

COVID-19: Financial Relief Opportunities for Healthcare Providers

Updated April 20, 2020

Funding Opportunities for Healthcare Providers

Changes to Medicare/Medicaid Payment

- Medicare Accelerated and Advance Payment Program
- 20% add-on payment for COVID-19-related inpatient services
- Temporary Medicare sequester relief
- Federal medical assistance percentage (FMAP) increase
- Telehealth policy changes

Grant Opportunities

- \$100 billion Public Health and Social Services Emergency Fund
- 30+ grant opportunities created or expanded in the Coronavirus Aid, Relief, and Economic Security (CARES) Act

Business Relief

- Paycheck Protection Program (PPP)*
- Economic Injury Disaster Loans (EIDL) and Grants*
- Payroll tax deferral
- Tax credits
- Main Street Lending Program

*Currently unavailable due to funding lapse

Changes to Medicare/Medicaid Payment

Overview of Medicare/Medicaid Payment Changes

Name	Description	Eligible Entities	Repayment Obligations	Additional Information/How to Apply
Medicare Accelerated and Advance Payment Program	<p><u>Physicians and other suppliers</u> 100% of the Medicare payment amount for a three-month period</p> <p><u>Most Hospitals</u> 100% of the Medicare payment amount for a six-month period</p> <p><u>Critical Access Hospitals</u> 125% of the Medicare payment amount for a six-month period</p>	<p>Hospitals, physicians, durable medical equipment suppliers, and other Medicare Part A and Part B providers and suppliers.</p> <p>The provider must have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider's/supplier's request form; must not be in bankruptcy, under active medical review or a program integrity investigation; and must not have outstanding delinquent Medicare overpayments.</p> <p>During the public health emergency, CMS will approve advance payments even when a Medicare supplier has a temporary delay in preparing and submitting bills to the contractor beyond its normal billing cycle.</p>	<p>Repayment of the advance begins for all participants after 120 days, but providers covered by the CARES Act have additional time to repay the balance.</p> <p>Inpatient acute care hospitals, children's hospitals, certain cancer hospitals and critical access hospitals will have up to one year from the date that the accelerated payment was made to repay the balance. Interest will accrue on the outstanding balance based on the consumer loan rate at the time. The current interest rate is 9 ⁵/₈ %.</p> <p>A small subset of Part A providers that receive a Period Interim Payment will have their accelerated payment included in the reconciliation and settlement of their final cost report.</p> <p>All other Part A providers and Part B suppliers will have 210 days from the date the accelerated or advance payment was made to repay the balance.</p>	<p>For more information and application processes and criteria, see the CMS factsheet.</p> <p>Regulatory language is available here.</p>
Medicare Add-On Payment	A 20% add-on payment for COVID-19-related inpatient services	Hospitals	N/A	N/A
Medicare Sequestration	Suspension of the the Medicare sequester effective May 1, 2020, through December 31, 2020	All Medicare providers	N/A	N/A
FMAP Increase	A 6.2% increase in FMAP for the duration of the public health emergency	<p>To qualify for the temporary FMAP increase during the emergency period, states must:</p> <ul style="list-style-type: none"> • Maintain eligibility standards, methodologies or procedures that are no more restrictive than what the state had in place as of January 1, 2020 • Not charge higher premiums than what the state had in place as of January 1, 2020 • Cover testing, services and treatments related to COVID-19 at no cost-sharing for beneficiaries • Not terminate Medicaid enrollment of individuals who enrolled in Medicaid prior to or during the emergency period, unless the individual voluntarily terminates their eligibility or is no longer a resident of the state 	N/A	Frequently asked questions about the FMAP increase are available here .
Telehealth Flexibilities	Congress and CMS have loosened Medicare restrictions on telehealth services, expanded reimbursable Medicare telemedicine services, improved reimbursement for certain telehealth services, and waived specific requirements and restrictions related to the use of telemedicine.	Medicare providers broadly; specific eligibility varies depending on the action	N/A	More information on telehealth flexibilities is available here .

