

Funding Opportunities Potentially Applicable to Health Care Facilities

Background:

Several new policies have become law the last few months to help respond to the health and economic impacts of the COVID-19 pandemic. While funding sources may change in the coming weeks or months, below is a summary of various programs that provide financial relief for which providers and hospitals may be eligible.

Program:	Description:	Eligibility & Restrictions:	Status:	Remarks/Additional Resources:
<p>Provider Relief Fund</p> <p><i>Coronavirus Aid, Relief, and Economic Security (CARES) Act</i> <u>\$100 Billion</u></p> <p><i>Paycheck Protection Program and Health Care Enhancement Act (PPPHE)</i> <u>\$75 Billion</u></p>	<p>Through the CARES Act and the PPPHE Act, direct funding was allocated to providers to prevent, prepare for and respond to coronavirus. This fund reimburses eligible health care providers for health care-related expenses or lost revenues attributable to coronavirus. The Department of Health and Human Services (HHS) determines how the funds may be used as well as allocated.</p> <p>HHS continues to allocate funds while distribution is on a rolling basis. Some funds are sent automatically to providers and others are dependent upon providers submitting additional information to the agency.</p>	<p>Public, Medicare-participating, and other nonprofit and for-profit entities specified by the Secretary of HHS that have provided diagnoses, testing or treatment for actual or suspected cases of COVID-19.</p> <p>Funds cannot be used to reimburse expenses or losses that have been reimbursed by other sources, or that another source is obligated to reimburse.</p>	<p>To date, \$72.4 billion of the Provider Relief Fund has been designated for distribution:</p> <ul style="list-style-type: none"> • \$50 billion for general distribution to Medicare Fee-for-Service (FFS) providers. The first wave of \$30 billion was distributed beginning April 10, 2020 and was based on providers' 2019 FFS reimbursements. The second wave of \$20 billion was distributed beginning April 24, 2020 so that the full \$50 billion was allocated in proportion to providers' net patient revenue. • \$12 billion to the 395 hospitals that provided inpatient care to 100 + COVID-19 patients through April 10. • \$10 billion to rural acute care general hospitals, critical access hospitals, and community health centers in rural areas. • \$400 million to the Indian Health Service • An unspecified amount for providers testing or treating uninsured COVID-19 patients on or after February 4. <p>As of the time of publication, additional information is still expected from HHS regarding how and when it will distribute the remaining funds (and whether it will proceed with similar or different allocation formulas).</p>	<p>CARES Act Provider Relief Website</p> <p>CARES Act Provider Relief Fund Application Guide</p> <p>CARES Act FAQs</p> <p>HHS Provider Relief Fund—General Allocation Provider List</p> <p>Provider Relief Fund – High Impact Payments</p> <p>HRSA Claims Reimbursement to Providers for the Testing and Treatment of the Uninsured</p>

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<p>Medicare Accelerated/Advance Payment Program (APP)</p>	<p>An expansion of the APP was authorized under the CARES Act.</p> <p>Hospitals, as well as other providers, can apply for advanced payments of up to up to 100% (125% for critical access hospitals) of future Medicare payments based on a six-month lookback period (three months for other providers)</p> <p>After 120 days, recoupment will begin with repayment reconciliation required within one year for hospitals, or 210 days for other providers. At the end of the repayment period, there is a 30-day grace period before a 9.625% interest rate begins to accrue on the remaining balance.</p>	<p>Providers that have billed Medicare for claims within 180 days immediately prior to the provider's or supplier's request.</p> <p>Additional eligibility requirements include that the entity must “not be in bankruptcy...Not be under active medical review or program integrity investigation, and...Not have any outstanding delinquent Medicare overpayments.”</p> <p>Hospitals and Part B suppliers should contact their Medicare Administrative Contractor for information on requesting accelerated payments.</p>	<p><u>SUSPENDED</u></p> <p>On April 26, 2020, CMS announced that it would not be accepting any new applications for the Advance Payment Program for Part B suppliers.</p> <p>CMS indicated it was reevaluating the Accelerated Payment Program distributions, and will continue to evaluate all new and pending applications for Accelerated Payments.</p>	<p>Fact Sheet</p>
<p>Hospital Preparedness Program (HPP)</p> <p><i>Coronavirus Emergency Supplemental</i> <u>\$100 Million</u></p> <p><i>CARES Act</i> <u>\$250 Million</u></p>	<p>The HPP is a previously established program, managed by the Assistant Secretary for Preparedness and Response (ASPR), which provides funding opportunity announcements that deliver funds to states, local partnerships, and hospitals participating as Ebola and Special Pathogen treatment and assessment hospitals.</p>	<p>HHS is continuing to distribute HPP funds to 62 specific awardees, which are primarily local and state health departments.</p> <p>Entities receiving funds must be either grantees or sub-grantees under HPP as well as other recipients as determined by HHS.</p>	<p>In the initial Coronavirus Emergency Supplemental, of the \$100 million allocated to the HPP, \$50 million was distributed to state hospital associations, and \$50 million to special pathogen hospitals.</p> <p>The \$250 million from the CARES Act has yet to be allocated or distributed.</p>	<p>HHS's Hospital Preparedness Program Site</p>

