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Federal Support for Domestic COVID-19 Test Availability

In January 2022, the White House launched several actions to boost the availability of Coronavirus Disease 2019 (COVID-19) tests to the general public, including the distribution of rapid antigen tests to individuals free of cost, enhanced testing initiatives in K-12 schools, and expansion of community testing options.

This In Focus covers the federal funding sources, activities, and mechanisms that support domestic COVID-19 test availability as of the date of publication. As defined here, activities to support COVID-19 test availability include (1) the purchase, manufacture, and distribution of tests and related supplies, and (2) support for community and institution-based (e.g., school) testing programs. This In Focus does not address funding or financing for testing-related research and development, regulation, provider reimbursement, health service delivery, or health insurance.

Appropriations

The list below provides a general overview of major COVID-19 relief appropriations that support domestic COVID-19 test availability, but it is not exhaustive. The following Department of Health and Human Services (HHS) appropriations (greater than \$20 billion dollars each) have been specifically directed to aid in expanding COVID-19 testing, including increasing test availability:

Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139, Division B, Title I), enacted April 2020, provided **\$25 billion** total, available until expended, to the Public Health and Social Services Emergency Fund (PHSSEF) account for a variety of COVID-19 testing- and contact tracing-related purposes. The law directed HHS to reserve or transfer some of these funds. For example, not less than \$11 billion was specified for grants to states, localities, territories, tribes, and other tribal entities (SLTTs). In addition, the law specified several transfers to other HHS agencies for specific purposes (e.g., the Food and Drug Administration was to receive \$22 million for its testing-related activities). The remaining funds were appropriated for broader activities to boost testing infrastructure, manufacture, capacity, and administration, including the purchase of testing supplies.

Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA, P.L. 116-260; Division M), enacted December 2020, provided a total of **\$22.4 billion**, available until September 30, 2022, to the PHSSEF account for a variety of COVID-19 testing- and contact tracing-related purposes. The law specified that these funds were intended for SLTT governmental entities (at least \$21 billion has since been awarded as Centers for Disease Control and Prevention [CDC] SLTT grants). The

law also directed a \$790 million transfer to the Indian Health Service for testing.

American Rescue Plan Act of 2021 (ARPA, P.L. 117-2, Title II, Section 2401), enacted March 2021, provided a total of **\$47.8 billion** to the HHS Secretary, to remain available until expended, for COVID-19 testing, contact tracing, and mitigation activities. The law directed the HHS Secretary to implement a national, evidence-based strategy for testing; award grants for and support SLTT testing programs; and support the development, manufacture, purchase, distribution, and administration of COVID-19 tests, among other actions.

In addition to these appropriations, other HHS COVID-19 relief appropriations (such as certain funding made available to CDC and the HHS Secretary), can also be used to support COVID-19 test availability. According to GAO, HHS allocated a total of \$58.3 billion for testing as of November 30, 2021 (GAO-22-105291; total does not reflect all HHS SLTT testing-related grants). This allocation supports test purchase and distribution, community-based testing programs, testing among high-risk populations, screening in schools, and other activities. As of November 30, 2021, \$34.9 billion of the total funds has been obligated and \$15.5 billion has been expended.

COVID-19 relief appropriations have also funded non-HHS federal support for COVID-19 test availability. For example, relevant FEMA activities draw from the Disaster Relief Fund (DRF), a no-year account that supports all assistance provided under the Robert T. Stafford Emergency Assistance and Disaster Relief Act (the Stafford Act, P.L. 93-288, as amended).

Test Manufacturing and Supply

HHS funding has supported test and testing supply manufacturing throughout the pandemic. In February 2021, the Biden Administration launched a partnership between HHS and Department of Defense (DOD) to boost such manufacturing through federal contracts. The Trump and Biden Administrations also invoked authorities under the Defense Production Act of 1950 (DPA, P.L. 81-774, as amended) to redress certain COVID-19 test supply shortages. The Trump Administration's actions included DOD contracts to expand manufacturing capacity for test swabs. The Biden Administration's *National Strategy for the COVID-19 Pandemic* and several subsequent executive orders announced that the federal government would invoke DPA authorities to expand private-sector manufacturing capacity and federal purchase of tests. ARPA appropriated \$10 billion, provided to a new HHS account, to support DPA actions for the purchase, manufacture, and distribution of medical supplies, to include COVID-19 tests. The full

scope of DPA actions under either Administration is unknown due to reporting limitations.

