

Holland & Knight

Overview of Major COVID-19 Relief Programs Potentially Applicable to Healthcare Providers As of 4.4.20

Funding Mechanism	How to obtain the funding	Hospitals	Providers	Use of Funds	Restrictions
<p>Medicare Accelerated Payment Program (APP) via CMS.</p> <p>The APP is an expanded version of the Periodic Interim Payment (PIP) program that has existed for hospitals; this expansion was authorized under the CARES Act.</p>	<p>CMS Fact Sheet and MAC Contact information. Each MAC has its own application.</p>	<p>Yes – up to up to 100% (125% for critical access hospitals) of the Medicare payment amount based on a six-month lookback period.</p> <p>120 days begin repayment; repayment reconciliation within one year</p>	<p>Yes – up to 100% of the Medicare payment amount based on a three-month lookback period.</p> <p>120 days begin repayment; repayment reconciliation within 210 days</p>	<p>After the 120 days, the recoupment process will automatically start, and every claim submitted will be offset to repay the advanced payment.</p>	<p>At the end of the repayment period, the MAC will send the provider a demand letter if there is a remaining balance:</p> <p>There is a 30-day grace period before interest (10.25%) on the remaining balance begins.</p>
<p>\$100 billion health care provider fund. (Unclear which Agencies will administer -- possibly ASPR, CMS, HRSA, NIH).</p>	<p>No specific application process currently outlined for this new and unprecedented program. Guidance is forthcoming. However, HHS Secretary Alex Azar said on April 3 that the administration plans to</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</p>	<p>Yes, it includes public, Medicare-participating, and other (TBD) nonprofit and for-profit entities.</p> <p>Must have provided</p>	<p>Response costs and business losses associated with COVID-19, including building or constructing temporary facilities, leasing properties, supplies</p>	<p>Funds can't be used to reimburse expenses or losses that have been reimbursed by other sources.</p>

	<p>use a portion of the \$100 billion CARES Act funding for hospitals to reimburse providers for treating the uninsured with COVID-19.</p> <p>Start preparing, documenting response costs, and business losses.</p>	<p>suspected cases of COVID-19 (scope of this requirement TBD).</p>	<p>diagnoses, testing, or treatment for actual or suspected cases of COVID-19 (scope of this requirement TBD).</p>	<p>and equipment including PPE and testing supplies, increased workforce and training, emergency operation centers, retrofitting facilities, and surge capacity.</p>	
<p>Hospital Preparedness Program (HPP) within ASPR. \$100 obligated from COVID 2; additional amounts unobligated; \$250 additional in COVID 3.</p>	<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>	<p>Generally, no, except if funds are given to regional partnerships that the provider participates in and receives funds through.</p>	<p>Preparing and responding to COVID-19.</p>	<p>Unclear as to unobligated remaining.</p>
<p>CDC \$1.5 billion going to State & Local public health depts</p>	<p>Probably using existing PHEP awards that go to state and for largest cities and flow down to</p>	<p>Not directly, but potentially could work with State or Local public health to access.</p>	<p>Not directly, but possibly could work with State or Local public health to access.</p>	<p>PPE, surveillance for COVID-19, laboratory testing, contact tracing, infection control, other public health</p>	<p>Public hospitals are not directly eligible. The statute indicates no PHEP awardee will</p>

	other public health entities.			preparedness, and response.	receive 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 after contacting the state or local emergency management agency to set up an account. FEMA has opened up an “expedited assistance” option. See more information here .	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 services, temporary medical facilities or enhanced treatment capacity	Does not cover revenue losses. Does not support for-profit business or health care providers.
SBA Economic Injury Disaster Loan (EIDL)	\$10 billion in augmented funding provided for this existing program. Certain program requirements waived. See the SBA COVID-19 Disaster Assistance Portal to apply.	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 is 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,	Does not have a loan forgiveness component.

				accounts payable, and other bills. The interest rate is 3.75% for small businesses. The interest rate for nonprofits is 2.75%.	
SBA Paycheck Protection Program (PPP)	<p>Makes \$350 billion available through SBA’s network of private sector lenders for this new program.</p> <p>Borrowers must submit their applications to an approved lender by June 30, 2020. Lenders may begin processing loan applications as soon as <u>April 3, 2020</u>. SBA states that PPP loans will have a maturity of 2 years and an interest rate of 1%.</p> <p>An updated borrower application may be found here.</p>	Small businesses are defined as 500 or fewer employees <u>unless</u> the industry has an employee-based size standard provided by the SBA that is greater than 500 employees.	Small businesses are defined as 500 or fewer employees <u>unless</u> the industry has an employee-based size standard provided by the SBA that is greater than 500 employees.	The maximum amount of a PPP Loan is calculated by determining your average total monthly payments for payroll costs incurred during the one year period before the date on which the loan is made and multiplying that number by 2.5. The cap on a PPP Loan is \$10,000,000. The CARES Act requires lenders to defer all payments under PPP Loans for a period of “not more than one year.”	<p>You can’t get both EIDL and PPP – one or the other.</p> <p>You cannot take the employee retention credit if you participate in this program.</p>

				<u>Eight weeks of payroll, rent, mortgage payments, utilities are forgiven.</u>	
Unemployment Insurance (UI)	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 a 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 the Treasury Department.	Yes, with respect to employees being paid while they cannot perform the services they ordinarily perform due to a governmental order is 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 is 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 December 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](#).