SOURCES OF FINANCIAL SUPPORT FOR HEALTH CARE PROVIDERS DURING THE COVID-19 PANDEMIC
AUGUST 18, 2020

**ELIGIBILITY**

**AVAILABLE FINANCIAL SUPPORT**

**PUBLIC HEALTH AND SOCIAL SERVICES FUND ("PROVIDER RELIEF FUND")**

- Facilities and providers that received Medicare FFS reimbursements in 2019.
- Includes private, nonprofit hospitals and related facilities, clinics, long-term care centers, and outpatient facilities.

**FULL FUNDING**

- Total fund is $175 billion ($100 billion under CARES Act + $75 billion under Paycheck Protection Program and Health Care Enhancement Act).

**Eligibility**

- Phase 1 – General Distribution: Initial $30 billion distributed to providers based on proportionate share of total Medicare FFS reimbursements in 2019; additional $20 billion distributed to providers based on providers' share of 2018 net patient revenue for a total $50 billion distribution, of what they received in the initial distribution.
- Phase 2 – General Distribution: $15 billion to: (1) eligible providers that participated in Medicare/CHIP programs or Medicare managed care plans; (2) dental providers; and (3) certain Medicare providers, including those who had a change in ownership in 2019 or 2020 or missed Phase 1 General Distribution payment equal to 2% of their total patient care revenue.
- Certain Targeted Distributions – $22 billion to: high COVID-19 admissions through June 10, unspecified amount for treatment of the uninsured and $7 billion for testing of uninsured, approximately $11.3 billion to rural providers, specialty rural hospitals, urban hospitals with certain rural Medicare designations, and hospitals in small metropolitan areas; $4.9 billion to SNFs; $5 billion to nursing homes; $50 million to the Indian Health Service; and approximately $14.7 billion to safety net hospitals, acute care facilities, and children’s hospitals.

**FEMA**

- State, territorial, tribal, and local government entities and certain private nonprofit organizations.
- Includes private, nonprofit hospitals and related facilities, clinics, long-term care centers, and outpatient facilities.

**APPRAISAL**

- Approval of the application.

**ADVANCED AND ACCELERATED MEDICARE PAYMENTS**

- Providers or suppliers that billed Medicare within 180 days prior to the request, are not in bankruptcy, are not under program integrity investigation, and do not have delinquent Medicare overpayments.

**UPDATE 4/29/20: Advance Payment Program suspended (Part B Suppliers); accelerated payments to hospitals under reconsideration.**

**MEDI CARE ISSUES**

- Incipient facilities with COVID-19 infections.

**PHASE 2 – GENERAL DISTRIBUTION**

- $15 billion to: (1) eligible providers that participate in Medicaid/CHIP programs or Medicare managed care plans; (2) dental providers; and (3) certain Medicare providers, including those who had a change in ownership in 2019 or 2020 or missed Phase 1 General Distribution payment equal to 2% of their total patient care revenue.

**PUBLIC HEALTH AND SOCIAL SERVICES FUND ("PROVIDER RELIEF FUND")**

- Providers enrolled in the Medicare program
- No reduction in Medicare reimbursement for clinical diagnostic laboratory tests for 2021, as compared to 2020.

**SEQUESTRATION SUSPENSION**

- Elimination of the Medicare sequester, which otherwise would impose a 2% cut on all Medicare payments, from May 1 through Dec. 31, 2020.

**APPLICATION**

- Application: Request Additional Payments

**PUBLIC HEALTH AND SOCIAL SERVICES FUND ("PROVIDER RELIEF FUND")**

- Facilities and providers that participated in Medicare/CHIP programs or Medicare managed care plans; (2) dental providers; and (3) certain Medicare providers, including those who had a change in ownership in 2019 or 2020 or missed Phase 1 General Distribution payment equal to 2% of their total patient care revenue.

**PAYMENTS**

- 100% of Medicare payment amount for 3-month period (6-month period for subsection (d) hospitals, children’s hospitals, and certain cancer hospitals).
- 125% of Medicare payment amount for 6-month period for critical access hospitals (CAHs).
- For discharges of COVID-19 inpatients occurring during the period of the COVID-19 emergency, the weighting factor that applies to the DRI to which the discharge is assigned will automatically be increased by 20%.

**PUBLIC HEALTH AND SOCIAL SERVICES FUND ("PROVIDER RELIEF FUND")**

- Nonprofit and public eligible health care providers that fall within certain categories.
- Requires an eligibility determination from the Universal Service Administrative Company (USAC).

**PAYCHECK PROTECTION PROGRAM ("PPP")**

- Generally for-profit business and nonprofit organizations, including religious organizations, in operation on February 15, 2020, that employ no more than 500 employees (taking into account affiliation rules).

**APPLICATION**

- Application: Ended March 31

**MAIN STREET NEW LOAN FACILITY ("MSNLF")**

- Businesses established prior to March 13, 2020 with ≤ 15,000 employees OR ≤ $5 billion in 2019 annual revenue.

**APPLICATION**

- Minimum loan size of $500,000.
- Maximum loan size is (i) $25 million or (ii) an amount that, when added to Borrower’s existing debt (assuming all commitments are fully drawn), does not exceed 4x Borrower’s 2019 adjusted EBITDA.