Purchase and Distribution of Tests

The federal government has purchased and distributed tests to governmental entities, health centers and clinics, and community-based organizations. Recent initiatives, many supported by ARPA, include the following:

- Purchase of 1 billion at-home, rapid COVID-19 tests with the intent to distribute to households free of cost. The first 500 million became available for home delivery on January 19, 2022. Each household is eligible to receive up to four tests.
- Distribution of millions of free, at-home COVID tests to community health centers and rural health clinics, which then distribute to patients.
- Establishment of Operation Expanded Testing program by CDC, which provides no-cost testing to childcare centers, K-12 schools, historically Black colleges and universities (HBCUs), and other congregate living facilities and qualified sites. This is an HHS and DOD partnership, and can perform up to 1 million tests total through July 1, 2022.

Federal Community-Based Testing Sites

Since March 2020, FEMA and HHS have supported several iterations of federally supported community-based testing sites in partnership with pharmacies and public health agencies. In December 2021, FEMA and HHS established new federal surge testing sites in partnership with state, tribal, and territorial governments, provided through the Stafford Act declarations for the pandemic and administered through HHS's Increasing Community Access to Testing program.

Grant Support for Testing

This section summarizes selected federal grant programs for SLTT governments or other organizations that can be used to support COVID-19 test availability. In general, grantees have discretion over the amount spent on testing within the scope of specific award guidance and requirements.

CDC: CDC has primarily used its existing Epidemiology and Laboratory Capacity (ELC) grant mechanism to award SLTT grants that can be used, in part, to support testing. Typically, the ELC program awards annual funding to 64 state, local, and territorial health departments to facilitate capacity for infectious disease control and prevention. According to CDC data (as of December 2021), the agency has granted a total of \$42.3 billion in ELC awards to the 64 jurisdictions that can be used, in part, to support COVID-19 testing. The allowable uses of funds vary by grant allocation. These allocations include \$10 billion for school-based testing programs funded by ARPA. Other CDC COVID-19 grant awards can also support testing.

Department of Education: Funds provided to state educational agencies (SEAs) from the Elementary and Secondary School Emergency Relief (ESSER) Fund may be used to establish COVID-19 testing programs in K-12 schools. A total of \$190 billion has been appropriated to

this fund under the CARES Act (P.L. 116-136), CRRSA, and ARPA. SEAs are required to award at least 90% of these funds to local educational agencies (LEAs) by formula, who in turn can use the funds for various purposes, including testing initiatives. Furthermore, funds available from the Governor's Emergency Education Relief (GEER) Fund, provided by the CARES Act and CRRSA, could potentially be used for K-12 school-based testing programs, as governors have broad discretion in how to use such funding. A total of \$4.3 billion was made available directly to governors through the GEER Fund (this amount does not include a \$2.75 billion reservation of funds from the GEER Fund authorized by CRRSA to provide support to nonpublic schools).

FEMA: Under the Stafford Act declarations for the pandemic, FEMA's Public Assistance (PA) program may reimburse eligible applicants (subfederal governments and certain nonprofit entities, including health care providers) for certain COVID-19 testing costs. FEMA may reimburse applicants for the costs of surge staff to administer tests, the purchase and delivery of test kits and other medical supplies, and contracts for third-party testing, among others. A state, tribe, or territory may also request Direct Federal Assistance (e.g., supplies, federal personnel) required to execute eligible COVID-19 testing (44 C.F.R. §206.208). FEMA will cover 100% of eligible testing costs incurred from January 20, 2020, through at least April 1, 2022.

Treasury: Department of Treasury COVID-19 relief grant programs for general assistance to state and local governments either can be or have been used to support testing programs. These include the \$150 billion Coronavirus Relief Fund (CRF) established by the CARES Act, which expired on December 31, 2021, and the \$350 billion ARPA State and Local Fiscal Recovery programs (§9001), which are available until December 31, 2024, with funded projects completed no later than December 31, 2026. These grants support myriad health, economic, and other purposes. Many states used a portion of CRF funding for testing programs, according to National Conference of State Legislatures (NCSL) data. The ARPA programs can also support testing, as indicated by the Treasury final rule (31 C.F.R. Part 35).

Table 1. Related CRS Products

CRS Report R46481, *COVID-19 Testing: Frequently Asked Questions*

CRS Report R46711, *U.S. Public Health Service: COVID-19 Supplemental Appropriations in the 116th Congress*

CRS Report R46834, *American Rescue Plan Act of 2021 (P.L. 117-2): Public Health, Medical Supply Chain, Health Services, and Related Provisions*

CRS Report R46990, *General State and Local Fiscal Assistance and COVID-19: Eligible Purposes, Allocations, and Use Data*

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