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<p>Small Business Administration (SBA) Paycheck Protection Program (PPP)</p> <p><i>CARES Act</i> \$349 Billion</p> <p><i>PPP and Health Care Enhancement Act</i> \$310 Billion</p>	<p>The PPP is designed to incentivize small businesses to retain employees during the COVID-19 pandemic.</p> <p>PPP loans can be a two year term, with six months deferred repayment and a 1% interest rate and are meant to cover operating costs capped at a lesser of 250% of average monthly payroll or \$10 million.</p> <p>Eight weeks of payroll, rent, mortgage and utility costs are forgiven (but this can be forfeited if businesses do not comply with employment and compensation thresholds).</p>	<p>Small businesses are defined as 500 or fewer employees <u>unless</u> the industry has an employee-based size standard.</p> <p>The maximum amount of a PPP loan is calculated by determining 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>	<p>After the initial tranche of PPP funding was expended, Congress replenished funding to the program in the PPPHCE Act, and applications were re-opened on April 27. It is widely expected that these additional funds will be exhausted again in the near future.</p>	<p>An updated borrower application may be found here.</p> <p>The SBA issued an interim final rule clarifying certain provisions implementing the PPP, including information on public hospital eligibility for PPP loans.</p>
<p>Treasury Exchange Stabilization Fund</p> <p><i>CARES Act</i> \$454 Billion</p>	<p>The CARES Act provided funding to serve as a backstop to allow the Treasury's Exchange Stabilization Fund and Federal Reserve to provide loans through the newly established Main Street Lending Program. The program seeks to provide businesses sources of liquidity, through loans, during the COVID-19 crisis.</p> <p>The program was designed for business that were unable to access the Paycheck Protection Program (PPP), or that require additional financial support after receiving a PPP loan.</p>	<p>It is still unclear whether eligible businesses include nonprofits.</p> <p>Eligible borrowers include “businesses” with either fewer than 15,000 employees OR those with less up to \$5 billion in 2019 annual revenue, among other restrictions</p> <p>Businesses are prohibited from using proceeds to refinance or pay off other debt.</p>	<p>The program was detailed and authorized under Title IV of the CARES Act, but the Treasury has not yet launched this program.</p>	<p>Once the Program is operational, small and medium-sized businesses interested in the Program can apply by contacting an eligible lender. A description of eligible lenders can be found in the Program term sheet.</p> <p>Main Street Lending Program FAQ.</p>