Select Grant Opportunities

Overview of Select Grant Opportunities

Name	Funding Level	Description	Eligible Entities	Additional Information/How to Apply
Public Health and Social Services Emergency Fund	\$100 billion	<p>Funding provided by the CARES Act to reimburse eligible healthcare providers for healthcare-related expenses or lost revenues not otherwise reimbursed that are directly attributable to COVID-19</p> <p>The first \$30B was distributed to fee-for-service (FFS) Medicare providers beginning April 10, 2020. More information is available here.</p>	<p>Public entities, Medicare or Medicaid enrolled suppliers and providers, and for-profit entities within the United States (including territories) that provide diagnoses, testing or care for individuals with possible or actual cases of COVID-19</p> <p>Recipients of the first wave of funding included hospitals, physicians and others who had FFS Medicare reimbursement in 2019. According to the current version of the Terms and Conditions, an eligible provider must meet the following criteria:</p> <ul style="list-style-type: none"> • The provider currently provides diagnoses, testing or care for individuals with possible or actual cases of COVID-19. • The provider is not currently terminated from participation in Medicare and has billing privileges. • The provider is not currently excluded from participation in Medicare, Medicaid and other federal healthcare programs. 	<p>No application was required for the first wave of funding. More information is available here.</p> <p>HHS is expected to release additional information on distribution of the remaining \$70 billion in the coming weeks.</p>
	\$250 million	Supports hospital preparedness through the Hospital Preparedness Program (HPP), including increasing healthcare facilities' capacity to respond to medical events	Grants to, or cooperative agreements with, entities that are either grantees or sub-grantees of the HPP (a federal grant program supporting regional healthcare preparedness)	<p>Existing HPP requirements apply. More information on the program is available here.</p> <p>HHS distributes HPP funds to 62 specific awardees, which are primarily local and state health departments. There is no application process to obtain HPP funds.</p>
	\$180 million	Expands services and capacity for rural hospitals including telehealth	Non-federal, short-term general acute care facilities that are located in a rural area of the United States and the territories, including faith-based hospitals	This funding will be awarded to states through the Health Resources and Services Administration (HRSA) Small Rural Hospital Improvement Program (SHIP) grant mechanism. Rural hospitals interested in learning more can contact their State Office of Rural Health .
	\$90 million	Funding to support the Ryan White HIV/AIDS Program to respond to COVID-19	Ryan White HIV/AIDS Program recipients	On April 15, 2020, HRSA awarded grants to 581 Ryan White HIV/AIDS Program recipients across the country, including city/county health departments, health clinics, community-based organizations, state health departments, and AIDS Education and Training Centers. The press release is available here .

Overview of Select Grant Opportunities

Name	Funding Level	Description	Eligible Entities	Additional Information/How to Apply
FCC COVID-19 Telehealth Program	\$200 million	Helps healthcare providers deploy telecommunication and information services, as well as the devices necessary to enable telehealth services	Nonprofit and public healthcare providers that fall into the following categories: <ul style="list-style-type: none"> • Post-secondary educational institutions offering healthcare instruction, teaching hospitals and medical schools • Community health centers or health centers providing healthcare to migrants • Local health departments or agencies • Community mental health centers • Not-for-profit hospitals • Rural health clinics • Skilled nursing facilities • A consortia of healthcare providers consisting of one or more entities falling into the first seven categories 	Healthcare providers that do not already have an eligibility determination can obtain one by filing an FCC Form 460 with the Universal Service Administrative Company . Healthcare providers can submit applications for the program while their Form 460 is pending. Applications are available on the Telehealth Program page .
Telehealth Network and Telehealth Resource Centers Grant Program	\$145 million	Supports evidence based projects that utilize telehealth technologies through telehealth networks. Grants may run for up to five years.	Entities eligible for the Telehealth Network Grant Program are rural or urban nonprofit entities that will provide direct clinical services through a telehealth network. Eligible entities for the Telehealth Resource Centers Grant Program include nonprofit entities, faith-based, community-based and tribal nonprofit organizations.	More information on these programs is available here .
Rural Healthcare Services Outreach, Rural Health Network Development and Small Healthcare Provider Quality Improvement Grant Programs	\$397.5 million	Supports improvement of quality, access and outcomes for rural underserved populations. Grants may run for up to five years.	Eligible entities for the Rural Healthcare Services Outreach grant program are rural nonprofit or rural public entities that represent a consortium of three or more healthcare providers. Eligible entities for the Rural Health Network Development grant program are public or private nonprofit entities located in a rural area or in a rural census tract of an urban county, and all services must be provided in a rural county or census tract. Eligible entities for the Small Healthcare Provider Quality Improvement grant program are rural public or rural nonprofit private healthcare providers or providers of healthcare services.	More information on these programs is available here .