**MINIMUM LOAN SIZE**

- Minimum loan size of $10 million.
- Maximum loan size is (i) $200 million, (ii) 35% of Borrower’s existing debt ranking at least pari passu with the Eligible Loan and having an equivalent security status (i.e., secured or net) (assuming all commitments are fully drawn), or (iii) an amount that, when added to Borrower’s existing debt (assuming all commitments are fully drawn), does not exceed 6x Borrower’s 2019 adjusted EBITDA.

**APPLICATION**

- Minimum loan size of $500,000.
- Maximum loan size is (i) $25 million or (ii) an amount that, when added to Borrower’s existing debt (assuming all commitments are fully drawn), does not exceed 4x Borrower’s 2019 adjusted EBITDA.

**NONPROFIT ORGANIZATION NEW LOAN FACILITY ("NONLF")**

- Nonprofit organizations that have been in continuous operation since January 1, 2015 with ≤ 15,000 employees OR ≤ $5 billion in 2019 annual revenue; must have a minimum of 10 employees.

**APPLICATION**

- Minimum loan size of $200,000.
- Maximum loan size is (i) $35 million, or (ii) Borrower’s average 2019 quarterly revenue.

**APPLICATION**

- Minimum loan size of $10 million.
- Maximum loan size is (i) $300 million, or (ii) Borrower's average 2019 quarterly revenue.

**NONPROFIT ORGANIZATION EXPANDED LOAN FACILITY ("NOELF")**

- Nonprofit organizations ineligible under MSNLF, MSSELF, or MSPLF, as credit risk of nonprofit organizations is generally not evaluated on the basis of EBITDA. See NONLF and NOELF below about loan facilities available to nonprofit organizations.

**APPLICATION**

- Minimum loan size of $10 million.
- Maximum loan size is (i) $2 million, or (ii) an amount that, when added to Borrower’s existing debt (assuming all commitments are fully drawn), does not exceed 4x Borrower’s 2019 adjusted EBITDA.

**APPLICATION**

- Minimum loan size of $500,000.
- Maximum loan size is (i) $25 million or (ii) an amount that, when added to Borrower’s existing debt (assuming all commitments are fully drawn), does not exceed 4x Borrower’s 2019 adjusted EBITDA.

**APPLICATION**

- Minimum loan size of $10 million.
- Maximum loan size is (i) $2 million, or (ii) an amount that, when added to Borrower’s existing debt (assuming all commitments are fully drawn), does not exceed 4x Borrower’s 2019 adjusted EBITDA.

**EXPANDED LOAN FACILITY ("NOELF")**

- Nonprofit organizations ineligible under MSNLF, MSSELF, or MSPLF, as credit risk of nonprofit organizations is generally not evaluated on the basis of EBITDA. See NONLF and NOELF below about loan facilities available to nonprofit organizations.

**APPLICATION**

- Minimum loan size of $10 million.
- Maximum loan size is (i) $2 million, or (ii) an amount that, when added to Borrower’s existing debt (assuming all commitments are fully drawn), does not exceed 4x Borrower’s 2019 adjusted EBITDA.

**APPLICATION**

- Minimum loan size of $500,000.
- Maximum loan size is (i) $25 million or (ii) an amount that, when added to Borrower’s existing debt (assuming all commitments are fully drawn), does not exceed 4x Borrower’s 2019 adjusted EBITDA.

**APPLICATION**

- Minimum loan size of $10 million.
- Maximum loan size is (i) $2 million, or (ii) an amount that, when added to Borrower’s existing debt (assuming all commitments are fully drawn), does not exceed 4x Borrower’s 2019 adjusted EBITDA.

**APPLICATION**

- Minimum loan size of $200,000.
- Maximum loan size is (i) $35 million, or (ii) Borrower’s average 2019 quarterly revenue.

**APPLICATION**

- Minimum loan size of $500,000.
- Maximum loan size is (i) $25 million or (ii) an amount that, when added to Borrower’s existing debt (assuming all commitments are fully drawn), does not exceed 4x Borrower’s 2019 adjusted EBITDA.

**APPLICATION**

- Minimum loan size of $250,000.
- Maximum loan size is (i) $35 million, or (ii) Borrower’s average 2019 quarterly revenue.

**APPLICATION**

- Minimum loan size of $10 million.
- Maximum loan size is (i) $300 million, or (ii) Borrower’s average 2019 quarterly revenue.

**APPLICATION**

- Up to $2 million with $10,000 advance available within 3 days of application. However, SBA currently limiting EIDLs to $150,000.
- 30-year term loan (term extended for first 6 months); 3.75% interest rate for small businesses and 2.75% interest rate for nonprofits.
- Funds may be used to maintain payroll to retain employees and provide paid leave, make rent or mortgage payments, meet increased costs to obtain materials unavoidable from the applicant’s original source due to interrupted supply chains, and repay obligations that cannot be met due to revenue losses.

**APPLICATION**

- Private employers, including tax-exempt organizations, that experience a full or partial suspension of the operation of their business due to COVID-19 or a significant decline in gross receipts.

**APPLICATION**

- Full refundable credit against the employer portion of Social Security tax (5.2% of wages). The credit is equal to 50% of qualified wages, up to a maximum of $5,000 of credit per employee.

**APPLICATION**

- All employers except those that receive a loan under the PPP that is forgiven.

**APPLICATION**

- Full deduction of cash charitable contributions made in 2020. Absent the change, the deduction for such contributions would be limited to 60% of AGI.

**APPLICATION**

- Through IRS process