

The Paycheck Protection Program & Health Care Enhancement Act

On April 24, 2020, President Trump signed the fourth COVID-19 related stimulus bill into law. This piece of legislation is officially titled the Paycheck Protection Program and Health Care Enhancement Act. The Act originated in the Senate and the House passed it on Thursday, April 23, 2020. This bill adds \$484 billion to the over \$2.2 trillion the federal government has already issued to combat the adverse effects of COVID-19.

In this article, we'll detail what this Health Care Enhancement Act relief package offers. We'll also tell you exactly how this \$484 billion is allocated. So, keep reading to find out how your business may benefit from this bill.

The Paycheck Protection Program (PPP) Gets a Boost

The most significant piece of this legislation, in total dollars, is the \$310 to designated for the Paycheck Protection Program. This program's original \$349 billion for loans for small businesses ran out in less than two weeks. And some say it would've dried up even more quickly if not for the many technical problems faced by the Small Business Administration's (SBA) loan processing system.

For all those looking for a loan for this program, take note. It isn't yet clear when these additional funds will become available. It will likely take, at least, an extra day before the SBA can reopen the program. Also, unclear is how long it will take before this additional money is exhausted. There's still a significant backlog of applications in the process from businesses that have already applied for a loan through the PPP. Because of this backlog, many have predicted these additional funds will dry up in less than ten days.

[Learn more about the Paycheck Protection Program here.](#)

Funds for Small Lenders and Community Banks

The new stimulus bill sets aside a total of \$60 billion of the additional PPP funds, for these businesses. This total is split further into two distinct buckets. A total of \$30 billion is designated for loans made by federally insured lenders with assets between \$10 and \$50 billion. Another \$30 billion is reserved for loans made by community financial institutions and small, federally insured banks and credit unions with assets under \$10 billion.



[Access the SBA's small business guidance and loan resources here.](#)

An Increase in Economic Injury Disaster Loan Grants

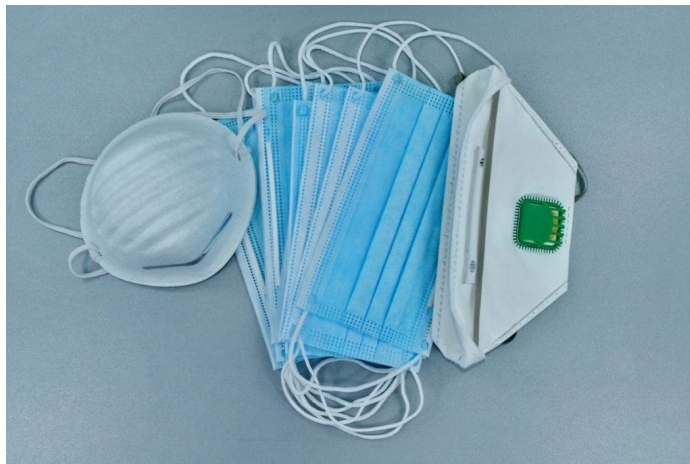
This relief package also increases funding for Economic Injury Disaster Loan grants by \$10 billion. Like Paycheck Protection Program loans, the initial funds for these grants dried up quickly. Take note: Economic Injury Disaster Loan money doesn't have to be paid back if it's used to maintain payroll, cover sick leave, and service other debt obligations.

But what if a business owner receives both a grant and a forgivable Paycheck Protection Program loan? Well, if a business owner gets money from both funds, the forgiveness of the latter loan would be reduced by the amount of the grant.

Health Care Enhancement Act

The other significant piece of this legislation is called the Health Care Enhancement Act. This Act grants more money to hospitals and health care providers. These providers will receive an additional \$75 billion in relief funds. This money is to help reimburse these providers for coronavirus-related expenses. These expenses include buying additional personal protective equipment and expanding their number of beds.

The funds will also go to compensate hospitals and health care providers for lost revenue. This lost revenue is primarily from the suspension of elective surgeries and procedures. Lost revenue from these procedures has hit many hospitals, especially hard, financially.



Eligible health care providers, for these funds, include public entities, and Medicare or Medicaid enrolled suppliers and providers. It also covers for-profit entities and not-for-profit entities that provide diagnoses, testing, or care for individuals with possible or actual cases of COVID-19.

Funds are available for hospitals and health care providers for:

- Building or construction of temporary structures
- Leasing of properties
- Medical supplies and equipment and testing supplies
- Increased workforce and training
- Emergency operation centers
- Retrofitting facilities
- Surge capacity

To be eligible for a payment, a health care provider shall submit an application. This application will include a statement justifying the need of the provider for the amount, and the qualified health care provider shall have a valid tax ID number.

