



Biden's first legislative victory: \$1.9 trillion for COVID-19

US President Joe Biden's first legislative triumph will fund the COVID-19 response and economic recovery, and address social determinants of health. Susan Jaffe reports from Washington, DC.

By narrowly approving a massive COVID-19 response and economic relief package last week, Democrats in Congress handed President Joe Biden his first legislative victory after only 50 days in the White House. The US\$1.9 trillion, 628-page, American Rescue Plan Act is a signature achievement so monumental that it has been compared to President Lyndon B Johnson's sweeping Great Society legislation that raised many Americans out of poverty, with a safety net of social and health services, including the Medicare and Medicaid insurance programmes.

On the presidential campaign trail, candidate Biden pledged to unite the nation and boasted of his bipartisan work in Congress during the nearly four decades he served as a US Senator from Delaware. But as a president confronting a pandemic that had killed more than 535 000 Americans—still the highest death toll of any nation—and decimated the economy, Biden did not have much patience for compromise. In the end, his relief legislation passed without a single Republican vote, even though national opinion polls show it has wide public support among members of both parties.

Biden defended the scope and size of the legislation at a televised town hall meeting last month in Milwaukee. "This is the first time in my career... that there is a consensus among economists left, right, and centre...—and including the IMF and in Europe—that the overwhelming consensus is: in order to grow the economy a year or two, three, and four down the line, we can't spend too much", he said. "Now is the time we should be spending. Now is the time to go big."

The American Rescue Plan provides funding for COVID-19 vaccines and

supplies, virus testing, contact tracing, and treatment, as well as increasing the health-care workforce, among other projects directly related to battling the virus (panel). Funding for testing and contact tracing is crucial even after the virus is under control, warned Georges Benjamin, a physician and executive director of the American Public Health Association. "Most of us think this disease will become tragically endemic and...we're going to have disease outbreaks like whooping cough and measles."

The law also helps keep people healthy by supporting community health centres in medically underserved areas, expanding Medicaid coverage for low-income families and raising subsidies for health insurance under the Affordable Care Act (ACA). Another ACA change is aimed at the 12 states that declined to expand Medicaid eligibility by increasing the federal government's share of the cost to 95% over a decade. These and other ACA modifications represent the first major revisions since Congress passed the law in 2010.

Access to medical care will be especially important since people have been told to stay home during the pandemic and many stayed away from doctors' offices and hospitals, Benjamin said. "Cancer screenings didn't happen", he said, and problems that could have been detected earlier were not. "A lot of health care didn't happen." Children might have skipped measles or other recommended vaccinations. The pandemic's "collateral damage"—as the director of the Centers for Disease Control and Prevention, Rochelle Walensky, describes it—is exacerbated by health-care inequities and will put more pressure on the health-care system.

The act goes further to address social determinants of health and factors that affect access to medical care, by providing support for schools, public transit systems, food and nutrition, housing, and supplementing unemployment insurance. Additionally, in the coming weeks, adults with incomes of less than

For more on Rochelle Walensky see [Perspectives Lancet 2021; 397: 268](#)

For more on the American Rescue Plan see <https://www.democrats.senate.gov/imo/media/doc/ARP%20-%20Title-by-Title%20Summary.pdf>

Panel: The American Rescue Plan: where the money goes

- \$412 billion: \$1400 stimulus cheques
- \$350 billion: state and local governments
- \$246 billion: unemployment insurance
- \$211 billion: child tax credits, child-care, and other aid
- \$201 billion: vaccines, coronavirus testing, contact tracing, and genomic sequencing; expanding Medicaid, the Indian Health Service, rural health care, and reducing ACA premiums
- \$177 billion: safely reopening schools and higher education
- \$108 billion: farmers, small businesses, and other industries
- \$47 billion: Federal Emergency Management Agency, for disaster relief
- \$42 billion: housing assistance for renters and homeowners
- \$62 billion: protect pensions
- \$28 billion: restaurants and bars
- \$17 billion: veterans' health
- \$10 billion: COVID-19-related global health

Source: Center for American Progress and Congressional Budget Office.