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<p>Public Health and Social Services Emergency Fund (PHSSEF)</p> <p><i>Coronavirus Emergency Supplemental</i></p> <p><i>Family First Act</i></p> <p><i>CARES Act</i></p> <p><i>PPP and Health Care Enhancement Act</i></p>	<p>The PHSSEF has been allocated \$31 Billion across the four Coronavirus bills. The majority of these funds have already been designated. \$17 billion will be used for the acquisition of PPE, tests, and other supplies for the Strategic National Stockpile, \$5.5B has been earmarked for the development of countermeasures through BARDA; and \$1B was designated for reimbursement of testing for the uninsured under the National Disaster Medical System.</p>	<p>More information is expected to be released on the distribution of funds to reimburse for testing of the uninsured.</p>	<p>The distribution of funds allocated to the PHSSEF is ongoing.</p>	<p>BARDA has posted a Broad Agency Announcement, which contains details relating to the soliciting of proposals for the research and development of countermeasures.</p>
<p>National Institutes of Health (NIH)</p> <p><i>Coronavirus Emergency Supplemental</i></p> <p><i>CARES Act</i></p>	<p>In total, the NIH and its sub-agencies have received approximately \$1.8 billion for COVID-19-related research activities.</p>	<p>NIH has issued both Urgent, and Emergency, Funding Opportunity Announcements (FOAs) in order to expedite the distribution of funds.</p> <p>NIH requires applications to be submitted in response to an Emergency or Urgent Notice of Special Interest (NOSI), in order to receive funds.</p> <p>The Emergency Competitive Revision FOA can be accessed here, and the Urgent Competitive Revision FOA can be accessed here.</p>	<p>NIH will be posting these FOAs on an ongoing basis, with more to come as additional opportunities for funding are created.</p>	<p>The NIH has provided an Information Sheet, with details for applicants and recipients of NIH Funding.</p>

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<p>Federal Communications Commission (FCC) COVID-19 Telehealth Program</p> <p><i>CARES Act</i> <u>\$200 Million</u></p>	<p>In the CARES Act, the FCC allocated funds to create a specific telehealth fund in response to the COVID-19 crisis.</p> <p>Funds may be used to purchase services and connected devices to provide connected care services in response to COVID-19.</p>	<p>Certain nonprofit and public health care providers may be eligible, including: teaching hospitals and medical schools, community health centers, local health departments or agencies, community mental health centers, not-for-profit hospitals, rural health clinics, skilled nursing facilities, and post-secondary educational institutions that offer health care instruction.</p>	<p>The FCC is currently accepting applications for grants. As of May 10, \$13.6 million has been distributed.</p>	<p>Website and Application Information</p> <p>The FCC has also posted a webinar, detailing the application process.</p>
<p>Medicaid Federal Medical Assistance Percentage (FMAP) & Medicaid DSH</p> <p><i>Families First</i> <i>CARES Act</i></p>	<p>As a result of the COVID-19 crisis, states' FMAP has been increased by 6.2 percentage points during the emergency.</p> <p>In addition, the temporary Medicaid DSH cuts have been eliminated for the remainder of FY 2020 (\$4 billion) and the cuts scheduled for FY 2021, have been delayed two months until Dec. 1, 2020 and reduced from \$8 billion to \$4 billion.</p>	<p>States must, "Maintain eligibility standards the state had in place as of January 1, 2020...Not charge premiums that exceed those that were in place as of January 1, 2020...Cover, without impositions of any cost sharing, testing, services and treatments related to COVID-19...Not terminate individuals from Medicaid if such individuals were enrolled in the program as of the date of the beginning of the emergency period, or becomes enrolled during the emergency period, unless the individual voluntarily terminates eligibility or is no longer a resident of the state."</p>	<p>As with all Medicaid grant award funding, these funds will be reconciled against claimed and allowable expenditures when states file their quarterly CMS-64 expenditure reports.</p>	<p>FAQ relating to the Medicaid FMAP increase can be found here.</p>