The grants listed here do not represent a comprehensive list of funding opportunities. However, this list provides an overview of key grants for which healthcare providers can directly apply. Providers should check with their state health departments for more funding opportunities.

Overview of Select Grant Opportunities

Name	Funding Level	Description	Eligible Entities	Additional Information/How to Apply
Nurse Education, Practice, Quality and Retention Stimulation Education Training Program	\$4 million	Supports nurse education and the nursing workforce through the expansion of experiential learning opportunities	Eligible applicants include accredited schools of nursing, healthcare facilities, or partnerships of such schools and facilities	Applications will be accepted until June 1, 2020. More information is available here .
Nursing Workforce Diversity-Eldercare Enhancement Program	\$2 million	Supports the eldercare workforce in rural counties where there are healthcare disparities related to access and delivery of care through the expansion of educational opportunities for individuals from disadvantaged backgrounds	Eligible applicants include: <ul style="list-style-type: none"> • Accredited schools of nursing • Nursing centers • Academic health centers • State or local governments • Other private or public nonprofit entities determined appropriate by the Secretary 	Applications will be accepted until June 4, 2020. More information is available here .
Advanced Nursing Education Nurse Practitioner Residency Integration Program	\$15 million	Helps prepare nurse practitioners for primary care or behavioral health practice in integrated, community-based settings, through enhancements to existing 12-month Nurse Practitioner Residency programs	Eligible applicants are accredited schools of nursing, nurse managed health clinics/centers, academic health centers, state or local governments, and other private or public nonprofit entities determined appropriate by the HHS Secretary	Applications will be accepted until June 8, 2020. More information is available here .

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Business Relief

Overview of Business Relief

Program	Type	Eligible Entities	Available Amounts	Eligible Expenses	Additional Information/How to Apply
Paycheck Protection Program (PPP) Expansion of the SBA's 7(a) loan program	Loan	Small businesses, 501(c)(3) nonprofit organizations, 501(c)(19) veterans organizations and tribal businesses with fewer than 500 employees (unless the covered industry's SBA size standard allows more than 500 employees)	<p>Lesser of: \$10M or 2.5 times an applicant's average total monthly payments for payroll costs incurred during the one-year period before the date on which the loan is made, plus the outstanding amount of any EIDL, made available between January 31, 2020, and when a covered loan is made available, that is to be refinanced under a covered loan</p> <p>Payroll costs do not include the compensation of an individual employee in excess of an annual salary of \$100,000, as prorated for the covered period. Payroll costs also do not include the compensation of an employee whose principal place of residence is outside the U.S.</p>	Payroll costs; costs related to group healthcare benefits during periods of paid sick, medical or family leave; and insurance premiums, as well as employee salaries, mortgage interest payments, rent, utilities and interest on other debt obligations	<p>Borrowers are eligible for loan forgiveness in an amount equal to the amount spent by the borrower during the eight-week period after the origination date of the loan for payroll costs, mortgage interest payments (incurred prior to February 15, 2020), rent payments (for leases in force prior to February 15, 2020) and utility payments (service having begun prior to February 15, 2020)</p> <p>Recipients of PPP loans are not eligible to claim the refundable employee retention credit, but may claim the paid sick leave tax credit</p> <p>Guidance from the Small Business Administration and the Department of the Treasury is available here</p> <p>The application period began on April 3, 2020. Visit the SBA's PPP page for more information on SBA 7(a) lenders, application details and additional information</p>
Economic Injury Disaster Loans (EIDL)	Loan	Small businesses with not more than 500 employees, including startups, tribal businesses, cooperatives and ESOPs with fewer than 500 employees, and any individual operating as a sole proprietor or an independent contractor during the covered period (January 31, 2020, to December 31, 2020)	Up to \$2 million	Fixed costs, payroll, accounts payable and other bills that must be paid due to the disaster	<p>Available only in states where the governor has made a disaster declaration that is approved by the president</p> <p>Entities may not use EIDLs and PPP loans for the same purposes</p> <p>Entities that received an EIDL between January 31, 2020 and the date on which deferred PPP loans are made available can refinance the EIDL as part of the PPP. If the EIDL is used for payroll costs, the PPP loan must be used to refinance the EIDL for</p> <p>For more information and application processes and criteria, visit the SBA website</p>
Economic Injury Disaster Grants	Grant	Entity that has applied for an EIDL due to COVID-19	<p>Advance on that loan of no more than \$10,000, which the SBA must distribute within three days</p> <p>Applicants are not be required to repay advances, even in instances where the EIDL is subsequently denied</p>	Advance on EIDL, for uses including paid sick leave, payroll, rent and mortgage payments, meeting increased costs to obtain materials unavailable from the applicant's original source due to interrupted supply chains, and repaying obligations that cannot be met due to revenue losses	<p>Entities that receive the advance and also receive a PPP loan must subtract the \$10,000 from the PPP loan forgiveness amount</p> <p>For more information and application processes and criteria, visit the SBA website</p>

