credits during the pandemic under the following circumstances.

- The individual is in quarantine due to state orders.
- The individual is in quarantine according to the advice of a healthcare professional.
- The individual is showing symptoms and is awaiting diagnosis.

Those who are eligible will receive their full average salary for the first ten days at a daily maximum of $511 for a total of $5,110.

Self-employed workers may receive ten days tax credits equal to two-thirds of their average wages at a maximum of $200 per day, or a maximum of $2,000, under the following circumstances.

- The individual is caring for someone in quarantine.
- The individual is caring for their child during school closures.
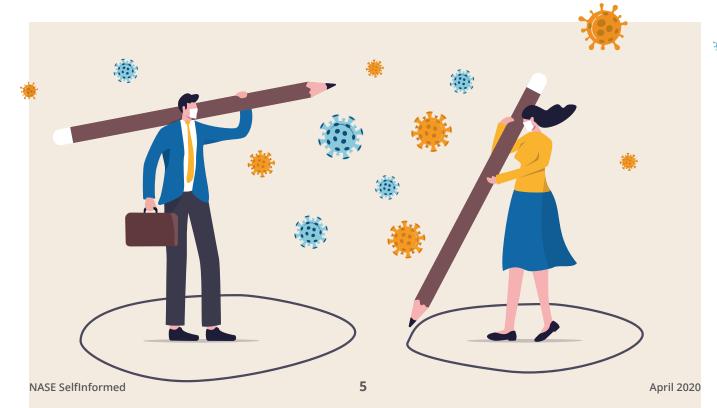- The individual is experiencing a similar situation related to COVID-19.

Those who are self-employed should keep copies of any quarantine or isolation orders. Additionally, keep track of any records showing your salary throughout the year. Determine your average pay by dividing your net earnings for the whole tax year by 260.

Medicare Coverage and COVID-19

Medicare offers services and coverage to assist during the outbreak.

- Medicare covers all **COVID-19 lab test** costs. There are no out-of-pocket expenses.
- If a vaccine becomes available, it will be covered under **part D of Medicare Prescription Drug Plans**.
- Medicare covers Coronavirus hospitalizations.
- Those with a **Medicare Advantage Plan** will have access to the same benefits.
- Expanded availability of **Telehealth services**. Medicare covers the costs of virtual check-ins.

Individuals with Medicare tend to be at higher risk of contracting the illness due to preexisting health conditions. In response, Medicare is covering related COVID-19 expenses.

Final Thoughts

Small business owner's COVID-19 paid-leave payments exceed payroll tax liability, an immediate refund is possible. Business owners are advised to claim these refunds on the forms issued from March 23rd, 2020. An expedited process will enable the distribution of refunds within two weeks. Eligible employers may claim credits from April 1st to December 31st, 2020. These refunds also apply to self-employed individuals who contract COVID-19 or care for another infected person. Find updates on the **Coronavirus Tax Relief website**.

Employers that qualify must provide employees with two weeks of paid sick leave, or a maximum of 80 hours if they are unable to work due to COVID-19-related reasons. In the following two weeks, affected employees may receive paid leave equal to two-thirds of their wages. The Emergency Family Medical Leave Act mandates paid leave for employees with at least 30 days of tenure. All other employees will have access to Emergency Paid Sick Leave.

Several solutions are already available for small business owners and self-employed individuals impacted by the pandemic. Federal and state assistance programs are helping by offering emergency loans, tax deferments, and tax credits to businesses in need.

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Member Benefits

Visit **NASE.org** to learn more about the following benefits!

SMALL BUSINESS GROWTH GRANTS
SPONSORED BY DELL TECHNOLOGIES

Dell Technologies is supporting small business growth by sponsoring the April, 2020 NASE Growth Grant.

Apply for the **Dell business development grant** from the NASE worth up to $4,000! Designed to help address a specific business need.

Apply Now!

You could receive up to $4,000 for your small business, sponsored by Dell. The NASE has already awarded more than $600,000 in Growth Grants to NASE Members just like you.

Grants can be used for Dell office equipment, marketing, advertising, hiring employees, expanding facilities and other specific business needs. You could be the next grant recipient. To be eligible for an NASE grant, you must:

- ✓ Be an NASE Member in good standing.
- ✓ Demonstrate a business need that could be fulfilled by the grant.
- ✓ Provide a detailed explanation of how you will use the grant proceeds.
- ✓ Show how the grant will improve your business growth and success.
- ✓ Offer supporting documentation such as a résumé and business plan.

Growth Grants are awarded at the sole discretion of the NASE. Unfortunately, not everyone who applies will receive a grant. Decisions of the selection committee are final and are not subject to appeal. No application feedback will be given. Click Here for recent grant recipients.