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<p>Medicare</p> <p>20 percent DRG add-on payments for inpatient services</p> <p><i>CARES Act</i></p>	<p>CMS has instituted a 20% DRG add-on payment for COVID-19-related inpatient services throughout the Public Health Emergency.</p>	<p>An individual diagnosed with COVID19 must be identified with ICD-10-CM diagnosis codes:</p> <ul style="list-style-type: none"> • B97.29 for discharges occurring on or after January 27, 2020, and on or before March 31, 2020. • U07.1 (COVID-19) for discharges occurring on or after April 1, 2020, through the duration of the COVID-19 public health emergency period. 		<p>New Waiver Details</p>
<p>Deferral of Payroll Taxes</p> <p><i>CARES Act</i></p>	<p>Eligible employers may defer a payment of 6.2% OASDI from March 27 through December 31, 2020.</p>	<p>The funds must be repaid over the next two years: 50% by December 31, 2021 and 50% by December 31, 2022.</p> <p>Certain hospitals and other health care providers are eligible for deferral of payroll taxes.</p> <p>Companies are required to continue withholding Social Security payroll tax from employees and remit to the IRS; only the company's portion of the tax that can be delayed. Employers that defer the payroll tax may still receive a PPP loan but are ineligible for PPP loan forgiveness.</p>	<p>This deferral is currently active, and IRS will continue to provide information on the process.</p>	<p>The IRS has provided a FAQ on the deferral of payroll taxes.</p>
<p>Employee Retention of Payroll Tax Credits</p> <p><i>CARES Act</i></p>	<p>A qualifying employer may be eligible for a refundable payroll tax credit of "up to 50 percent of qualifying wages during an applicable calendar quarter paid up to \$10,000 in total." Wages paid after March 12, 2020, and before January 1, 2021 are eligible for the credit. Wages taken into account are not limited to cash payments, but also include a portion of the cost of employer provided health care.</p>	<p>The credit is available for qualifying employers 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.</p> <p>If the employer participates in the PPP, they are not eligible for the employee retention payroll tax credit.</p>	<p>New guidance was posted on March 31 by the Treasury Department, which details the most current requirements for program eligibility.</p>	<p>A Fact Sheet is available.</p>

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<p>FEMA</p> <p><i>CARES Act</i> <u>Approx. \$95 Billion</u></p>	<p>FEMA will be distributing resources to eligible providers to reimburse certain “emergency response costs” through its Public Assistance Program, which works through state Emergency Management Agencies (EMAs).</p> <p>Medical response costs including PPE, emergency medical and mass care, temporary medical facilities and enhanced treatment capacity, among other things.</p>	<p>Certain nonprofit health care providers are generally eligible to receive funds under this program. For-profit entities are not eligible.</p> <p>Certain restrictions apply as to what the funds may be used to reimburse. For example, business losses are not covered, and funds received may not be used to cover costs that have been or could be otherwise reimbursed.</p>	<p>FEMA released updated Public Assistance Program guidance on May 11th that clarified which pandemic response costs may be eligible for reimbursement.</p> <p>Since certain State EMAs are operating at varying speeds, funds are being distributed nationwide on a rolling basis.</p>	<p>FEMA Public Assistance Program and Policy Guide (PAPPG)</p>
<p>CDC</p> <p><i>Coronavirus Emergency Supplemental</i> <u>\$2.2 Billion</u></p> <p><i>CARES Act</i> <u>\$4.3 Billion</u></p> <p><i>PPP and Health Care Enhancement Act</i> <u>\$10.25 Billion</u></p>	<p>CDC received funds for a wide variety of public health response activities, such as conservation of PPE, surveillance for COVID-19, laboratory testing, contact tracing, and infection control.</p> <p>More than \$2 billion has been provided for state, and some local, health departments. These groups will receive assistance equal to at least 190% of the amount they were provided in 2019.</p> <p>\$500 million has also been provided to support the modernization of state public health data systems.</p> <p>Through the PPPHCE Act, \$10.25 billion was allocated to states and localities, specifically for the expansion of testing and surveillance capabilities.</p>	<p>CDC will distribute funds through existing public health emergency preparedness agreements.</p>	<p>The distribution of funds allocated to CDC is ongoing.</p>	<p>While there are certain initiatives that will be funded immediately, such as research, surveillance and PPE distribution programs, CDC also expects funding to be used for longer-term projects such as IT modernization as well.</p> <p>A breakdown of state-by-state allocation totals can be found here.</p>

****Updated as of May 18, 2020 - The programs listed here do not represent a comprehensive list of funding opportunities but rather the primary modes by which health care providers may access financial relief.**

While subject to change, the programs highlighted in this document may offer important direct and immediate funding for hospitals during this crisis. We also anticipate that Congress may consider additional program funding in future COVID-19 relief packages, so additional opportunities for hospitals may be available going forward.

Please reach out to the **Vizient Office of Public Policy and Government Relations** if you have any questions or if Vizient can provide assistance as you consider these issues.

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