Financial Assistance Tip Sheet

The following is a resource for healthcare providers operating small businesses and are interested in loans or financial assistance related to COVID-19. Additional information will be added to this document as new developments arise.

**SBA Paycheck Protection Program (New Information about PPP Flexibility Act)**

- A round of funding was made available on April 27, 2020. This initiative provides 100% federally guaranteed loans to small businesses (generally 500 or fewer employees).
- Loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward.
- Loans can be up to 2.5 times the borrower’s average monthly payroll costs, not to exceed $10 million.
- Loans are made available through local lenders in conjunction with the U.S. Small Business Administration. A significant amount was made to small and regional banks.
- The PPP Flexibility Act was recently signed into law on June 5th, 2020 to give borrowers more freedom in how and when loans are spent while retaining the possibility of full forgiveness.
- The Act lowers the 75% requirement for payroll expenses to 60% for maximum loan forgiveness.
- It enables small businesses to take a PPP loan and qualify for a new tax credit to defer payroll taxes. The program extends the loan terms for unforgiven portions from 2 years to 5 years at 1% interest.
- The “covered period” is extended in which the small business can spend the loan proceeds from 8 weeks to 24 weeks.
- Finally, the Act extends the period to apply for loan forgiveness from within 6 months to within 10 months of the last day of the covered period.
- The Small Business Administration (SBA) recently released its 11-page Paycheck Protection Program (PPP) Loan Forgiveness Application prior to the PPP Flexibility Act announcement. This provides borrowers with instructions on how to calculate eligibility for forgiveness of their PPP loans and the necessary documentation under the Coronavirus Aid, Relief and Economic Security (CARES) Act.
- This can be accessed via this link but recommend to pause until the application is modified to reflect the recent PPP Flexibility Act changes. Download the PPP Loan Forgiveness Application.
- Learn more about the PPP and loan forgiveness here.

**CARES Act Provider Relief Fund for Medicaid Providers (NEW Program)**

- On June 9th, 2020, the U.S. Department of Health and Human Services (HHS), through the Health Resources and Services Administration (HRSA), announced additional distributions from the Provider Relief Fund to eligible Medicaid and Children’s Health Insurance Program (CHIP) providers who participate in state Medicaid and CHIP programs. HHS expects to distribute
approximately $15 billion to these eligible clinicians who have not already received a payment from the Provider Relief Fund General Allocation.

- On **Wednesday, June 10**, HHS launched an enhanced Provider Relief Fund Payment Portal that allows eligible Medicaid and CHIP providers to report their annual patient revenue, which will be used as a factor in determining their Provider Relief Fund payment. The payment to each provider will be at least 2 percent of reported gross revenue from patient care in 2018 and 2019; the final amount will be determined after the data is submitted, including information about the number of Medicaid patients served and the dates of operation.

- **Practices must apply by July 20, 2020.**

- This funding offers relief to those experiencing lost revenues or increased expenses due to COVID-19. Examples of providers, serving Medicaid/CHIP beneficiaries, possibly eligible for this funding include pediatricians, obstetrician-gynecologists, dentists, opioid treatment and behavioral health providers, assisted living facilities and other home and community-based services providers.

- **To be eligible to apply, the applicant must meet all of the following requirements:** Must not have received payment from the $50 billion General Distribution (note: earlier payments can be returned to preserve eligibility); and must have directly billed Medicaid for healthcare-related services during the period of January 1, 2018, to December 31, 2019, or (ii) own (on the application date) an included subsidiary that has billed Medicaid for healthcare-related services during the period of January 1, 2018, to December 31, 2019.

- In addition, the recipient must have either (i) filed a federal income tax return for fiscal years 2017, 2018 or 2019 or (ii) be an entity exempt from the requirement to file a federal income tax return and have no beneficial owner that is required to file a federal income tax return (e.g. a state-owned hospital or healthcare clinic); and must have provided patient care after January 31, 2020; and not have permanently ceased providing patient care directly, or indirectly through included subsidiaries.

- If the applicant is an individual, have gross receipts or sales from providing patient care reported on Form 1040, Schedule C, Line 1, excluding income reported on a W-2 as a (statutory) employee.

- More information is available at: [HHS COVID-19 page](https://healthcare.gov/coronavirus-providers/relief-fund/), which includes links to the [enhanced provider relief portal](https://relief.hhs.gov/). HHS is advising Medicaid and CHIP providers to review the materials below before going to the portal to apply. In addition, these resources may be beneficial: [Medicaid Provider Distribution Instructions, Medicaid Provider Distribution Application Form, Terms & Conditions](https://relief.hhs.gov/).
CARES Act Provider Relief Fund for Medicare Providers *(Updated Information Provided in Bold Text)*

