

Holland & Knight

Overview of Major COVID-19 Relief Programs Potentially Applicable to Health Care Providers As of 3.30.20

Funding Mechanism	How to obtain the funding	Hospitals	Providers	Use of Funds	Restrictions
Medicare Accelerated Payments via CMS	CMS Fact Sheet and MAC Contact information . Each MAC has its own application.	Yes – up to 6 months; 120 days begin repayment; repayment reconciliation within one year	Yes – up to 3 months; 120 days begin repayment; repayment reconciliation within 210 days	Prepayment of Medicare claims	Recoupment will come on later filed claims
\$100 billion health care provider fund. (Unclear which Agencies will administer -- possibly ASPR, CMS, HRSA, NIH).	<p>No process currently outlined for this new and unprecedented program.</p> <p>Start preparing, documenting response costs, and business losses.</p> <p>Applications will be processed on a rolling basis.</p>	<p>Yes, includes public, Medicare-participating and other (TBD) nonprofit and for-profit entities</p> <p>Must have provided diagnoses, testing, or treatment for actual or suspected cases of COVID-19 (scope of this requirement TBD).</p>	<p>Yes, it includes public, Medicare-participating, and other (TBD) nonprofit and for-profit entities.</p> <p>Must have provided diagnoses, testing, or treatment for actual or suspected cases of COVID-19 (scope of this requirement TBD).</p>	Response costs and business losses associated with COVID-19, including building or constructing temporary facilities, leasing properties, supplies and equipment including PPE and testing supplies, increased workforce and training, emergency operation centers, retrofitting	Funds can't be used to reimburse expenses or losses that have been reimbursed by other sources or that other sources are obligated to reimburse.

				facilities, and surge capacity.	
Hospital Preparedness Program (HPP) within ASPR. \$100 obligated from COVID 2; additional amounts unobligated; \$250 additional in COVID 3.	<p>ASPR will move funds to existing special pathogen treatment centers, likely under legacy five-year agreements.</p> <p>If not a special pathogen treatment center, contact your state hospital assn.</p> <p>ASPR may issue additional FOAs.</p>	<p>Direct funding for NETEC and Special Pathogen Treatment Centers.</p> <p>Indirect funding via state hospital associations.</p> <p>Additional funds may be awarded to existing HPP grantees and subgrantees.</p>	Generally, no, except if funds are given to regional partnerships that the provider participates in and receives funds through.	Preparing and responding to COVID-19	Unclear as to unobligated remaining.
CDC \$1.5 billion going to State & Local public health depts	Probably using existing PHEP awards that go to state and for largest cities and flow down to other public health entities.	Not directly, but potentially could work with State or Local public health to access.	Not directly, but possibly could work with State or Local public health to access.	PPE, surveillance for COVID-19, laboratory testing, contact tracing, infection control, other public health preparedness, and response.	Public hospitals aren't directly eligible. The statute indicates no PHEP awardee will receive no less than 2019 amount.
FEMA	Those seeking public assistance through FEMA and in coordination with other federal agencies may apply for such assistance through a simplified federal portal	Yes, if a nonprofit	Yes, if a nonprofit	The medical response, PPE, SNS supplies via States, disseminating medicine, DME, emergency medical and mass care, medical facility	Does not cover revenue losses. Does not support for-profit business or health care providers.

	after contacting the state or local emergency management agency to set up an account			services, temporary medical facilities or enhanced treatment capacity	
SBA Economic Injury Disaster Loan (EIDL)	\$10 billion in augmented funding provided for this existing program. Certain program requirements waived. SBA website outlines some basic steps on how to apply, qualify, and get funded through their program.	Only if a 501(c)(3) with fewer than 500 employees or a small business (or eligible nonprofit) as defined in the Small Business Act.	Only if a 501(c)(3) with fewer than 500 employees or a small business (or eligible nonprofit) as defined in the Small Business Act.	Economic injury from the coronavirus are eligible expenditures. The program is designed to provide loans for small business operating expenses not covered by insurance or FEMA. Up to \$2 million for fixed debts, payroll, accounts payable, and other bills. The interest rate is 3.75% for small businesses. The interest rate for nonprofits is 2.75%. Long-term repayments for	Does not have a loan forgiveness component.
SBA Paycheck Protection Program (PPP)	Makes \$350 billion available through SBA's network of private sector lenders for this new program.	Only if a 501(c)(3) with fewer than 500 employees or a small business (or eligible nonprofit) as defined in the Small Business Act.	Only if a 501(c)(3) with fewer than 500 employees or a small business (or eligible nonprofit)	100% guaranteed loans to cover specific operating costs capped at lesser of 250% of average monthly	You can't get both EIDL and PPP – one or the other. You cannot take the employee retention credit if

	Expected to follow existing SBA loan application process; modified application materials expected soon.		as defined in the Small Business Act.	payroll or \$10 million. <u>Eight weeks of payroll, rent, mortgage payments, utilities are forgiven.</u>	you participate in this program.
Unemployment Insurance	Laid off/furloughed workers apply through state offices.	Employees; contractors and “gig” workers included.	Employees; contractors and “gig” workers included.	State benefits vary based on a base amount and a maximum. Federal government providing an extra \$600/week for a four-month period.	Be aware of more generous benefit level – may keep lower-paid workers “whole.”
Employee Retention Credit for Closure/Partial Closure	Provides refundable credits (transfer payments) to employers. New guidance was posted on 3/31/20 by Treasury Department.	Yes, with respect to employees being paid while they cannot perform the services they ordinarily perform due to a governmental order limiting commerce, travel, or group meetings.	Yes, with respect to employees being paid while they cannot perform the services they ordinarily perform due to a governmental order limiting commerce, travel, or group meetings.	Payment of 50% of qualifying wages up to \$10,000 per employee per calendar quarter.	Credit available for any quarter after Dec 31, 2019, in which gross receipts are less than 50% for the prior year comparable quarter. It ends when gross revenues in the calendar quarter reach 80% of the amount of the prior-year quarter.

Treasury Economic Stabilization Fund (ESF); \$454 for non-specified businesses	Awaiting information from Treasury. It is expected that \$454 billion will be made available through the Federal Reserve Banks for a program of loan, loan guarantees, and “other investments” for “eligible businesses” defined as businesses impacted by the coronavirus pandemic.	Possibly	Possibly	Loans, loan guarantees, and “other investments.” Interest rates and repayment terms are expected to be generous.	ESF loans must be repaid. It cannot cover costs that can be paid by others.

We stand ready to assist you. Please contact the H&K healthcare policy team with specific questions/opportunities – [Lisa Hawke](#), [Rob Bradner](#), [Miranda Franco](#), and [Ethan Jorgensen-Earp](#).