\$75 000 will receive \$1400 stimulus cheques, including \$1400 for each of their children. By some estimates, the sweeping law will provide some form of financial assistance to nearly all but the wealthiest Americans. It could potentially give very low-income families more aid than any other legislation since President Franklin D Roosevelt's New Deal, *The New York Times* reported.

One of most significant changes the relief package brings will affect children—it provides a 1-year extension of the child tax credit to reduce the 11 million children who live in poverty. Delivered in the form of an advance tax credit, families will receive, for 1 year, \$250 a month per child and \$300 for children younger than 6 years.

In addition, child-care providers will be eligible for \$25 billion in aid and parents will receive \$15 billion to help pay for care. It is one of the largest investments in child-care since World War 2, Biden said when he signed the legislation into law. Mississippi, one of the poorest states in the country, will be able to go from serving 28% of eligible children to 80%, National Public Radio reported.

The law also “invests in the US family planning clinic network to help clinics meet increased demand and overcome pandemic-related hurdles [and] allows states to extend Medicaid coverage to people for 12 months after they give birth as a way to address the US maternal mortality crisis”, said Adam Sonfield, executive director for policy analysis at the Guttmacher Institute. “It also expands...and invests in Medicaid, the ACA marketplaces, and other health insurance options to help people obtain or retain health coverage, including coverage for reproductive health care.”

State and local governments that lost tax revenue when businesses closed and faced higher costs as they responded to the pandemic will receive \$350 billion under the act. Small businesses will also get aid.

The American Rescue Plan “is a force for fairness and justice in America”, said the Speaker of the House of Representatives, Nancy Pelosi, just before the House voted on the measure. Pelosi, a California Democrat, has won several difficult legislative battles, including the ACA. “This legislation is one of the most transformative and historic bills any of us will ever have the opportunity to support.”

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Republicans did not think much of that opportunity. During debate on the final package, House minority leader Kevin McCarthy, a California Republican, called the bill “a laundry list of left-wing priorities that pre-date the pandemic”. Representative Steve Scalise, a Louisiana Republican, said the legislation was “an attempt by Speaker Pelosi to further promote her socialist agenda”.

Representative Tom Rice, a South Carolina Republican, said it was “just an expansion of entitlements that will make people more dependent on the government and... heap debt on our children and our grandchildren”.

Other opponents claimed the legislation was unnecessary because COVID-19 infections and deaths have declined, and argued that money from earlier relief measures should be spent first. Such arguments are “deliberately misleading people about how government spending works”, said Jesse Lee, vice president for communications at the Center for American Progress Action Fund, the political arm of the Center for American Progress, a progressive think tank. “The money is not just sitting in the safe and nobody's bothered to pick it up: it's been allocated, scheduled, and it's going to be spent.”

“The idea of this package was to take a sledgehammer and crush the

virus to death”, said Robert Bixby, executive director of the Concord Coalition, which advocates for fiscal responsibility. “But there's a lot in here that isn't directly related to the virus.”

“Alleviating childhood poverty is a very good legitimate public policy goal”, he said, and should be considered in separate legislation. “But what we've done here is—under the guise of fighting the pandemic—we've had a major expansion of government benefits, and it doesn't get the scrutiny it should have.” However, proposing increases in, for example, the child tax credit in a separate bill would have required congressional committee hearings and other steps needed to craft new laws. Additionally, it would have required 60 votes in the Senate to pass, not the simple majority of 51 votes the American Rescue Plan received under a special process called budget reconciliation that was also used to pass the ACA. And unlike other legislation, laws that go through budget reconciliation can be funded with borrowed money, without raising taxes or cutting other programmes. But Congress can use this strategy just once every legislative term. As Bixby put it: “The train is leaving the station and you have one chance to get on.”

After he signed the legislation, Biden said he and Vice President Kamala Harris will be “travelling the country to speak directly to the American people about how this law is going to make a real difference in their lives and how help is here for them”.

As the government begins to roll out these benefits, Biden promised “fastidious oversight to make sure there's no waste or fraud, and the law does what it's designed to do. And I mean it: we have to get this right... because we have to continue to build confidence in the American people that their government can function for them and deliver.”

Susan Jaffe