Allocation of Health Care Funds

The bill also includes a breakdown of how this additional \$75 billion in Health Care Enhancement Act funds will be distributed among U.S. hospitals and health care providers. Here's how this \$75 million will be distributed. No less than \$2 billion shall be allocated to States, localities, and territories according to the formula from the Public Health Emergency Preparedness cooperative agreement.

Not less than \$4.25 billion shall be distributed to States, localities, and territories according to a formula methodology based on their relative number of COVID-19 cases. Finally, no less than \$750 million will be allocated in coordination with the Director of the Indian Health Services, to tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes.



Note, no later than 30 days after the date of the enactment of this Act, the Governor or designee of each state, locality, territory, tribe, or tribal organization receiving funds pursuant to this Act shall submit its plan for COVID-19 testing, including goals for the remainder of the calendar year 2020, to include:

1. The number of tests needed, month-by-month, to include diagnostic, serological, and other tests as appropriate.
2. Month-by-month estimates of laboratory and testing capacity, including related to workforce, equipment and supplies, and available tests.
3. A description of how the State, locality, territory, tribe, or tribal organization will use its resources for testing, including as it relates to easing any COVID-19 community mitigation policies.

More Money for COVID-19 Testing

Another vital piece of this bill is an additional \$25 billion to expand coronavirus testing capacity. Of this \$25 billion, \$11 billion is earmarked for states, localities, territories, and tribes to develop, purchase, administer, and analyze tests. The Act calls for States, localities, territories, and tribes to submit plans on how the resources will be used for testing and easing coronavirus community mitigation policies.

Similarly, the bill will provide up to \$1 billion to cover testing costs for the uninsured. And it will give \$825 million to community health centers and rural health clinics, which frequently must treat the uninsured. Of this \$825 million, \$600 million will be transferred to the Health Resources and Services Administration – Primary Health Care. This \$600 million is earmarked for grants under the Health Centers program and for grants to federally qualified health centers, as defined in section 1861 (aa)(4)(B) of the Social Security Act.



Another \$225 million of this \$825 million is earmarked to provide additional funding for COVID-19 testing and related expenses, through grants or other mechanisms, to rural health clinics as defined in section 1861(aa)(2) of the Social Security Act. These funds are available to such entities for:

- Building or construction of temporary structures
- Leasing of properties
- Retrofitting facilities as necessary to support COVID-19 testing

[Learn more about another COVID-19 piece of legislation, the FFCRA, here.](#)

Funding for National Health Institutions

Additionally, this legislation will also provide funding for multiple National centers of health. The Centers for Disease Control and Prevention will receive \$1 billion for surveillance, lab capacity expansion, contract tracing, and other needs. The bill will also send \$1.8 billion to the National Institutes of Health to develop, improve, and implement testing. Plus, another \$1 billion will go to the Biomedical Advanced Research and Development Authority for coronavirus tests and supplies.

Coronavirus Oversight Panel

While not a part of this new stimulus package, another critical vote took place on Thursday. Prior to the vote on the relief package, the House voted to establish a new panel with authority to oversee the federal response to the COVID-19 pandemic. The panel will be a select investigative subcommittee of the House Oversight Committee.

This subcommittee will have the far-reaching power to investigate how the trillions of dollars approved for coronavirus relief are used. The panel is authorized to conduct a complete investigation and issue a final report of its findings to the House. A final report will cover a diverse array of topics, including executive branch policies, deliberations, decisions, activities, and external and internal communications related to the COVID-19 pandemic.



The committee will focus on ensuring that taxpayers' money goes to workers' paychecks and benefits. They will make sure the federal response is based on the best possible science. Additionally, they will ensure profiteers and price gougers aren't exploiting the money invested.

Their investigation will probe the efficiency, effectiveness, equity, and transparency of taxpayer funds used to respond to the crisis. It will also examine reports of waste, fraud, and abuse of funds. Finally, the committee will also study the economic impact and disparate impacts of the crisis on different communities.

The Wrap

The U.S. government has now committed close to \$3 billion to combat the COVID-19 pandemic. Nobody knows if further relief is coming, or if the Health Care Enhancement Act represents the last stimulus.

So, make sure you're checking in with [The Olson Group](#) as new updates roll in. Or take a look at The Olson Group's comprehensive [COVID-19 Resource Center](#).

And, if you're confused about the Paycheck Protection Program, the Health Care Enhancement, or any coronavirus-related legislation, [contact The Olson Group today!](#)