TOP 5
THINGS TO KNOW ABOUT HEALTHCARE IN 2020

Healthcare will undergo exciting new changes in 2020 as lawmakers and industry professionals collaborate to tackle some of the nation's most pressing issues. This year, universal healthcare, prescription drug shortages, electronic health data, maternal care, and value-based payment models are in the spotlight.

1. The Federal Government is Expanding Its Role in Healthcare

This year in 2020, healthcare will begin a significant transformation. A recent call-to-action by the **American College of Physicians (ACP)** is demanding a reform of the entire healthcare system.

To **make healthcare accessible** to all Americans, the presidential candidates are suggesting options for alternatives. One proposal suggests a national health plan, also known as Medicare-for-all. Another choice is a government-administered public option health plan.
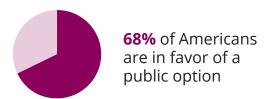
Medicare-for-all

A nationwide **Medicare-for-all health plan** is based on the premise that every citizen has the right to access healthcare. The scope of health services would extend beyond those currently covered by Medicare, and include all services necessary to diagnose, treat, and rehabilitate a medical condition.

Another feature of the national health plan is the elimination of cost-sharing, copayments, deductibles, and other expenses. The program also contains provisions for long-term care. If such a policy were to take effect, private insurers would cease to exist.
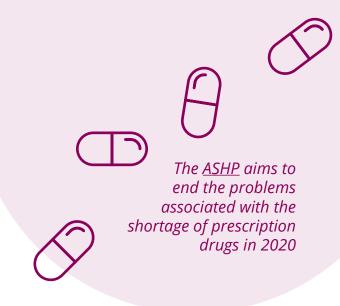
Public Option

An alternative route could be a public option, where individuals can choose between private and public healthcare programs. At this time, there's no consensus for the conditions of a public option program. However, private insurance providers would have to compete with the coverage available through a government-administered option.

According to the **Kaiser Family Foundation**, 68% of Americans are in favor of a public option. Comparatively, 56% are in favor of a Medicare-for-all plan, and nearly half favor both choices.

68% of Americans are in favor of a public option

Source: **Kaiser Family Foundation**

The ASHP aims to end the problems associated with the shortage of prescription drugs in 2020

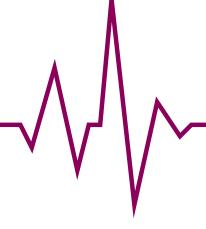# 2. Resolutions are Underway for Prescription Drug Shortages

Shortages of prescription drugs have been jeopardizing patient safety, delaying medical treatment, creating operational inefficiency, and increasing healthcare expenses. Antimicrobial, cardiovascular, central nervous system medications, and chemotherapy drugs, for example, are in continuous short supply. This year, the government is working with pharmacy organizations to find long-term resolutions to end drug shortages.

Mitigating Emergency Drug Shortages

Shortages of emergency drugs have been a national issue for years. There are many different reasons behind the supply disruptions. However, **quality concerns** represent an overwhelming majority of the problem.

This year, some of these issues may finally be addressed through the Senate's **Mitigating Emergency Drug Shortages (MEDS) Act**. However, the House of Representatives has to approve the Act before it can take effect. Below are some of the conditions proposed by the MEDS Act.

- Establishment of national security risk assessment standards during drug shortages
- Requiring manufacturers to share the cause and duration of drug shortages
- Public disclosure of the location of manufacturers
- Plans to ensure drug availability during manufacturing disruptions

The **American Society of Health-System Pharmacists (ASHP)** aims to end the problems associated with the shortage of prescription drugs in 2020. By collaborating with the House of Representatives, the ASHP hopes to eliminate barriers that could prevent the resolution of prescription drug shortages. This year, the ASHP will work with state and federal pharmaceutical organizations to push for legislation that addresses drug shortage issues.

The Drug Shortages Task Force

New rulings promoted by the **Food and Drug Administration (FDA)** will combat drug shortages. In response, the FDA has created a **Drug Shortages Task Force** to analyze the problem and suggest lasting solutions. The task force is composed up of healthcare industry professionals, pharmaceutical companies, patient representatives, and government members.

So far, the FDA has already initiated the process by supporting new technologies that could help end drug shortages. The **Emerging Technology Program** will encourage pharmaceutical companies to adopt innovative approaches to manufacturing.

Additionally, the FDA suggests a combination of solutions that include:

- Enhanced data sharing to notify the FDA of drug shortages promptly
- A risk management plan that identifies weaknesses in the manufacturing supply chain
- Extension of drug expiration dates

The task force will help ensure that the FDA evaluates every possible solution for providing an uninterrupted supply of prescription drugs in the future.