Overview of Business Relief

Name	Funding Level	Eligible Entities	Description	Additional Information/How to Apply
Main Street Lending Program	\$600 billion	US companies that either employ fewer than 10,000 workers or had 2019 annual revenues less than \$2.5 billion	<p>The Federal Reserve established the Main Street Lending Program to offer four-year loans for small and mid-sized businesses affected by the COVID-19 pandemic.</p> <p>Principal and interest payments will be deferred for one year.</p> <p><u>The lending program will manage two types of loans. The Main Street New Loan Facility (MSNLF) is for new loans with a maximum size of \$25 million per borrower.</u></p> <p>The <u>Main Street Expanded Loan Facility (MSELF)</u> is available to fund increases in existing loans with a maximum loan size of \$150 million per borrower.</p>	<p>Firms seeking Main Street loans must commit to make reasonable efforts to maintain payroll and retain workers, and must also follow compensation, stock repurchase and dividend restrictions that apply to direct loan programs under the CARES Act.</p> <p>Borrowers may not participate in both the MSNLF and the MSELF.</p> <p>Business that have taken advantage of the PPP may also take out loans from the Main Street Lending Program.</p> <p>More information on the program is available here.</p>
Payroll Tax Deferral for Employers	N/A	Employers	Employers may delay paying payroll taxes (6.2% for Social Security) and may defer payments of those payroll taxes for 2020 over the following two years, with half of the amount required to be paid by December 31, 2021, and the other half by December 31, 2022. Businesses that receive loan forgiveness under the CARES Act (available under Title I) will be <i>ineligible</i> for these deferred tax payments.	<p>Businesses that defer the payroll tax may still receive a PPP loan, but they are ineligible for the PPP loan forgiveness.</p> <p>More information related to the deferral of deposit and payment of these employment taxes is available here.</p>
Tax Credits to Offset Costs of Paid Sick Leave Entitlement	N/A	Employers	Optional tax credits for employers (including self-employed individuals) for qualified sick leave wages and family medical leave wages	<p>An employer may claim the paid sick leave tax credit and a PPP loan, but leave wages are not counted as payroll costs for the purposes of loan forgiveness under PPP.</p> <p>For more information and application processes and criteria, see the IRS guidance.</p>
Refundable Employee Retention Tax Credit	N/A	Employers whose businesses have been suspended by government order relating to COVID-19 or whose businesses have experienced at least 50% decline in gross receipts relative to the same quarter of the previous year	A refundable tax credit for employers equal to 50% of qualified wages paid to each eligible employee, capped at \$10,000 per employee	<p>A borrower that receives a PPP loan may not claim the refundable employee retention credit.</p> <p>More information is available here.</p>