- This program distributes payments (not loans) via direct deposit beginning April 10th to eligible providers’ TIN. All facilities and providers that received Medicare FFS reimbursement in 2019 are eligible.
- Providers must agree not to seek collection of out of pocket payments from a COVID-19 patient that are greater than what the patient would have otherwise been required to pay if the care had been provided by an in-network provider.
- Quick dispersal of funds will provide relief to providers heavily impacted by COVID-19 and who are struggling to remain open due to patients delaying care and cancelled elective services.
- If the provider ceased operation due to COVID-19, the provider may receive funds as long as the provider diagnosed, treated or cared for individuals with possible or actual cases of COVID-19.
- $50 billion of the Provider Relief Fund is allocated for general distribution to facilities and providers that billed Medicare in 2019, and that are impacted by COVID-19, based on providers’ 2018 net patient revenue.
- Of this $50 billion, the initial $30 billion was distributed between April 10 and April 17, and payments to providers from that $30 billion were calculated based on providers’ portion of Medicare fee-for-service revenue.
- Payments to providers from the remaining $20 billion of the general distribution are calculated so that a provider’s allocation from the entire $50 billion general distribution is a portion of provider’s 2018 net patient revenue.
- Total revenue of Medicare facilities and providers is estimated to be approximately $2.5 trillion. Providers can estimate their approximate expected combined general revenue distribution through the following formula: *(Individual Provider Revenues/$2.5 Trillion) X $50 Billion = Expected Combined General Distribution)*
- HHS began distribution to providers of the remaining $20 billion of the $50 billion general allocation on April 24. Where possible, advance payments were sent to providers based on the revenue data they submit in CMS cost reports.
- Providers without sufficient cost report data on file for HHS to distribute funds will need to submit their revenue information to the General Distribution Portal in order to receive additional general distribution funds. This portal is now open.
- US HHS partnered with UnitedHealth Group (UHG) to provide rapid payment to eligible providers via Automated Clearing House account information on file with UHG or CMS. Automatic payments will come to providers via Optum Bank with “HHSPAYMENT” as the payment description. Providers who normally receive a paper check reimbursement by CMS will receive a paper check within a few weeks.
- If you have not already completed attestation confirming receipt of previous funds, begin by doing so on the CARES Act Provider Relief Fund Payment Attestation Portal, including agreeing to the Terms and Conditions.

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• Next, submit your revenue information to the General Distribution Portal for consideration to receive additional general distribution funds. All providers are required under the Terms and Conditions to submit revenue information to the provider portal for later verification.
• Payments go out weekly, on a rolling basis, as information is validated.
• HHS announced at the end of May that it had extended the attestation deadline for those health care providers who had received funds through the CARES Act Provider Relief Fund General Distribution of the first $50 billion.
• Originally, HHS indicated that those who had received funds needed to accept the HHS Terms and Conditions and submit revenue information to be considered for an additional General Allocation payment by June 3. Subsequently, HHS announced that it had extended the attestation deadline for an additional 45 days, however, the June 3 deadline remains on the Provider Relief Fund website.
• The AMA reached out to HHS for clarification on why the website still has a deadline of June 3 when the attestation deadline has been extended.
• HHS’ response is that recipients will have a total of 90 days to attest. However, recipients will only have until June 3 to access the application portal to submit their revenue / loss information.
• Recipients must accept or reject funds in order to enter the application portal. So, if on June 3 recipients are still deciding whether to accept funds they have already received, but haven’t yet submitted their tax information to the application portal, they should (1) reject the funds; (2) submit info to the application portal for consideration.
• Recipients will be reallocated all General Distribution funds owed based on their submitted application, and will then have 90 days to attest or reject.
• HHS implemented this so that all applications are received by June 3, and can start rolling out other distributions.
• The attestation portal (as opposed to the application portal) will remain open for 90 days. Only the application portal will close on June 3.
• This HHS FAQ document about the Provider Relief Fund is updated regularly and may address any questions you have.

COVID-19 Uninsured Program Portal

• The U.S. Department of Health and Human Services (HHS), through the Health Resources and Services Administration (HRSA), launched a new COVID-19 Uninsured Program Portal.
• This allows health care providers who have conducted COVID-19 testing or provided treatment for uninsured COVID-19 individuals on or after February 4, 2020 to submit claims for reimbursement.
• Providers can access the portal at COVIDUninsuredClaim.HRSA.gov.

Rural Health Provider Relief Fund

Note that NC AHEC provides this information in good faith to assist healthcare providers with the latest information available at the time this document was produced. This is not a legal document. Version 6/11/20.
• $10 billion was awarded from the Provider Relief Fund to rural hospitals, rural health clinics and rural federally qualified health centers.
• Providers do not need to apply. Deposits should appear in the bank account during the week of May 6th, 2020. Rural health clinics will receive the funds directly. For clinics owned by critical access or rural hospitals, funds will be included in the distribution to the hospital account.
• The received amount will vary depending on the operating expenses of the clinic but every rural health clinic will receive no less than $100,000 and each critical access or rural hospital will receive no less than $1,000,000.