3. Electronic Health Records Will Become More Accessible

The creation of a data-driven healthcare ecosystem has been in the spotlight since 2019. This year, the proposed legislation is likely to promote further interoperability within the healthcare system. Driving these changes is the **Office of the National Coordinator of Health IT (ONC)**, which has already submitted a ruling for interoperability.

This ruling will give patients electronic access to their health records. Driving these changes is the **Federal Health IT Strategic Plan**. Objectives for leveraging digital healthcare opportunities from 2020 to 2025 are outlined below.

- Promote collaboration between the federal government and the private sector
- Increase product and price transparency
- Enable individuals to access their health information through the technology of their choice.

The **interoperability of electronic health information** ruling would make Electronic Health Records (EHR) data available to app developers. Currently, developers lack access to Application Programming Interfaces (APIs) necessary to create EHR-based applications.

Limited access to EHR data makes it nearly impossible for developers to bring high-value apps to market. By making APIs open source, developers could create more innovative apps that enhance patient care. Additionally, the plan strategizes to achieve the following:

- Help patients gain a better understanding and more control of their healthcare data.
- Enable individuals to readily obtain advice on federal, state, and regional healthcare regulations.
- Integrate security and privacy controls to protect personal data.

Identifying individual patients will be integral to resolving privacy concerns. Patient matching, a process of comparing an individual's data from a variety of different sources, will be essential to avoid compromising healthcare privacy.

The Centers for Medicare & Medicaid Service is focusing on promoting policies for maternal care in rural areas

4. Maternity Health Bundles are Entering the Market

Another issue in the spotlight in 2020 is maternal and infant health. After receiving the title of the worst country in the developed world for **maternal healthcare**, the US government and insurers are responding. **Cigna**, **Humana**, and **UnitedHealthcare** have already started to introduce maternal health insurance bundles. Now, **Medicaid plans** are testing a similar approach.

The CMS, or Centers for Medicare & Medicaid Services, is focusing on promoting policies for maternal care in rural areas. Recommendations for improving **maternal healthcare in rural communities** include the following:

- Increasing incentive programs for maternal health training
- Recruit existing healthcare professionals to practice in rural areas
- Standardized regulations for practicing maternal health providers
- Develop collaborating network models in regions with low patient volumes, allowing communities to work together

The **HRSA, or Health Resources and Services Administration** is developing universal maternal health safety protocols, or "safety bundles," to improve consistency nationwide. Additionally, the **Health Care Transformation Task Force (HCTTF)** is identifying initiatives that could improve access to maternal care. Elements of the proposed comprehensive care model are listed below.

- An expanded care team that focuses on perinatal health
- A labor and delivery model based on individual needs
- Outcome-driven payment changes to encourage high-value care. This payment model would transition away from the fee-for-service model that doesn't currently hold providers accountable.

Value-based payment and comprehensive care models will address current inadequacies in the maternal care system, resulting in lower costs and better outcomes.

5. Value-Based Payment in the Public and Private Sector

According to the Institute of Medicine, nearly **one-third** of US healthcare spending was wasted on unnecessary services. Now, the HCTTF is committing to aligning the interests of the public and private sectors. The HCTTF's goal is to have **75% of their members** using value-based payment arrangements in 2020.

Patients have been looking forward to the arrival of value-based care for several years. Now, healthcare payment models are finally shifting away from fee-for-a-service models and more toward **value-based payment plans**. These programs reward healthcare

providers for the quality rather than the number of services they provide.

Driving the payment model shift is the increased availability of consumer data. This information is enabling healthcare providers to base their pricing arrangements on predictive insights. Additionally, the CMS is rewarding insurers through **value-based programs**.

The state of **North Carolina** is leading the journey toward a value-based payment system and strives to make 70% of the state's healthcare payments value-based within the next five years. By establishing an Accountable Care Organization (ACO), North Carolina has been able to prepare itself for the shift. Other states are likely to follow soon, as health IT continues to facilitate improvements in patient care.

Conclusion

The US healthcare system is experiencing significant changes this year in 2020 that will ultimately improve the quality of care. By aligning financial incentives, lawmakers and industry organizations hope to achieve better outcomes, improve prescription drug availability, and reduce cost barriers that compromise Americans' health.

Federal and state governments will play an increasingly significant role in setting the foundation for change. By the end of the year, the federal government is likely to decide on a new universal healthcare system based on a Medicare-for-all or public option model. Health technology and access to consumer health data will facilitate further strides toward enhancing patient care while enabling value-based payment arrangements in the years to come.